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HOUSE OF COMMONS

Monday, October 15, 1973

The House met at 2 p.m.

[*English*]

HOUSE OF COMMONS

WELCOME TO MEMBER FOR OXFORD ON RETURN

Mr. Speaker: Order, please. Before going ahead with routine proceedings as we resume this session, may I take one moment to say how pleased all hon. members are to see that the health of the hon. member for Oxford (Mr. Nesbitt) has permitted him to return to the House.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

FINANCE

STATEMENT ON MEETINGS OF COMMONWEALTH MINISTERS AND INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND INTERNATIONAL MONETARY FUND

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I wish to make a short statement to inform members of developments at the meeting of the Commonwealth Finance Ministers in Dar-es-Salaam, Tanzania, on September 19 and 20, and at the annual meetings of the International Bank for Reconstruction and Development and the International Monetary Fund in Nairobi, Kenya, September 24 to 28.

At both meetings I strongly urged the need for greater policy co-ordination between countries in controlling the spread of inflation internationally. I emphasized the importance of the international fall-out of domestic inflation, for example, when sudden commodity purchases by one country send waves of inflation into a number of countries or when high interest rates generated by one country create troublesome international capital flows and also produce inappropriate interest rates in other countries. I made it clear that we need to strengthen the fund so that it can provide leadership in creating badly needed co-ordination of policies among countries. We intend to pursue this matter further in the continuing discussions on monetary reform.

[*Translation*]

I was encouraged that the new Managing Director of the International Monetary Fund, Mr. Witteveen, as well as a number of other representatives at both Conferences, dealt with the problem of international inflation at considerable length. Commonwealth ministers noted, in particular, the problems arising from high food prices and called for urgent international study of inflation with a view to action to overcoming it and its adverse effects, especially for developing countries.

The meetings in Dar-es-Salaam provided a useful opportunity for an exchange of views between ministers from Commonwealth countries on the major issues involved in monetary reform and on the current world economic situation as it relates to both developed and developing countries. Ministers welcomed the agreement which had been reached in Tokyo the previous week to launch comprehensive trade negotiations, stressed the importance of a satisfactory outcome to these negotiations and urged that they lead to an improvement in the trading position of the developing countries.

Ministers devoted a large part of their time to questions related to improving the relative positions of the less developed countries of the Commonwealth. Discussion included items referred to them by the Ottawa Commonwealth Heads of Government Meeting of last August.

Among the more important of these items was the Commonwealth Fund for Technical Co-Operation. I am pleased to report that as Canada's representative I expressed our support for strong, continuing Commonwealth arrangements and reaffirmed the pledge, given by the right hon. Prime Minister (Mr. Trudeau) at the Heads of Government Meeting, of a significant increase in our contributions to this Fund.

[*English*]

There was much discussion among Commonwealth countries concerning the possibility of a link between the creation of special drawing rights and development assistance as an integral part of the reformed monetary system. We have examined the link proposal with great care, and this we have done not just because of our interest in monetary reform but also because of our firm conviction that development finance must increase and must be soundly based. We are concerned that such a link might hinder the acceptance of the SDR as the principal asset of the reformed system. We are also apprehensive that such a link might inhibit the establishing and maintaining of control over international liquidity which is essential to reform. Moreover, we are not convinced that such a link would increase the flow of development assistance.

As I have already said, this government regards such an increase as being very important. I urged in both Dar-es-Salaam and Nairobi that further work be undertaken to see if these difficulties might be surmounted. The Commonwealth finance ministers, I am happy to report, agreed that the next step should be to examine specific link mechanisms which would be consistent with a soundly based international monetary system. Furthermore, the Ministers of the Committee of Twenty have instructed their deputies to establish a special technical group to examine in a comprehensive and detailed manner the

question of the transfer of real resources to the developing countries as it relates to monetary reform.

● (1410)

With the permission of the House, I should like to table a copy of the communiqué issued at Dar-es-Salaam following the meeting which reflects the wide range of topics discussed.

I am pleased to announce in this House that the Commonwealth Finance Ministers accepted Canada's invitation to meet next year in Ottawa.

The annual meetings of the IMF/IBRD in Nairobi were preceded by a meeting of the Committee of Twenty on Monetary Reform on Sunday, September 23. This provided an opportunity for the committee to review the work of their deputies. A good deal has been achieved since the committee was established last year, but many ministers, including myself, expressed a degree of impatience over the pace of progress to date.

I am concerned that, if results are not soon achieved, the momentum of the discussions may be lost. The issues that have to be dealt with include suitable techniques for redressing payments imbalances, rules relating to converting currencies into primary reserve assets, methods for dealing with the problem of excessive holdings of currency reserves, the role of gold in the system, and the problem of valuing the SDR in terms of currencies and deciding what rate of interest it should carry.

The committee, and the governors of the fund as a whole, are cognizant of the urgency which is attached to resolving these questions. In my interventions in the committee and in my statement at the annual meetings, I stressed the importance of proceeding to implement reform in a sequential way as changing economic conditions permit. Specifically, I pointed out that more effective consultation over matters such as adjustment problems and exchange market developments could begin now. This could be done through special meetings of the executive board of the fund attended by representatives from capitals. I also believe that SDR valuation problems might well be solved through the deliberation of the fund executive board, and that progress with respect to the role of gold and the reduction of excessive currency balances through bilateral funding also need not await full-fledged reform of the system.

I believe it unlikely that an ideal environment for the implementation of a fully revised monetary system will emerge in the next few months. In particular, it will not be possible to complete the reform until the United States balance of payments, which is now improving, has achieved a much stronger position. This should not, however, impede progress in particular areas which could even now contribute to improved stability and confidence in world monetary arrangements.

[*Translation*]

The Committee of Twenty Ministers have set for themselves a deadline of July 31, 1974, for the settlement of the outstanding issues needed to achieve an agreed outline of reform. In working to this objective, the committee will meet in January and again in the spring. At the same time, our deputies will pursue with a new sense of urgency the work program which we have set for them.

The House will be interested in the position we took on monetary reform. I made our position quite clear in my statement to the governors, elaborating on it at some length. I should like, with the permission of the House, to table this statement for the information of hon. members. For the convenience of members, I will also table a copy of the Report of the Chairman of the Committee of Twenty to the Fund Board of Governors, as well as the First Outline of Reform prepared by the deputies and the statements made by the managing director.

With respect to the World Bank group, the principal issue was the Fourth Replenishment of the resources of the International Development Association, the World Bank's concessional lending arm. In his statement to the annual meeting, which I am tabling today, Mr. McNamara stressed the urgency of reaching agreement on the replenishment so that the association could continue lending operations in the poorest developing countries after July 1, 1974.

[*English*]

I am glad to report that representatives of donor countries were able to agree at Nairobi to recommend to their legislatures a total replenishment of $4.5 billion U.S. for the period 1974 to 1976. On behalf of Canada I pledged a contribution, subject to the approval of parliament, of $274.5 million, or 6.1 per cent of the total. I also assured Mr. McNamara that the Canadian government would do all it could to ensure that Canada's contribution can be made on time.

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, first, I would like to thank the minister who sent us a copy of his statement along with the related documentation in time to allow us to study it, at least partially. It is true that the minister had sufficient time to think about his statement and prepare a text with somewhat ambiguous passages to embroil matters a bit, because it should be noted that the minister was reporting on his participation in two conferences. First, he participated in the conference of the Finance Ministers of Commonwealth countries, which have particular problems and are bound by special ties. Then, he took part in a much more important conference in Kenya, where he discussed international problems, inflation and the reform of the monetary system with his colleagues.

Mr. Speaker, in the text which we have been given, the minister has confused these meetings; however, he was probably unable to indicate the problems which are still unsolved or suggest an acceptable solution.

[*English*]

It was interesting to hear the minister start out to speak on a subject in connection with which he needs nothing better than the situation in Canada as an inspiration for his concern. I refer to the lack of control over inflation in Canada which this government displays. The hon. gentleman could therefore attend both conferences as a great expert on the problems of inflation, though he did not tell us what might be the solutions. In this regard, at the foot of the first page of his statement he says:

I was encouraged that the new managing director of the International Monetary Fund, Mr. Witteveen, as well as a number of other representatives at both conferences, dealt with the problem of international inflation at considerable length.

Here, Mr. Speaker, is the beauty of combining the reports. The minister immediately moves in the next sentence to the Commonwealth ministers conference and says that the Commonwealth ministers noted, in particular, the problems arising from high prices, and so on. It would have been interesting had the minister continued and let us know what Mr. Witteveen had said in his report to the directors of the International Monetary Fund a while earlier. Mr. Witteveen said, as found in the IMF survey:

In order to use this opportunity for a real break-through in the struggle against inflation it may prove essential to supplement monetary and fiscal policies by some form of incomes policy to act directly on prices and wages which are not determined competitively. For recent experience has shown that elimination of excess demand, while necessary to bring down inflation, may by itself not be sufficient for this purpose. Effective incomes policies will be all the more necessary in an international climate from which the inflationary bias has been removed. Under such conditions a continuation of wage and price increases at present rates might easily have adverse repercussions on growth and employment, especially in those countries whose competitive position has suffered by the adjustment of exchange rates.

How true, Mr. Speaker. Would the minister now tell us this: did he in his comments at the conference of the International Monetary Fund express the views of the Canadian government with regard to the director-general's recommendation concerning an incomes policy? It would be very interesting to hear what the minister had to say in that regard.

I certainly support the hon. gentleman in his keen desire for international co-operation in dealing with inflation. But, right there, he fails to follow through. After all, if 12 out of the 19 OECD countries have partial or almost full controls at this time, why is it that Canada must distinguish itself by being one of the countries least able to deal with its inflation, doing the least about it and having only minimal controls?

● (1420)

Mr. Turner (Ottawa-Carleton): Because they have not worked.

Mr. Lambert (Edmonton West): On a point of information, the minister says they will never work.

Mr. Turner (Ottawa-Carleton): No, I did not say that. I said because they have not worked.

Mr. Lambert (Edmonton West): But nothing seems to be working in Canada. Inflation is running rampant every month. It seems to me that, having gone to the African continent, the minister has continued to emulate the attitude of that famous large bird which is endemic to the area and buried his head in the sand.

On the question of monetary reform, there too I share the minister's apprehension that progress is being made very, very slowly. We have just gone through several months of the most agonizing international financial crises in 1973 and I do not think the world can stand another round of that sort of thing. I do not know whether we have a picture of countries frozen into immobility, unable to think and act in regard to reforming international monetary relationships. To this extent I agree with the minister that things must happen a lot more quickly.

The minister did not speak of this point because at the time of the conferences the Middle East crisis had not broken out, but I am wondering whether part of the crises of 1973 was not a carefully engineered preliminary within the framework of the International Monetary Fund, leading to the outbreak of hostilities today. It may be that the minister thinks this a little farfetched but I want him to think about it. In any event, it merely illustrates that it can happen.

We also want to know what proposals Canada has made regarding international monetary reform, whether the minister is talking about a broader band or about a creeping peg, and what should be the rights of developing countries to participate in a special category of drawing rights, which I think would unnecessarily complicate what is essentially an exchange program through a foreign aid program around the world.

My last point is this. I could quote extensively from Mr. Witteveen's final summary to the conference in regard to the nature of monetary reform progress which has been made, but it seems that there is to be a fixed exchange system which will be the cornerstone of the reform system. At this point I should like to ask the minister: Did Canada insist that there should be a right to float? If so, how does this square with the minister's reported statement that he expects that Canada will soon return to a pegged exchange rate, as it should be doing in order to conform with the present agreement?

The minister has furnished us with a great deal of material to examine in detail, but this is not the time to do so. I can see that Your Honour is becoming impatient. The minister has made a ten-minute statement. I hope that my reply covering the same ground has been equally short.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I am pleased that the minister saw fit to make a statement in the House today about the meetings he attended over the last few weeks on the world monetary situation. I cannot say that I am pleased, and I do not think many hon. members are, with the progress of those meetings. Indeed, the progress has been very discouraging. The lack of any solution regarding the world monetary system and problems relating to the United States dollar has been discouraging.

I think Canada could have played a more positive role in taking the initiative toward finding solutions to these problems. Perhaps the minister in his statement should have outlined more fully the opinion he expressed and the approaches he took at these conferences. About the only positive thing that resulted from these meetings is the fact that the group of 20 set a deadline of July 31, next year, to find a solution. Various technical committees have been established in an effort to hammer out the details of an acceptable solution.

I think the most important thing missing from the discussions held in Africa, as covered by the minister's statement, is the role of the multinational corporations, financial institutions and banks throughout the world and the influence and power they exert in respect of world

financial and monetary conditions. I have in front of me a copy of the Canadian Business Survey for 1971. It contains statistics that reveal the tremendous powers of multinational corporations, with particular reference to their effect on world monetary policy. They indicate that at the end of 1971 the multinational corporations had short-term liquid funds amounting to $268 billion. That is more than double the entire amount of the official short-term funds of all the countries that are members of the International Monetary Fund. I repeat: the multinational corporations had more than double the short-term liquid funds of all the countries which belong to that association.

That is the position of the countries belonging to this association which are trying to get together to solve international financial problems. One can realize from these statistics the effect that the policies of these huge international corporate giants can have on balance of payments problems, on problems in respect of interest rates and on commodity prices. In spite of this, we do not find much in the minister's statement regarding what attitude the world community is going to take toward multinational corporations. We do not see anything in the minister's statement in respect of who is to police their activities, or who is going to say what they can and cannot do.

I cannot help but emphasize that the power of these corporations is largely responsible for much of the inflationary rate we are experiencing today. The expansion of American based multinational corporations outside of the United States has had a serious effect on the U.S. balance of payments. This also has an effect on the value of the Canadian and American dollars, driving them down, and the subsequent appreciation of the German mark, the French franc and the Japanese yen. This has resulted in increasing the prices of commodities imported into in Canada. I suggest that all of this is due to the corporate policies of these giants, most of which decide policy without respect for the ordinary citizen or governments around the globe. These corporations decide policies behind closed doors where most nations of the world cannot exert influence.

My second concern is in respect of the International Monetary Fund, the World Bank and other banking institutions which are doing very little to develop the needy countries of the world. I know as a fact that many of these countries resent the policies of our international monetary institutions. What they want instead is some significant effort toward providing them with a fair share of the trade enjoyed by developed countries. I suggest that our banks are partially responsible for the international monetary situation. They have international arrangements. They have literally billions of dollars tied up in investments and assets in other countries round the world such as the Caribbean and Europe. These are problems we will have to solve. They are what we might call serious ideological problems which the world community must solve if we are to reform the monetary system.

● (1430)

Third, what is the reaction of the minister to the current move in the world toward special drawing rights and away from gold as a standard? He does comment extensively on this in his report, but I should like him to elaborate and provide the House with more information concerning Canada's position. It is very important when talking about developing the third world to remember that the poorer countries have very little influence on the financial policies of the world in general. It is very important that we learn more about the minister's attitude toward special drawing rights.

[Mr. Nystrom.]

Finally, as I said, it is important that we solve the monetary problems of the world because a lot of the instability creates inflation in our country and precisely because of that we do not have control of our economy and do not determine many of the decisions we must determine if we are to control the economic situation in our own country. We in this country should not use the international situation and the importation of inflation as an excuse for not doing anything about controlling inflation in Canada. We can tackle some of the multinationals. In Canada we produce commodities like energy, lumber, copper, iron and steel and we could control to a large degree the prices of many of these commodities that we produce if we only had the guts to tackle some of the multinational corporations and international cartels.

These are things we should be doing if only the minister would get off his fanny and start acting in a decisive and positive manner instead of sitting back in an international financial conference and saying, "Oh my, it is a difficult problem and we cannot solve it". We can do many things. We can put exchange controls on our interest rates if we want to bring down interest rates in this country. We can make certain investment policies mandatory. These are things we can do in Canada and which we should be suggesting to the other countries in the international arena as well. I am not satisfied and I am sure the people of Canada are not satisfied. I urge the minister to press ahead and do all he can in a decisive and positive manner to reform the world monetary system so that the poorer countries of the world, Canada and the ordinary citizens will be beneficiaries of that reform and not the international monetary institutions.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the Minister of Finance (Mr. Turner) has shown clearly enough the almost complete failure of the International Monetary Fund. He actually attended two meetings, one within the Commonwealth of nations, and the other which brought together representatives of various countries of the world in Africa and at both meetings, the minister found—like his colleagues at those meetings—that the system should be reformed.

There is much talk about the monetary reform of the international fund. They do not know which way to turn, they are lost in conjecture. Inflation is destroying one country after another and they talk of monetary reform without determining clearly the lines and structures of a necessary reform. Mr. Speaker, in 1944, when the Bretton Woods Agreements were signed, the Créditiste members of that time, along with Solon Low and John Blackmore, were against those agreements and they described then exactly what is happening today to the International Monetary Fund.

I say that the world bank is at the present time a complete failure, which undoubtedly shows this organiza-

tion's inability to maintain a steady economic growth in its member countries or in the countries that are united under its aegis. Mr. Speaker, as I said a while ago, all countries are suffering from inflation. In Canada, we have inflation; some people advocate a price and salary freeze. This was tried in certain countries. In others, it was abandoned. But in any of the member countries of that organization, it will be noticed that inflation is more devastating there than in Canada. In France, for instance, a black and white television set, which costs here $175 or $180, costs over there $425. In other countries, it is still worse. It is the same in every field.

Mr. Speaker, the Créditistes have been claiming for a long time that a monetary reform should not be superficial only. To change four quarters for ten dimes may represent a reform but it only adds up to a dollar just the same.

Therefore, what we suggest is a basic reform: that all new credits be debt free. It is the debt-money system. Debts have lead the various nations to this situation, including Canada. The currency created should be free of debt and interest. Thus, if the Minister of Finance (Mr. Turner) lends me $10, I will give him back $10.50, including 50 cents interest. This is quite normal, because he agrees to lend me money. But the financial system is lending us something that it does not own. It cashes in on our properties, our assets, our country and requires from us that we pay a tribute, an interest on our properties. This is the kind of reform that we must achieve as soon as possible, Mr. Speaker, in order to free not only other countries but also our own, Canada.

* * *

[*English*]

IMMIGRATION

REPORT ON ADJUSTMENT PROGRAM

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I believe hon. members of the House would be interested in a report on the immigration adjustment program which was approved by Parliament earlier this year and created by the amendment to the Immigration Appeal Board Act. This has, since last June 18, enabled thousands of persons in this country, both legally and illegally, to come forward and obtain landed immigrant status without fear of being prosecuted for having violated the immigration laws so far as their method of entry or style of staying here is concerned. The opportunity given to them under the said program ends at midnight tonight under the legislation to which I have referred.

I am pleased to say that thousands of lives have taken on new meaning as a result of this opportunity. By the time our offices closed last night, the immigration offices—and they were open yesterday across Canada—once the dependents of the applicants are taken into account, 45,180 persons will have been registered for this opportunity. To this, of course, must be added the results of today's activities. To indicate that this response has been a national one, these are the numbers of registrations of persons involved by region: in the Atlantic region, 3,036; in Quebec, 7,355, in Ontario, 25,169, in the Prairies, 5,008, in

the Pacific, 4,612, for a total of 45,180. I am sure that members will understand that it has not been possible to process all these cases as they are received.

● (1440)

Only the registration must take place by midnight and we have given that priority. Nevertheless, I am able to say that 16,940 cases involving 21,996 persons have already been favourably assessed and the persons concerned will be landed subject to completion of the normal medical and other immigrant requirements.

There has been some suggestion in the media and from other sources that these results may be disappointing to the government and that the number of persons eligible for the program is far higher than the number of those who have, in fact, registered. Uninformed guesses have been made regarding the number of people who may be in Canada illegally. These unfounded speculations relate to a range anywhere from 50,000 to 200,000 people. I hasten to make it clear that at no time to my knowledge has the government given any estimate of the size of the group that might benefit from the adjustment program.

An hon. Member: You do not know.

Mr. Andras: That is quite correct. We do not know, and we could only make such a suggestion if we had a system of registering at ports of entry every one of the 38 million non-Canadians who come into Canada each year and re-registering each one again on departure. Such a tight system of control, I suggest, would be abhorrent to the Canadian people and would do tremendous injury to our important tourist industry.

Some hon. Members: Hear, hear!

Mr. Andras: Instead of indulging in speculation on the number of people who might qualify, the program might better be judged on whether or not the potential registrants were made aware of their opportunity. I am satisfied that the message did indeed get across and that there are very few who did not hear it. Our advertising campaign was one of the most extensive ever used by my department. We employed radio, television, the press, posters in traffic locations, halls, and transit systems. Advertisements appeared in all of the English and French dailies and in the ethnic press as well. Broadcasts were made in almost every language heard on Canadian streets.

However, the paid campaign was only part of the publicity campaign. Wide news coverage of the program and of individual cases was given on news reports, on radio broadcasts and television specials. My officials and I appeared on numerous programs and attended hundreds of meetings. Leaders of the ethnic and other community organizations gave the program the strongest support, and many members of this House from all parties also placed their support and influence behind the program, for which I must express my most sincere appreciation. In short, the adjustment program not only received national support but also active participation by thousands of persons who encouraged those eligible to come forward.

The effect of the advertising and the public support was indicated in a Gallup poll which we commissioned in the

first week in September when the program had been under way for only three weeks. On a national basis, even at this early stage 69.7 per cent of those interrogated were aware of the program, and this high level of awareness was held by persons interviewed whose mother language was other than French or English. Of this number, 81.2 per cent knew that further information could be obtained from a Canada immigration centre or a Canada manpower centre.

As hon. members will recall, the adjustment of status program is only one of three measures referred to when I introduced Bill C-197 last June. Under the special administrative measures introduced in June, 1972 to review the backlog in the inquiry system, we have now dealt favourably with cases involving 13,500 persons. The Immigration Appeal Board has ruled favourably on 3,500 cases since June of this year, using the new authority to sit as single member panels. I am announcing later today the appointment of 13 temporary members under the new legislation, and among the cases they will hear, 17,800 appeals to the board have already been favourably reviewed by my officers against the relaxed criteria applicable under the adjustment of status program. Through these three special actions in the past 15 months there are, therefore, some 80,000 people who may now expect to gain the right to live in Canada and who were formerly in fear of deportation. By midnight tonight, that figure will be even greater.

Despite my conviction that the message has indeed been delivered, I have recently received some suggestions from thoughtful people that there may still be some potential registrants who have not heard of the program or that there may be some who are reluctant to come forward because of a fear, unfounded though it may be, but nevertheless a real fear of the bureaucracy. As I have said, I am satisfied that the program has reached its intended audience. I am also confident that we have done all we could to allay these fears. I recognize that it does take time to establish a climate of trust. That trust can only be really obtained when a person who is hanging back sees that his friends have been dealt with favourably. For the first part of the campaign, my officials were involved with the process of registering the thousands who came forward. An assessment of individual cases has to take place later. For some weeks we have been publicizing the success rate of applications and, as it has become known that the chances of success are very high indeed, there has been an indication that those who had been holding back have indeed been coming forward. From a daily average fluctuating between 550 and 870 registrants in the first seven weeks of the campaign, registrants are now coming forward at a much higher rate. There were new registrations on October 12, for example, involving 1,429 persons.

These figures lead me to believe that there is now great confidence in the program and that by midnight tonight when our offices close all those who wish to come forward will or should have done so.

In view of the concern expressed, not only by responsible organizations but also by responsible newspapers in Canada, that more time may be needed to allow the new climate of trust to take effect, we are assessing the situation closely as the time available to register draws to a close. I will also listen carefully to any of the comments made by hon. members. As hon. members are aware, any extension of the adjustment program would require new legislation to be passed by parliament.

In closing I would like to emphasize that whichever way we go, this involves a very serious decision, one which I do not think anybody here would suggest we take casually or too hastily. There are costs as well as benefits on either side of the suggestion. On the one hand, if extension is considered, the effect on attitudes of countless thousands of people abroad for whom Canada is so attractive that they will seek and test any loophole which would allow them to come here must be taken into account as well as any apparent lack of will to hold firm to our immigration laws as announced. Furthermore, we cannot ignore the effect of the commitment of resources to an ad hoc program of this type for a prolonged period of time. On the other hand, we must judge whether we have cleaned up the bulk of the problem with which we have been faced. Certainly, we do want to avoid mass deportations and we want to ensure that our program has been effective. In view of all the publicity which has been given to this program and all the effort put into it, we are entitled, before we make a decision, to get pretty substantial evidence that there may be or may not be great numbers of people who have not been reached by all our publicity before we act.

In closing, I should like to reiterate again that I will be very interested in the views of hon. members in the response to my statement.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to thank the minister for the courtesy he extended to me in allowing me to have his statement not only so that I could read it but so that the members of our caucus might see it. When I received the statement I smiled because, if this statement points out anything, it points out the hesitancy and uncertainty of this government.

Some hon. Members: Hear, hear!

Mr. Alexander: Until yesterday the minister, without any equivocation whatsoever, was indicating to the whole country that there would not be an extension after October 15. I would like to read portions of his statement. On page 1 I find these words:

> The opportunity given to them to make "our country, your country," ends at midnight tonight.

That is a statement of fact. Yet, when we review the minister's statement we find that later he says:

> As I have said, I am satisfied that the program has reached its intended audience.

To demonstrate the equivocation of the minister and the frustration he is causing the people of Canada, particularly those who are interested in this most serious program, let me read certain other parts of the statement. He states:

> These figures lead me to believe that there is now complete confidence in the program and that by midnight tonight when our offices close, all those who wish to come forward will have done so.

● (1450)

Those are statements of fact, Mr. Speaker, and the minister and his department are the only ones who have any information whatsoever.

Mr. Andras: Mr. Speaker, on a point of order, with great respect to the hon. member I want to point out that I sent him a draft copy of the statement and if he will carefully examine my comments he will see that when I was on my feet I did, as I think is properly my right, make some corrections and changes.

Some hon. Members: Oh, oh!

An hon. Member: You change every ten minutes.

An hon. Member: We cannot even rely on the statement.

Some hon. Members: Shame!

Mr. Speaker: May we have order, please. The hon. minister, I am sure, would appreciate and agree with the Chair that this is hardly a point of order but a point of debate. I would hope that we might continue with the hon. member for Hamilton West. At the same time, I think I might remind the hon. member for Hamilton West of the terms of Standing Order 15 which gives him the right to make comments without provoking debate.

Mr. Alexander: Mr. Speaker, far be it from me to provoke a debate with my remarks, though apparently they cut home as far as the minister is concerned. Without replying to what he has said, let me read the last paragraph of the statement which leads me to say that the government has not made up its mind what to do in this most serious situation at this time. The last paragraph reads:

> In view of the concern expressed not only by responsible organizations but also by responsible newspapers in Canada, that more time may be needed to allow the new climate of trust to take effect, we are assessing the situation closely as the time available to register draws to a close. I will also listen carefully to any comments from hon. members. As hon. members are aware, any extension of the adjustment program would require new legislation to be passed by parliament.

What the minister is attempting to do is acquire direction and leadership from editorial comment and the reaction of Canadians. I am very surprised by this statement because there are a number of matters which should have been dealt with to allay the fears of many of these illegal immigrants. Did the minister mention anything about his policy with respect to the alleged witch hunt? This is of great concern to many of these people, but the minister ignored it. Did the minister give selective assurances with respect to his attitude as to what moral turpitude means? What does the prohibited clause mean? How do we find proof of residency? What does the minister think about those people who have been working but not filing income tax returns? These matters are of great concern and the questions should have been answered. There should have been some indication of what the government and the minister think about them, but nothing was said because the minister does not know what to do and is seeking advice from members of parliament and the people of Canada.

This has been a magnificent program, Mr. Speaker; there is no doubt about that. It is unique. No other country has attempted to do what we have done and we on this side of the House wish the minister every success. I dislike being partisan but in view of what is happening I have to be. We can see from the statement that the minister has made up his mind that there will be an extension. Why does he not come to the House and say that he wants two more weeks? If we are given the facts we will approach the matter with an open mind, especially as the program came from this side of the House in the first instance. We remember when the minister cut off applications and we protested that it should not be done in that way but should be approached in a humanitarian manner. At first the minister disagreed but suddenly he flip-flopped and brought in this legislation which we endorse.

I repeat that this is a good program but we hope that the minister will consider the economics of the matter. I do not know how many people are involved but if the time is extended we may get another 10,000 or 5,000 people. This would save the country money compared with the mass deportation orders that would have to ensue eventually.

We are not going to tell the minister what to do. He knows what we think as we started this program in the first instance.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

An hon. Member: Get out of the job.

Mr. Andras: What has he said?

Mr. Alexander: In all sincerity, Mr. Speaker, I must say that the advertisements have been good; there is no question about that. I still believe, however, as many other people do, that there are some who have not been reached and perhaps there are some who are not yet prepared to accept the government's sincerity. If this be true, I wish the minister would tell us; that is what we are waiting to hear. If this be a fact, perhaps there is need to extend the program. If the minister would bring the facts before us and let us know whether he wants an extension of time we would be prepared to approach this matter with an open mind for the benefit of Canada and Canadians.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the hon. member for Hamilton West (Mr. Alexander) criticizes the government for the inadequacy of this program—

Some hon. Members: Oh, oh!

Mr. Orlikow: —and then says it is for his party to express an opinion on whether the program should be extended. As to the success of the program, close to 50,000 people have come forward. This indicates, first of all, that we have a mess of considerable proportions in this country. People who were here—

An hon. Member: Whose fault was that?

Mr. Orlikow: The hon. member asks whose fault that was. It was the fault of all members of the House and all parties who agreed to the amendment of the Immigration Act which permitted visitors to apply for citizenship while in Canada. That encouraged people to come here as visitors and then stay. All parties agreed to that so we are all somewhat responsible for the mess. The mess was also created by the fact that the Immigration Appeal Board did not have enough members to deal with the applications and so they backed up. We are all responsible for the mess, Mr. Speaker.

We can all agree that the government should have proceeded with this kind of program before. However, it finally did initiate the program which has brought forward 45,000 people whose applications are now being processed. In the last part of his statement the minister made it clear that in the latter part of the campaign the number of applications daily had increased from somewhere in the neighbourhood of 550 or 780 to over 1,400 on October 12. This seems to make it clear that a substantial number of those people who are in this country illegally had no doubt that they would be dealt with in a generous way despite the initial lack of information available to them. Because of the increasing rate of applications toward the end of the program it seems to me there is every reason to grant an extension.

I cannot fault the minister for having announced a week ago that he was not prepared to propose an extension of two weeks or a month. Had he done that, perhaps the applicants who came forward in the last week would not have felt it necessary to do so. I think that everything the minister has said and all the reports coming in indicate that the program has been successful and that the message did get across.

I want to say to the minister, without going into what might have been done or what was done in the past, that the program is working. If the minister were prepared to make a proposal to extend it for one month we in this party would approve. I think I can speak for my colleagues and say that if he were to bring forward the necessary amendment we would permit its passage without debate. I urge him to do that and to continue the campaign the department carried on through the media so that as many of the people who are here illegally as possible will come forward and legalize their position.

● (1500)

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I thank the Minister of Manpower and Immigration (Mr. Andras) for his statement on the regularization of the status of some 45,000 immigrants who were illegally in Canada.

Mr. Speaker, this program reminds me a kind of temporary alternative meant to cope with some inadequate administration or the effects of a poor immigration policy. If this program has become necessary in Canada to enable more than 45,000 individuals who are officially non-residents to regularize their status, it shows that the Immigration Act should probably be entirely overhauled. How come Canada has 45,000 immigrants whose status is not regularized and why was it finally necessary to launch a publicity campaign to retreive those people and invite them to become full-fledged Canadian citizens.

Mr. Speaker, this shows that our policy immigration is unsatisfactory, that it no longer meets our needs nor reflects the whole image of Canada abroad.

Mr. Speaker, the standards of our Immigration Act should be reconsidered so that in the future, such conditions will be avoided.

Of course, the minister and the government must be congratulated for having allowed these citizens to straighten out their situation in Canada.

Mr. Speaker, even though we have been making this proposal year after year, the same problem will arise again. Why then should they not tackle the real problem of immigration and bring this legislation again before Parliament in order that immigration standards and this whole policy be reconsidered and that this ridiculous situation does not arise again.

This is a shameful situation both for the people who have come here secretly—I know some who were afraid to report to these famous offices—and for certain foreigners who have made an application but who are facing some officials who cannot accept them because of an obsolete law.

Mr. Speaker, it seems to me that if this government wanted to be smart in this field, it would reconsider completely the Immigration Act rather than content itself with repairing damages.

* * *

[*English*]

BRIDGES

TABLING OF STATEMENT ON INTERNATIONAL BRIDGES WITH PARTICULAR REFERENCE TO AMBASSADOR BRIDGE

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I wish to table in both official languages a statement on international bridges, with particular reference to the Ambassador Bridge. The text of the statement will be transmitted today to the parties interested in the Ambassador Bridge.

* * *

EXTERNAL AFFAIRS

RECOGNITION OF NEW GOVERNMENT OF CHILE— REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I rise to seek the unanimous consent of the House under the provisions of Standing Order 43 to move the following motion, seconded by the hon. member for Scarborough West (Mr. Harney):

That this House expresses its regret that the government did not see fit to withhold diplomatic recognition of the military government of Chile installed as a result of a military coup in which the democratically elected President lost his life and in which the fundamental human rights of many of the people of Chile have been disregarded;

And further calls upon the government to do all in its power to undertake a humanitarian effort to save the lives of political refugees who had taken refuge in Chile.

Mr. Speaker: This motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

ENERGY

POSSIBLE SHORTAGE OF NATURAL GAS FOR NORTHERN BRITISH COLUMBIA INDUSTRIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I rise under Standing Order 43 on a matter of urgent and pressing necessity. Labour and industry in northern British Columbia are panicstricken as a result of announcements made by Westcoast Transmission and Inland Natural Gas which indicate a possible shortage of supply of natural gas to large industrial users in that area. Industrial plants have been notified by letter of this fact.

Mr. Speaker: Order, please. I have to interrupt the hon. member at this moment. I think, as we resume the current session, that hon. members should try to keep in mind the strictures set down from time to time by the Chair on the basis of long established precedents in relation to Standing Order 43. I think it is basic and essential that hon. members should remember that Standing Order 43 is a very special Standing Order in that it allows a member to seek the unanimous consent of the House without debate. If hon. members take advantage of this Standing Order to make statements and speeches advancing arguments in support of the motion they wish to propose for the unanimous consent of the House, then it would be, I suggest, in order to allow other members who hold contrary views to make their own speeches. Standing Order 43, I suggest, can be used only in very special circumstances, and without argument or supporting statements.

Mr. Oberle: Mr. Speaker, I apologize for my lengthy preamble. In the absence of a policy that can deal with a crisis of this nature, I would move, seconded by the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds):

That the Committee on Energy, Mines and Resources be instructed to immediately work out a solution to this problem and to particularly study the restriction or curtailment of the flow of natural gas to the United States.

Mr. Speaker: The hon. member's motion is proposed under the terms of Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Energy

Mr. Speaker: There does not appear to be unanimity. The hon. member's motion cannot be put at this time.

* * *

PUBLIC BUILDINGS

COMMISSIONING OF WORKS OF ART—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Ralph Stewart (Cochrane): Mr. Speaker, in accordance with Standing Order 43 I seek the unanimous consent of the House to put a motion.

The question of the commissioning of works of art for public buildings has come under fire, both as to the method of selection and quality of art. Since many Canadian artists feel they are not given equal opportunity and since, as chairman of the committee—

Mr. Speaker: Order, please. The comments I have just made in relation to the motion proposed by the hon. member for Prince George-Peace River, which also apply, I might say in passing, to the comments made by the hon. member for Greenwood in support of his motion, apply to the motion proposed by the hon. member for Cochrane. I suggest that no argument should be advanced in support of a motion proposed under the terms of Standing Order 43.

Mr. Stewart (Cochrane): Mr. Speaker, I will leave out the rest of the preamble. I would move, seconded by the hon. member for Montreal-Bourassa (Mr. Trudel):

That the whole question of the commissioning of works of art by government be referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts with instructions for the committee to report back to this House with its findings and specific recommendations.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Cochrane. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent and the motion cannot be put at this time.

● (1510)

MOTION TO ADJOURN UNDER S.O. 26

[*Translation*]

EXTERNAL AFFAIRS

ARAB-ISRAELI WAR

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, under the provisions of Standing Order 26, I ask leave to move a motion for the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration,

[*English*]

namely, the present conflict in the Middle East which increases the dangers to world peace, and the urgent need for the government and parliament to debate the seriousness of the situation and to seek ways and means of avoiding further escalation of the war and of promoting effective international action to bring peace to the area.

[*Translation*]

Mr. Speaker, if this matter is acceptable for debate, I move, seconded by the hon. member for Hillsborough (Mr. Macquarrie), that this House do now adjourn.

Mr. Speaker: In accordance with the provisions of Standing Order 26, the hon. member for Saint-Hyacinthe has given notice of his intention to move for the adjournment of the House for the purpose of discussing the matter to which he has referred.

Obviously, the Middle East conflict is an international problem which concerns and worries every member of this House. It is quite possible that there would be an advantage in discussing the matter in this House at a given moment following consultations between representatives of the parties. I believe that this procedure should be considered rather than holding today a debate under Standing Order 26.

After much reflection, I have therefore concluded that, for the present at least, and for procedural reasons, the motion of the hon. member for Saint-Hyacinthe cannot be put under Standing Order 26.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

CONTRACTS FOR HAULING ARCTIC CARGO

Question No. 1,969—**Mr. Forrestall:**

For the contracts issued in 1971 and 1972 for hauling Arctic cargo by water, did the government waive or otherwise mitigate the qualification requirements for Canadian registry in terms of safety standards or vessel condition in any instance and, if so (a) in what instances (b) by what specific authority?

Hon. Jean Marchand (Minister of Transport): The qualification requirements for Canadian registry which, it should be noted, do not include safety standards or vessel condition, were not waived or otherwise mitigated in the case of any of the contracts mentioned.

NAMES OF SHIPPING COMPANIES UNSUCCESSFUL IN BIDDING FOR CONTRACT TO HAUL ARCTIC CARGO

Question No. 1,980—**Mr. Forrestall:**

For (a) 1971 (b) 1972, for each of the shipping companies which failed to be successful in bidding for the contracts to haul Arctic cargo, what were (i) the names of the companies (ii) if subsidiaries, the names of the parent companies (iii) the nationality of the companies or parent companies as the case may be?

[Mr. Wagner.]

Hon. Jean Marchand (Minister of Transport): (a) 1971: Hall Corporation Shipping (1969) Ltd., Federally Incorporated; Gillespie Munro (1969) Ltd., Federally Incorporated; (b) 1972: Transworld Shipping Limited, Federally Incorporated; Braemar Shipping Limited, Federally Incorporated; Hall Corporation Shipping (1969) Limited, Federally Incorporated.

CONTRACT FOR MARINE REQUIREMENTS IN ARCTIC, 1972

Question No. 1,982—**Mr. Forrestall:**

1. What was the name of the general contractor assigned to take care of marine requirements of a shipping nature to the Arctic in 1972?

2. What, if any, labour trouble did this contractor have in the recent sealift operation, and what was the nature of such trouble?

3. Was the contractor an established member of the Canadian shipping industry, operating a permanent Canadian flag fleet and, if so, what was the date of his incorporation?

4. Was any effort made by the government to find a long established member of the Canadian shipping industry operating a permanent Canadian flag fleet to fill this role and (a) if so, of what nature (b) if not, for what reason?

Hon. Jean Marchand (Minister of Transport): 1. The Ministry of Transport acts as co-ordinator of all shipping contracts into the Arctic, and is, therefore, involved in the calling of tenders and letting of contracts to different shipping companies for the transportation of goods. In 1972, these companies were, as recorded in answer to question No. 1965.

2. None to our knowledge.

3. Yes.

4. Not applicable.

CNR—DEFICIT FOR LINE BETWEEN MONTREAL AND QUEBEC CITY

Question No. 2,033—**Mr. Boisvert:**

What is the amount of the deficit for the CNR line between Montreal and Quebec City?

Hon. Jean Marchand (Minister of Transport): The management of the Canadian National Railways advises as follows: It is not company policy to reveal such data, the public knowledge of which would be detrimental to the company's operations as a commercial enterprise.

NUMBER OF PERSONNEL EMPLOYED ON OCEANOGRAPHIC RESEARCH IN NOVA SCOTIA

Question No. 2,078—**Mr. Haliburton:**

What was the number of personnel employed by the Fisheries Service of the Department of the Environment or other departments for oceanographic research, having their operations based in the province of Nova Scotia on (a) a full-time basis (b) a part-time basis for the years 1940, 1950, 1970 and 1972?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council):

(a)	1940	1950	1970	1972
Energy, Mines and Resources	—	—	145	48
Environment	—	—	—	114
National Defence	—	*2	—	—
Transport	—	—	—	—
(b)				
Energy, Mines and Resources	—	—	14	—
Environment	—	—	—	7
National Defence —	—	—	—	—
Transport	—	—	178	213

* In 1950, two full-time scientists were engaged in pure oceanography but of these, one devoted only about half his time to this type of work. These scientists were supported by technical staff and research ship services.

TORONTO INTERNATIONAL AIRPORT—MOTOR VEHICLE PARKING

Question No. 2,095—**Mr. Atkey:**

1. What governmental authority or agency is responsible for setting the motor vehicle parking fees at the Toronto International Airport at Malton?

2. What criteria are adopted in setting the motor vehicle parking fees and, in particular, what margin of profit is allowed to the parking lot operator?

3. What were the gross and net receipts respectively for the open and indoor parking lots at Toronto International Airport at Malton for 1970, 1971 and 1972?

4. What is the present motor vehicle parking capacity at Toronto International Airport at Malton and how is this divided between open air and indoor parking spaces?

5. What percentage of the parking spaces are allocated to official cars, rental car agencies or other reserve purposes and what charge is made for these parking spaces in each instance?

6. Apart from the new parking capacity recently opened in conjunction with Terminal 2 at Toronto International Airport, what additional parking capacity is expected to be added in the near future?

7. Which company or agency operates the shuttle bus service between Terminal 1, Terminal 2 and the outdoor parking lots at Toronto International Airport and which government authority or agency determines the standard and level of service to be provided and the fare to be charged?

Hon. Jean Marchand (Minister of Transport): 1. The Ministry of Transport.

2. The parking fees take into account the cost of providing and maintaining the facilities and the rates charged for comparable parking facilities in the downtown area of Toronto. The public parking areas are operated for the ministry under a contract awarded after a public tender call. All parking fees collected by the contractor are deposited daily to the credit of the Receiver General of Canada. The contractor is paid his actual wage costs not exceeding the total annual amount tendered plus fixed management fee as tendered.

3. Fiscal year ending	Gross Revenue $	Net Revenue $
March 31, 1971	2,380,404	672,708*
March 31, 1972	2,972,283	1,178,928*
March 31, 1973	3,741,790	1,610,200*

*After deduction of depreciation, interest and overhead.

4. There are 9,646 parking spaces of which 2,290 are indoor and 7,356 are outdoor.

5. 32 per cent of the car parking spaces are allocated for non-public parking as follows: (i) 70 spaces indoors for tenants, $40 per month; (ii) 272 spaces outside for tenants, $25 per month; (iii) 2,037 spaces outside remote locations for tenants' employees, $5 per employee per month; (iv) 712 spaces for Crown employees, no charge.

6. Present plans call for approximately 900 additional employee parking spaces by March 31, 1975 and 3,000 additional public parking spaces by March 31, 1976.

7. The services are provided by Air Terminal Transport under an agreement with the Ministry of Transport. The ministry determines the standard and level of service and the fare to be charged.

FERRY SERVICES—ST. LAWRENCE RIVER

Question No. 2,097—**Mr. Caouette (Charlevoix):**

1. At what level does the jurisdiction of the Department of Transport extend in relation to ferryboats operating on the St. Lawrence?

2. Since 1968, what amount has been invested by the government on ferry services at (a) Matane-Godbout-Baie-Comeau (b) Rimouski-Forestville (c) Rivière-du-Loup-Saint-Siméon (d) Trois-Pistoles-Escoumins?

3. If the government has jurisdiction of the service between Rivière-du-Loup and Saint-Siméon, does it anticipate doubling the service?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. The Ministry of Transport has at present no jurisdiction over the operational or financial aspects of the ferry services on the St. Lawrence, but does have, through acts and regulations responsibility for enforcement of procedures relating to matters such as navigation, ship safety, etc.

2. A grant of $6 million was provided to the province of Quebec in 1972 for the construction of a new ferry for the Matane-Godbout-Baie Comeau service, half from the Ministry of Transport and half from the Department of Regional Economic Expansion. At that time the province took over responsibility for operating subsidies which had been provided by the CTC. The Canadian Transport Commission advises as follows: One of the services, namely the Rivière-du-Loup-Saint-Siméon, did receive a federal subsidy since 1968. The payments were as follows: 1968-69, $21,000; 1969-70, $21,000; 1970-71, $21,000; 1971-72, $21,000; total: $84,000. In so far as the Department of Public Works

is concerned: (a) Matane-Godbout-Baie Comeau, $938,-734.64; (b) Rimouski-Forestville, Nil; (c) Rivière-du-Loup-Saint-Siméon, $266,332.45; (d) Trois-Pistoles-Escoumins, $104,564.65.

3. Not applicable (see answer to question 1).

CBC RADIO PROGRAM—"AS IT HAPPENS"

Question No. 2,154—**Mr. Clark (Rocky Mountain):**

In order, what were the 25 topics most frequently arranged for discussion on CBC radio program "As It Happens" in the period May 1, 1972 to April 30, 1973 and how many times in that period was the discussion arranged on each topic listed?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: In view of the workload involved, the CBC discussed this question with the hon. member who kindly agreed to an attempt by the Corporation to provide a satisfactory response based on a four-month period as opposed to the full year requested. As subsequently explained to the hon. member, however, efforts to meet the intent of the question have not been successful because the necessary information is not readily available and it would be time-consuming and costly to complete the research required on the part of program staff to establish a meaningful listing of topics.

EARNSCLIFFE

Question No. 2,159—**Mr. Clark (Rocky Mountain):**

1. What was (a) the date (b) the result of the last attempt by the government to secure from the Government of Great Britain the return to Canada of the Earnscliffe residence of Sir John A. Macdonald?

2. On what date is it intended to initiate another attempt to have this historic Canadian house returned to Canadian control?

3. If no such initiative is intended, for what reason?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. While discussions have been held with the British authorities from time to time concerning Earnscliffe, the Canadian government has not attempted to acquire control of the property.

2. At the present time, no plans exist to open discussions for the acquisition of this property.

3. This historic building is being conscientiously maintained by the British High Commissioner. None the less, the government may wish to enter into discussions to acquire this property for the nation at some future time should an appropriate opportunity arise.

AIR CANADA—ASSISTANCE TO AVIS CAR RENTAL AGENCIES

Question No. 2,189—**Mr. Gleave:**

Has any assistance or promotion been extended to Avis Car Rental agencies at Canadian airports by Air Canada?

Hon. Jean Marchand (Minister of Transport): Air Canada management advises as follows: Each year more and more passengers come to Air Canada for all elements of what is termed the "total travel experience"—an airline seat combined with a place to stay, a sight-seeing trip, a rental car, etc. As part of the activities being developed to satisfy this demand, the company has initiated a program whereby a passenger can, at the same time as making his flight arrangements, also reserve a rental car. Each of the three major rent-a-car firms in Canada (Tilden, Avis and Hertz) was approached regarding participation in this program. Proposals were reviewed and a complete plan selected which best satisfied Air Canada's commercial and service interests. The plan involves certain arrangements with Avis. However, these are non-exclusive; if the customer asks for a Tilden car or one from any other particular agency, an attempt is made to satisfy his request. Promotion of car rental agencies is done independently of this program. Avis is mentioned in Air Canada advertising material promoting travel tour programs in which Avis is participating, such as "Air Canada's Happy Holidays in Europe", and Tilden in programs such as "Beautiful British Columbia Bargain" and "Skifari".

NATIONAL DEFENCE—MAINTENANCE AND TERM EMPLOYEES

Question No. 2,199—**Mr. Forrestall:**

1. How many Department of National Defence maintenance work and service work is carried on by term employees?

2. Will the government give consideration to absorb such term employees with more than one year service into its indeterminate work force, to provide for such employees the same level of protection afforded to other public servants and (a) if not, for what reason (b) if so, how soon?

Hon. James Richardson (Minister of National Defence): 1. As of July 1973: General Labour and Trades, 2,649; General Services, 910; Ship Repair, 1,266; total 4,825.

2. There is no policy or procedure at the present time which will permit the department to appoint a term employee to indeterminate status automatically after 12 months' employment. When an indeterminate position is to be filled, normally all term employees in the group and level of the position being filled will be considered. The decision as to which term employee is to be appointed is based on the merit principle as required by the Public Service Employment Act and Regulations. All unsuccessful term employees in the area of competition are then given right of appeal against the decision. The department has in the past several months reviewed the status of all term positions, and as a result of the study approximately 1,100 new permanent positions were created. These positions will be filled from the term employees in the department's work force. The department will continue this review with the object of keeping the requirement for term employment to a minimum level.

NATIONAL DEFENCE—SUB-CONTRACTING

Question No. 2,203—**Mr. Forrestall:**

Is it the policy of the Department of National Defence to extend the practice of subcontracting beyond the present level of subcontracts?

Hon. James Richardson (Minister of National Defence): The few service contracts National Defence places directly are for consultants, cleaning services, etc.,

and the department first examines whether its own personnel can do the work before arranging contracts. At this time, the department does not envisage any significant change in the amount of this type of work which will be carried out by its own employees and the amount contracted out to private industry.

EMPLOYMENT OF FOREIGN NATIONALS—COASTAL VESSEL "TRAVETAL"

Question No. 2,218—**Mr. Olaussen:**

1. Is it government policy to subsidize the employment of foreign nationals in Canada such as Germans, Austrians, Spaniards, Portuguese and Moroccans and, if so, does the policy prevent job opportunities for unemployed Canadians?

2. Do these nationalities comprise the total crew of the coastal vessel *Travetal* and was this vessel guaranteed a five year subsidy amounting to $350,000?

3. Before or after the decision was made to grant such a subsidy, did the government make any attempt to request the Canadian shipping industry to tender Canadian ships employing Canadian crews in the trade in which the *Travetal* is currently employed and, if so, what were (a) the names of the shipping companies which were contacted (b) the dates the shipping companies were contacted (c) the persons contacted (d) the subsidy made in each case?

4. Was the *Travetal* initially permitted to enter the coasting trade of Canada because no suitable Canadian ships were available and, if so, what is the definition of a suitable ship for this trade?

5. Will the government undertake to transfer the existing subsidy and other assistance allowance, if any, to the owner of any Canadian ship when such ship becomes available and, if not, for what reason?

6. Were the Canadian vessels *OK Service* and *Federal Hudson* and their crews replaced with the vessel *Travetal* and its crew and, if so, is it the intention of the government to assist the owners and employees of these Canadian vessels and, if no assistance is planned, are there any assistance programs for which the owners and employees of these vessels would qualify?

7. For what reasons are the *Travetal* and similar vessels permitted permanent entry into the coasting trade of Canada and do they contravene the provisions of the Alien Labour Act?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Manpower and Immigration, the Canadian Transport Commission, and the Department of National Revenue as follows: 1. It is not the policy of the Department of Manpower and Immigration to subsidize the employment of foreign nationals in Canada.

2. No.

3. A careful scrutiny of the List of Shipping failed to reveal the existence of a suitable vessel under Canadian flag.

4. Yes; there was not any roll-on/roll-off end-loader vessel available under Canadian flag.

5. This is a hypothetical question.

6. No.

7. Under Section 662 of the Canada Shipping Act the Minister of National Revenue has no option but to issue a Coasting License, upon application, to a foreign-built, British registered ship upon which the duty has been paid. The *Travetal* is registered in Singapore and is owned in the United Kingdom thus qualifying as a British registered ship. Full duty was paid in Halifax in the spring of 1972. Such vessels are subject to all generally applicable legislation. (The Alien Act does not come under the purview of the Department of National Revenue.)

VISIT BY GOVERNMENT OFFICIALS TO LOCKHEED SHIPBUILDING, SEATTLE, WASHINGTON

Question No. 2,224—**Mr. Forrestall:**

Is it the intention of the government to give priority to initiating consultations with the government of the United States as to what the probable use of the two icebreakers of 60,000 plus horsepower that the United States Coast Guard and Department of Transport have under construction in Seattle, Washington will be in terms of precise areas and, if not, for what reason?

Hon. Jean Marchand (Minister of Transport): Not required at this time as it is not considered to be necessary.

CONSULTATIONS WITH UNITED STATES GOVERNMENT RELATING TO ICEBREAKERS

Question No. 2,225—**Mr. Forrestall:**

1. What are the names of the officials of the government who have visited Lockheed Shipbuilding of Seattle, Washington, with respect to the two polar icebreakers being built there, as indicated would be done in response to Question No. 1,901, Part 6?

2. What has been the result of such consultation in terms of probable area of use for such vessels, specifically, will these vessels be used in the Canadian Arctic Archipelago?

Hon. Jean Marchand (Minister of Transport): 1. Captain I. Green and Mr. R. A. Lawrence of Canadian Coast Guard and Mr. R. Gilbert of the Department of Supply and Services.

2. It is our understanding that these vessels will be used in Antarctic and Alaskan waters.

EMPLOYMENT OF ICEBREAKERS IN THE CANADIAN ARCTIC ARCHIPELAGO

Question No. 2,226—**Mr. Forrestall:**

1. Has the government of the United States given assurances to the government that the two polar icebreakers under construction by Lockheed Shipbuilding Co. Ltd. of Seattle, Washington will not be employed in the Canadian Arctic Archipelago?

2. Have such assurances been sought by the government and (a) if not, for what reason (b) if so, on what dates?

Hon. Jean Marchand (Minister of Transport): 1. No.

2. Not considered necessary at this time.

CANADIAN POLAR ICEBREAKER

Question No. 2,227—**Mr. Forrestall:**

With respect to response to Question No. 1,901, Part 7 and in the light of the U.S. Polar icebreaker construction program to be completed in three years, for what reason are Canadian plans for Canadian polar icebreaker capability not being altered or accelerated?

Hon. Jean Marchand (Minister of Transport): Plans were accelerated but this was not related to the U.S. program. We became aware of possible ore and other

Arctic developments moving ahead which might require the support services of a polar icebreaker and we directed our program towards being able to provide the necessary capability.

FEDERAL ASSISTANCE TO LA LIGUE DES DROITS DE L'HOMME, MONTREAL

Question No. 2,257—**Mr. Hellyer:**

Has "La Ligue des droits de l'homme" of Montreal received any financial assistance from the government since January 1, 1972 under the Local Initiatives Program, the Opportunities for Youth or any other federal program and, if so, on what dates and in what amounts?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The Local Initiatives Program and the Opportunities for Youth did not make any grant to this project since January 1, 1972. However, the following amounts were given to "La Ligue des droits de l'homme": Secretary of State Department, September 11, 1972, $10,000; Secretary of State Department, February 13, 1973, $7,000; Canada Council, March 28, 1973, $23,000.

NOVA SCOTIA—OFY GRANTS

Question No. 2,269—**Mr. Nowlan:**

By federal constituency in the province of Nova Scotia for the 1973 period (a) how many applications for OFY grants were received (b) how many projects were approved (c) what was the total amount in dollars involved (d) how many man-weeks of employment were generated by the projects approved?

Hon. James Hugh Faulkner (Secretary of State): (a) A list of all projects funded under the 1973 Opportunities for Youth Program has been compiled. Projects are classified by provinces and in alphabetical order of the towns and localities in which projects are being carried out, not by constituency. Information includes the project title and number, a short description of the project's activities, amount of the grant, number of participants and the name and address of the project representative. This listing has been circulated to members of parliament. The number of applications received from the Province of Nova Scotia for OFY grants in 1973 was 549; (b) 260; (c) and (d) $1,646,509, providing 18,455 man-weeks of employment.

LIST OF LAWYERS MAINTAINED FOR GOVERNMENT LEGAL WORK IN P.E.I.

Question No. 2,271—**Mr. Cossitt:**

What are the names, addresses and electoral districts of all lawyers maintained by the Department of Justice for government legal work in the province of Prince Edward Island?

Hon. Otto E. Lang (Minister of Justice): The Department of Justice does not maintain names and addresses of lawyers who have acted as legal agents by reference to electoral boundaries; nor does it maintain a list of lawyers retained for future work since lawyers are not so retained. The names and addresses of all lawyers who appear in the records of the Department of Justice as having performed legal services on behalf of the Minister of Justice in the province of Prince Edward Island for the period April 1, 1972 to March 31, 1973 are set forth in the following list:

[Mr. Marchand (Langelier).]

Bell, Morley, Summerside; Ghiz, J. A., Charlottetown; Large, Frederick A., Charlottetown; MacDonald G. Bruce, Summerside; MacDonald, Kennedy R., Montague; MacCleod, Summerside; McMahon George R., Summerside; Mullaly, George J., Charlottetown; O'Donnell Lester, Charlottetown; Sigsworth, D.F., Charlottetown; Tweedy, G. G., Charlottetown.

LIST OF LAWYERS MAINTAINED FOR GOVERNMENT LEGAL WORK IN MANITOBA

Question No. 2,275—**Mr. Cossitt:**

What are the names, addresses and electoral districts of all lawyers maintained by the Department of Justice for government legal work in the Province of Manitoba?

Hon. Otto E. Lang (Minister of Justice): The Department of Justice does not maintain names and addresses of lawyers who have acted as legal agents by reference to electoral boundaries; nor does it maintain a list of lawyers retained for future work since lawyers are not so retained. The names and addresses of all lawyers who appear in the records of the Department of Justice as having performed legal services on behalf of the Minister of Justice in the province of Manitoba for the period April 1, 1972 to March 31, 1973 are set forth in the following list: Bromley, Paul H., Winnipeg; Dewar, A. S., Winnipeg; Dilts, Gordon C., Winnipeg; Ferg, Patrick, Flin Flon; Margolis, David, Winnipeg.

LIST OF LAWYERS MAINTAINED FOR GOVERNMENT LEGAL WORK IN NEWFOUNDLAND

Question No. 2,277—**Mr. Cossitt:**

What are the names, addresses and electoral districts of all lawyers maintained by the Department of Justice for government legal work in the province of Newfoundland?

Hon. Otto E. Lang (Minister of Justice): The Department of Justice does not maintain names and addresses of lawyers who have acted as legal agents by reference to electoral boundaries; nor does it maintain a list of lawyers retained for future work since lawyers are not so retained. The names and addresses of all lawyers who appear in the records of the Department of Justice as having performed legal services on behalf of the Minister of Justice in the province of Newfoundland for the period April 1, 1972 to March 31, 1973 are set forth in the following list: Adams, W. G., St. John's; Aylward, Fintan J., St. John's; Barry, Leo D., St. John's; Barlett & Co., St. John's; Barlett, Rupert W., St. John's; Carter, Alan William, St. John's; Clarke, George W., St. John's; Curtis, Dawe & Fagan, St. John's; Fowler, F. P., St. John's; Hawco, L. C., Corner Brook; Lewis, Aylward & Crosbie, St. John's; Lewis, P. D., St. John's; Martin, Easton, Woolridge, Corner Brook; Mattews, Claude, Grand falls; Sparkes David B., St. John's; Wells Clyde, Corner Brook.

LIST OF LAWYERS MAINTAINED FOR GOVERNMENT LEGAL WORK IN NEW BRUNSWICK

Question No. 2,278—**Mr. Cossitt:**

What are the names, addresses and electoral districts of all lawyers maintained by the Department of Justice for government legal work in the province of New Brunswick?

Hon. Otto E. Lang (Minister of Justice): The Department of Justice does not maintain names and addresses of lawyers who have acted as legal agents by reference to electoral boundaries; nor does it maintain a list of lawyers retained for future work since lawyers are not so retained. The names and addresses of all lawyers who appear in the records of the Department of Justice as having performed legal services on behalf of the Minister of Justice in the Province of New Brunswick for the period April 1, 1972 to March 31, 1973 are set forth in the following list. Abbis, Chaiker, Edmunston; Appleby Olmstead & Quinn, Fredericton; Barry, John P., St. John; Bill, Edward, St. Andrews; Brison, Emery Charles, Moncton; Burchell, William, Newcastle; Casey, Gerald T., St. John; Chiasson, Paul-Émile, Bathurst; Cyr, L. H. Léonide, Moncton; Drummie, Thomas D., St. John; Godin, Gérard, Shippegan; Gorman, Patrick G., St. John: Harrigan, A.G., St. John; Messrs Hoyt & Dixon, Fredericton; Hoyt, W. L., Fredericton; Hughes, David G., Fredericton; Keating, Lloyd E., Moncton; Lahey, Edward J., St. John; Lampert, Irwin, Moncton; Leblanc, Bernard, Moncton; Lebouthillier, Alie A., Caraquet; Leger, Frankling O., St. John; Lordon, Paul, Newcastle; McGinley, Eugene, Fredericton; McNair, John C., Fredericton; Maddox, Paul B., Woodstock; Malone, Brian, Fredericton; Meldrum, W. W., Sackville; Michaud, Leblanc & Robichaud, Buctouche; Mitton, Irving G., Moncton; Mitton, Myron, Moncton; Purnell & Brien, St. John; Purnell, Lyman F. D., Sussex; Radford, R. E., Moncton; Clarence Roy, Moncton; Roy & Lasier, Moncton; Tingley, Richard J., Campbellton.

LIST OF LAWYERS MAINTAINED FOR GOVERNMENT LEGAL WORK IN NOVA SCOTIA

Question No. 2,279—**Mr. Cossitt:**

What are the names, addresses and electoral districts of all lawyers maintained by the Department of Justice for government legal work in the province of Nova Scotia?

Hon. Otto E. Lang (Minister of Justice): The Department of Justice does not maintain names and addresses of lawyers who have acted as legal agents by reference to electoral boundaries; nor does it maintain a list of lawyers retained for future work since lawyers are not so retained. The names and addresses of all lawyers who appear in the records of the Department of Justice as having performed legal services on behalf of the Minister of Justice in the Province of Nova Scotia for the period April 1, 1972 to March 31, 1973 are set forth in the following list: Akerman, John R., Truro; Allaby, V. B., Lunenburg; Brown, David E., Halifax; Burchell, C. D. Sydney; Clements, Lester L., Liverpool; Clements, S. Ford, Liverpool; Crowell, Kenneth L., Middleton; Eaton, K.E., Halifax; Fergeson, Robert F., Sydney; Flinn, Edward J., Halifax; Fowke, Fred, El., Bridgewater; Fraser, D. J., Yarmouth; Grant, C. Wilkie, Guysborough; Hackett, James G. North Sydney; Hall, Donald M., Berwick; Hicks, E. Claire, Amherst; Kennedy, J. P., Bridgewater; Kennedy, Kendall J., Bridgewater; Lawrence, William R., Windsor; Leblanc, Arthur, Fort Hawkesbury; McCunn, R. F. River Philip; McDonald Ian, Yarmouth; McDonnell, Hugh J., New Glasgow; MacGillivray, A. Boyd, Yarmouth; McInnis, A. D., Antigonish; MacIsaac, John, Halifax; MacClellan, J. Alexander, Kentville; Nichols, D. Arthur, Truro; Nichols, John R., Digby; Parker, T. Robert, New Glasgow; Pink, Irving C., Yarmouth; Richard, K. Peter, Antigonish; Rogers, R. M., Digby; Rosenblum, C. M., Sydney; Ryan, Murray J., North Sydney; Saumuers, E. R., Lunenburg; Tramble, T. Daniel, Antigonish; Winters, Robert, J., Truro.

LIST OF LAWYERS MAINTAINED FOR GOVERNMENT LEGAL WORK IN METROPOLITAN TORONTO

Question No. 2,281—**Mr. Cossitt:**

What lawyers who practice in Metropolitan Toronto were selected by the Minister of Justice for government legal work during the past fiscal year and how much money was paid in the way of fees to each such person during the past fiscal year?

Hon. Otto E. Lang (Minister of Justice): The lawyers practising in Metropolitan Toronto whose names appear listed below were engaged as legal agents to act on behalf of the Minister of Justice and Attorney General of Canada from time to time during the period April 1, 1972 to March 31, 1973. The aggregate amount for the year, paid to each, is set opposite their respective names. Bowman, D. G. H., $20,112,11; Charlton, W. G., $450.00; Curran, Lyle F., $230.00; Decory, Peter, $7,192.50; Fashen & Calvin, $3,759.47; Hansberger, John D., $4,055.88; Laidlaw, Douglas K., $14,699.77; MacLean, Ken & Lyons, $5,576.88; Sedgwick, Joseph, $3,000.00; Sexton, J. E., $6,050.71; Talsky Marvin, $13.43; Williston, Walter B., $40,494.81.

LIST OF LAWYERS MAINTAINED FOR GOVERNMENT LEGAL WORK IN OTTAWA

Question No. 2,282—**Mr. Cossitt:**

What lawyers who practice in city of Ottawa were selected by the Minister of Justice for government legal work during the past fiscal year and how much money was paid in the way of fees to each such person during the past fiscal year?

Hon. Otto E. Lang (Minister of Justice): The lawyers practising in the City of Ottawa whose names appear listed below were engaged as legal agents to act on behalf of the Minister of Justice and Attorney General of Canada from time to time during the period April 1, 1972 to March 31, 1973. The aggregate amount for the year, paid to each, is set opposite their respective names. Gowling, E. G., $540.00; Gowling, MacTavish & Co., $19,021.67; Green, W. T., $10,651.50; MacDonald, T. D., $8,500.00; Poulin, H. $8,755.90; Scott, Cuthbert, $7,784.80; Smart & Biggar, $8,894.15.

STANDARDIZATION OF DESIGN OF EXTERNAL ADAPTORS TO SUBMERSIBLE VESSELS

Question No. 2,322—**Mr. Forrestall:**

Will the government give urgent consideration to initiating international discussions to provide for a standardization of design and construction of external adaptors to submersible vessels to ensure universal ability to service any such vessel in terms

of life extension and preservation pending delayed rescue, in the event that such vessels would become endangered outside the area of possible operational rescue ability of the nation to which such vessels would be registered, or in whose waters they would normally be operating?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The Ministry of Transport has representation on an international committee which was created to deal with technical matters concerning submersibles, under the auspices of the American Bureau of Shipping. This committee feels that it would be premature to attempt to lay down specific rules for the design and construction of submersibles at this time. However, a guide for the classification of manned submersibles has been prepared for use during the interim period preceding accumulation of actual operating experience in order to make information available and to discuss the basic considerations for safety and reliability without tending to hamper future developments. The question of standardization of external adaptors will be raised in committee. In so far as military submersible vessels are concerned, the Department of National Defence conforms to the international standards contained in a Standard NATO Agreement entitled "Adaptors for supply of high pressure air to sunken NATO Submarines".

SUBMERSIBLE VESSELS—INTERNAL EMERGENCY BACK-UP METHOD OF LIFE PRESERVATION

Question No. 2,323—**Mr. Forrestall:**

1. Will the government ensure that no submersible vessel of any type is ever employed within waters inside the jurisdictional purview of the government that does not have at least one internal emergency back-up method of life preservation and extension, other than just escape capability, to permit delayed rescue in the event of underwater entrapment?

2. Will the government give the highest priority to such absolutely mandatory requirements, in the light of recent demonstration of technological fallibility in the United States?

Hon. Jean Marchand (Minister of Transport): 1. The Ministry of Transport is aware that there may well be a need for some form of internal emergency back-up system of life preservation to form part of the safety equipment for any submersible required by the Canada Shipping Act to be inspected and certificated. The technical feasibility of such a system, particularly with smaller submersibles where limited space is one of the critical factors, requires further study.

2. The priority given to this subject must depend on the need for regulations and requirements in other aspects of safety of life at sea and pollution prevention.

SUBMERSIBLE VESSELS—EXTERNAL FITTINGS DESIGNED TO PERMIT PRESERVATION OF LIFE

Question No. 2,324—**Mr. Forrestall:**

1. Will the government ensure that no submersible vessel of any type is ever employed within waters under the jurisdictional purview of the government that does not have multiple external fittings designed to permit the preservation and extension of life, in terms of air adaptors, voice communications and food passages, in the event of underwater entrapment?

[Mr. Forrestall.]

2. Will the government give the highest priority to such absolutely mandatory requirements, in the light of recent demonstration of technological fallibility in the United States?

Hon. Jean Marchand (Minister of Transport): 1. The technical feasibility of whether such adaptors should be fitted on all submersibles required by the Canada Shipping Act to be inspected and certificated will be thoroughly investigated.

2. The priority given to this subject must depend on the need for regulations and requirements in other aspects of safety of life at sea and pollution prevention.

SUBMERSIBLE VESSELS—ESSENTIAL LIFE PRESERVING ESCAPE CAPABILITY

Question No. 2,326—**Mr. Forrestall:**

Does every Canadian-owned or leased submersible vessel, including mini-subs, conventional submarines and diving bells have more than one essential life preserving and/or escape capability and, if not, which ones are so lacking and for what reason?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The Ministry of Transport does not have details of all Canadian-owned or leased submersibles as not all are required to be inspected under the Canada Shipping Act due to their small gross tonnage. Those on which we do have information have more than one life preserving and/or escape capability. In so far as the Department of National Defence is concerned, escape from the conventional military submarines of the Canadian Forces can be achieved by successive use by the crew of the two single-man escape towers fitted, or by use of a McCann Bell carried by USN submarine rescue ships. The "O" class submarines are also being modified to be capable of receiving the USN Deep Submergence Rescue Vehicle. *SDL-1* has three separate sources of air that will support six men for an approximate total of 90 hours. It may also achieve positive buoyancy in four different ways and escape can be achieved through the lock-out compartment as long as the depth is not excessive.

NATIONAL DEFENCE—RESCUE PROCEDURE FOR SUBMERSIBLES, MARITIME COMMAND

Question No. 2,329—**Mr. Forrestall:**

What is the present government capability to provide emergency rescue facilities and capability in the event of entrapment or malfunction of submersible vessels operating within the purview of Canadian jurisdiction?

Hon. James Richardson (Minister of National Defence): The government capability to provide emergency rescue facilities, in the event of a submersible vessel mishap, is provided on the east coast by the Department of National Defence submersible *SDL-1* and on the west coast by the Department of the Environment submersible *Pisces IV*. If required either submersible can be air-lifted from either one coast to the other to facilitate or augment rescue activities.

PROPOSAL FROM FEDERAL REPUBLIC OF GERMANY FOR ORE CARRIERS

Question No. 2,330—**Mr. Forrestall:**

Does the government anticipate receiving from the Federal Republic of Germany, of from firms based therein, in (a) 1973 (b) 1974 (c) 1975 a detailed proposal for ore carriers with Arctic ice capability and, if so, from what firm or firms is this expected?

Hon. Jean Marchand (Minister of Transport): 1. (a) No; (b) no; (c) no.

GOVERNMENT INTEREST IN ORE CARRIERS WITH POLAR CAPABILITY

Question No. 2,331—**Mr. Forrestall:**

1. Has the government indicated to Canadian industry its interest in proposals for ore carriers with polar capability?

2. Has the government sought from Canadian interests such proposals and (a) if so (i) on what date (ii) from what specific firms (iii) in what manner was the invitation extended (b) if not, for what reason?

Hon. Jean Marchand (Minister of Transport): 1. The Ministry of Transport has indicated to Canadian industries its interest in learning the types and numbers of vessels that could prove most suitable for potential Arctic ore trades.

2. No; (b) the Ministry of Transport has not sought proposals from Canadian industries on ore carriers with polar capability because it does not contemplate entering the ore trade. Its officials have, however, discussed in conceptual terms various ideas on ore carriers on various occasions with representatives of naval architectural firms, Canadian and foreign operating companies and other interested marine groups.

NATIONAL DEFENCE—MARITIME COMMAND, OPERATION ABOVE 60 DEGREES OF UNDERWATER VESSELS

Question No. 2,333—**Mr. Forrestall:**

1. What are the specific plans for developing an underwater capability for Maritime Command, north of 60 degrees parallel?

2. On what date can these plans be expected to be in operational phase, or when will the first of any new series of underwater vessels be put into service?

Hon. James Richardson (Minister of National Defence): 1 and 2. Maritime Command submarines now operate in some waters north of 60 degrees north latitude during certain times of the year. Whether or not this underwater capability will be enhanced or expanded is dependent upon staff studies now in progress.

NATIONAL DEFENCE—SURFACE AND AIR CAPABILITY NORTH OF 60 DEGREE LATITUDE

Question No. 2,334—**Mr. Forrestall:**

1. What are the specific plans for developing a surface capability for Maritime Command, exclusive of aerial reconnaissance, north of 60 degrees parallel?

2. On what date can these plans be expected to be put into operational phase, or when will the first surface vessels be in service?

Order Paper Questions

Hon. James Richardson (Minister of National Defence): 1 and 2. Maritime Command surface ships now operate in some waters north of 60 degrees north latitude during certain times of the year. Whether or not this surface capability will be enhanced or expanded is dependent upon staff studies now in progress.

NATIONAL DEFENCE—MARITIME CAPABILITY NORTH OF 60 DEGREES PARALLEL

Question No. 2,336—**Mr. Forrestall:**

1. Is consideration being given to Maritime Command capability north of 60 degrees parallel and, if so, in what substantive form?

2. If there is present capacity, what is it, exclusive of Canadian Coast Guard capability as listed in response to Question No. 1,900?

3. If there is no existing capability for operations north of 60 degrees parallel, for what reason?

Hon. James Richardson (Minister of National Defence): 1. As a result of the guidelines set forth in "Defence in the 70s", Canada's military maritime force requirements are under review to ensure that the Maritime Command has the capability to meet its assigned roles.

2. Ships of Maritime Command are capable of operating north of 60 degrees north latitude during certain times of the year; aircraft at all times.

3. Not applicable.

ASSIGNMENT OF COAST GUARD VESSELS

Question No. 2,339—**Mr. Forrestall:**

Are all Department of Transport vessels assigned to Canadian Coast Guard service and, if not, which ones are not so assigned, and for what reason?

Hon. Jean Marchand (Minister of Transport): All vessels owned by the Ministry of Transport are operated by the Canadian Coast Guard with the exception of ferries and coasting vessels owned by the ministry and operated by Canadian National Railways. It should be noted that Schedule C and D Corporations reporting to the Minister of Transport operate their own craft.

USE OF RECYCLED PAPER

Question No. 2,353—**Mr. Beattie (Hamilton Mountain):**

1. What actions that specifically promote the use of recycled paper have been undertaken by the government in the past five years?

2. Have any new initiatives been undertaken in 1973 and, if so, what are they?

3. Does the government have a policy that specifies a certain percentage of all paper ordered is recycled paper and (a) if so, on what date was such a policy effected (b) if not, is it the intention of the government to undertake such a policy?

4. Has the government held any meetings with the publishing industry with regard to the use of recycled paper and, if not, are any meetings planned in this regard?

5. Has the government considered making incentives of any type available for those firms and organizations that use recycled paper?

Hon. Jack Davis (Minister of the Environment): 1. Prior to undertaking specific action to promote use of

recycled paper, the government feels it necessary to consider what disadvantages there may be which would offset any assumed benefits, particularly the implications for primary manufacturers, the effects on employment distribution, any possible additional pollution or environmental hazards, and the acceptability and costs of products made from recycled materials.

2. During 1973, as part of the prior investigation, a study has been completed by the Economics Institute of the Canadian Forestry Service of the Department of the Environment relating to Consumption of Paper Stock in Canada. This report will be released for publication later in the year. It is the first of a series intended to gather essential information and statistics prerequisite to formulation of any recycling policy. This work also parallels major studies being undertaken by the Department of Industry, Trade and Commerce relating to the Forest Products Industry. Investigation of the economics and technical capabilities for paper recycling in Canada is also being undertaken internally within the Environmental Protection Service (Solid Waste Management Division) of the Department of the Environment conjointly with these other groups.

3. The government does not specify any percentage of recycled paper in its orders for products. Products containing recycled material are accepted provided they meet the other specified requirements. (a) not applicable; (b) it is intended to formulate a policy when sufficient is known regarding the matters raised in answer to the first question.

4. No.

5. No.

CN CHARTERED VESSEL "PRINCESS OF TASMANIA"

Question No. 2,378—**Mr. McGrath:**

1. What is the port of registry of CN chartered vessel *Princess of Tasmania*?

2. What is the name of the company who owns this vessel?

3. Who are the registered owners or shareholders of this company?

4. What was the cost to the government of the renovations to this vessel?

5. What is the actual cost of the charter in Canadian funds?

6. What is the purchase price of the vessel?

Hon. Jean Marchand (Minister of Transport): 1. The port of registry of the *Princess of Tasmania* is London, England.

2. She is owned by the Bahamarine Limited.

3. Bahamarine Limited of Nassau, Bahamas, are the registered owners, and while we do not have a full listing of the shareholders, the controlling interest in the company is held by Mr. W. Vandersteel and Mr. R. H. Imlah, President and Vice President respectively, of Ampower Corporation of New Jersey, U.S.A.

4. The cost to the government of the renovations to this vessel amounted to $520,000.

5. The charter costs $1,397 per day.

6. At the time the vessel became available, the firm sale price was stated as $1,750,000.

[Mr. Davis.]

UPGRADING OF CCGS "LABRADOR"

Question No. 2,397—**Mr. Forrestall:**

1. With respect to answer to Question No, 1,900 and the indication therein that it was intended to upgrade the capability of said vessel in 1973-74, what is the present status of such upgrading of the CCGS *Labrador* in terms of amount budgeted for upgrading and percentage of such work completed as of June 30, 1973?

2. On what date will such work be completed on the CCGS *Labrador*?

3. Since commencement of upgrading of CCGS *Labrador*, how many work stoppages have occurred, for what reasons and for what durations?

4. Does the government intend to complete such upgrading as indicated would be done to CCGS *Labrador* in response to Question No, 1,900 and, if not, for what reason?

Hon. Jean Marchand (Minister of Transport): 1. The upgrading program for *CCGS Labrador* involves two phases. Phase 1, the repowering, has been budgeted at $300,000. As of June 30, 1973, 95 per cent of this work had been completed and 85 per cent of the funds expended. Phase II is upgrading and mordernizing the ship's accomodation. This project is budgeted at $1,300,000.

2. Phase I has been completed. It is anticipated that a contract will be let for phase II by the end of January 1974.

3. No work stoppages have occurred since the commencement of the upgrading program.

4. Yes, the government intends to complete the upgrading as it indicated would be done in its response to Question No. 1,900.

AIR CARRIERS—HANDLING OF HAZARDOUS MATERIAL

Question No. 2,410—**Mr. Mather:**

Is consideration being given to requiring air carriers and air carrier suppliers to establish training programs ensuring the safe carriage and handling of hazardous materials?

Hon. Jean Marchand (Minister of Transport): No. To date, the handling of radioactive materials for shipment by aircraft has not been a problem. However this ministry is aware of the developments in this matter in the U.S.A. and is reviewing existing controls in the handling of all hazardous materials, including those which have radioactive properties.

EXPROPRIATION FOR VALCARTIER BASE, MIRABEL AIRPORT AND PICKERING AIRPORT

Question No. 2,416—**Mr. Godin:**

What were the average amounts paid to the residents of the expropriated areas of (a) Shannon, Quebec, for the expansion of the Valcartier Base (b) Ste. Scholastique for the Mirabel Airport (c) Toronto for the Pickering Airport?

Hon. Jean-Eudes Dubé (Minister of Public Works): (a) $13,757. This figure represents the average amount paid to all owners. All but one were residents and all but one have accepted final settlement. (b) $30,615. This figure represents the average amount paid up to July 1, 1973, to all owners, lessees and other interests. Amounts paid only to residents cannot readily be supplied from existing records. Final settlement is not yet completed in 360 cases. (c) $72,615. This figure represents the average amount

paid up to July 13, 1973, to all owners and lessees, but excluding mortgagees. Under the new Expropriation Act, mortgagees are paid separately from owners. Amounts paid only to residents cannot readily be supplied from existing records. No final settlements have yet been made.

VICTORIA INTERNATIONAL AIRPORT—BUS LINE SERVICE

Question No. 2,428—**Mr. Munro (Esquimalt-Saanich):**

1. (a) On what date was the contract let to a bus line to carry passengers to and from Victoria to Victoria International Airport (b) what bus line was awarded the contract?

2. For what duration was the contract?

3. How many companies tendered for the contract?

4. On what date will requests for tenders be invited for renewal of the contract?

5. If the contract was negotiated in perpetuity, what provisions did it contain for adjustments to take account of (a) increased traffic (b) increases in operating costs?

Hon. Jean Marchand (Minister of Transport): 1. The C&C Transportation Company Limited provided ground transportation between Victoria International Airport and the city of Victoria from 1951 to August 14, 1968, at which time it assigned its interests to Vancouver Island Transportation Company Limited. This Company has provided the service since that date.

2. The licence is on a year to year basis, cancellable on thirty days' notice.

3. The contract was not tendered as no other party registered an interest in providing the service.

4. Vancouver Island Transportation Company Limited is providing a satisfactory service, and as no interest has been registered by any other party, the ministry has no plans at this time for calling tenders.

5. The contract was not negotiated in perpetuity. The company pays the ministry a percentage of gross revenue. Increase in passenger traffic therefore results in increased revenue to the ministry. Operating costs are reflected in passenger fares which are approved by the provincial licensing authorities.

LAC MÉGANTIC AIRPORT

Question No. 2,473—**Mr. Latulippe:**

Does the Department of Transport have plans for the Lac Mégantic Airport and, if so, what ones and at what cost?

Hon. Jean Marchand (Minister of Transport): The airport is operated by the town of Lac Mégantic. Provision has been made in the department's 1973-74 Airport Financial Assistance Policy program for the department to contribute 90 per cent of the cost, up to a maximum of $110,000, of constructing a 3,000′ × 75′ gravel runway.

TRANS-CANADA HIGHWAY—TWINNING INSIDE BANFF NATIONAL PARK

Question No. 2,481—**Mr. Clark (Rocky Mountain):**

1. Is it the intention of the government to twin the Trans-Canada Highway inside the gates of Banff National Park?

2. (a) Has there been an announcement in the past two years of an intention to twin that portion of the highway and, if so (i) by whom (ii) on what date (b) for what reason is the decision being reconsidered (c) on what date did reconsideration begin?

3. On what date does the government anticipate making a firm announcement concerning the possibility of twinning that part of the highway?

4. What alternatives to twinning that portion of the highway are being considered?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. A final decision to twin the highway has not yet been taken.

2. (a) An item for twinning the Trans-Canada Highway in Banff appeared in the Department of Public Works' estimates for the years ending March 31, 1973 and 1974. On February 10, 1972, Mr. Allan Sulatycky, then Parliamentary Secretary to the Minister of Indian Affairs and Northern Development, did touch on the subject at a Calgary news conference; (i) See 2 (a); (ii) See 2 (a). (b) The final decision is dependent on a number of influencing factors including environmental impact considerations. (c) After consideration of the consultants pilot report on the environmental impact for the first eight miles in 1972, it was decided to have the consultants conduct a detailed study and prepare a report covering the full section under consideration from the Banff East Gate to the junction of the Icefields Parkway. This report has not yet been received by the federal government.

3. When all studies have been completed and assessed, a decision will be made and an appropriate announcement will be forthcoming, probably early next year.

4. Alternates include the development of other corridors (both existing and new) and possible increased utilization of other modes of transport within a corridor. The evaluation of these alternatives is being undertaken by a group of several federal departments (MOT, DINA and DPW) and the provincial governments of British Columbia and Alberta who provide the facilities that complement the one in question.

E.B. EDDY COMPANY—RENTAL

Question No. 2,490—**Mr. Lambert (Bellechasse):**

Since November 27, 1972, the date the government paid the E.B. Eddy Company 24 million dollars for its plant in Hull, has the Company paid any rent to carry on its operations and, if so, how much does the Company pay per month?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): In so far as the National Capital Commission is concerned: Since November 27, 1972, the E.B. Eddy Company has paid no rent on the 44 acres of Hull property acquired from the company by the NCC. In addition to continued operations on its remaining property, the company also continues to operate the Groundwood Mill on approximately 2½ acres of property acquired by NCC. As allowed by the terms of the Agreement of Purchase and Sale NCC has granted an extension to October 1, 1974 for demolition of this mill and rental charges are not applicable. To enable the continued operations of the company, the agreement provides that for a period of up to 10 years after the closing date of the agreement, employees of the company will have access to and use of a parking area on land acquired by the NCC.

This land is available without cost for the first two years. Thereafter rental charge will be applicable. In so far as the Department of Public Works is concerned, the department receives the following rentals from E.B. Eddy Company: 1. Steam line under Chaudière Bridge, $1 per annum; 2. Right of Way reserve, Chaudière Island, $96 per annum; 3. Rental of parcel of land, Union Bridge (Chaudière), $40.20 per annum; 4. Rental of Hydraulic lots B, C, D, E, F, G, H, I, and J., Chaudière Island, $900 per annum.

RAPESEED

Question No. 2,506—**Mr. Nesdoly:**

1. Was the rapeseed market manipulated in June, 1973 and, if so, by whom?

2. Who is making the profit on recent price increases in rapeseed?

3. Who is paying the elevator companies 4½ cents storage per bushel per month on rapeseed held in storage?

4. Are bushels of rapeseed being deliberately held off the market for the sole purpose of collecting storage and, if so, how many?

5. (a) Who owns the rapeseed that the elevator companies buy from the producers (b) who puts up the money for these purchases?

6. (a) What was the export price of rapeseed on June 21, 1973 (b) what price was paid to farmers on that date?

Hon. Otto E. Lang (Minister of Justice): 1. There is no evidence of any manipulation of the rapeseed market in June, 1973. Rapeseed is bought and sold on the open market on the basis of prices determined through the operation of the cash and futures markets of the Winnipeg Commodity Exchange.

2. The price increases for rapeseed in June were caused by a world shortage of oilseeds and products, lack of fishmeal production in Peru and the placing of export controls on oilseeds and products by the United States and Canada. Producers, exporters and elevator companies had equal opportunities to increase their profits.

3. The major role of the country elevator is to buy rapeseed from the producer, assemble it for shipment to ports of exit and load it into rail cars. The price paid by the elevators is known as the street price. Street prices are established by two committees, one in Calgary and one in Winnipeg, reflecting the fact that rapeseed may be shipped through either Thunder Bay or Vancouver. The street price committees establish the daily street price (the price the producer receives at the country elevator) by assessing various factors influencing the delivery of clean rapeseed from the country to export position: rail car availability, cleaning capacity, estimated delivery date. The time allowed is normally 60 days for Thunder Bay and 90 days for Vancouver. A corresponding futures month is then selected for price determination. An operating margin is calculated, allowing for carrying costs and all the costs involved in moving grain from the country elevator to export position, which is deducted from the futures price to arrive at the street price (price paid to producer). The price for any specific country point is determined by deducting freight using established rates. Therefore, costs are borne indirectly by the producer.

4. The producer could hold back his rapeseed from the market hoping to receive a higher price. Rapeseed is not held by the elevator to collect extra handling and storage charges.

5. (a) When the producer sells to the elevator, the rapeseed becomes the property of the elevator; (b) normal business financing by grain companies purchasing the rapeseed from the producer.

6. (a) The export price on June 21 at Thunder Bay was $6 per bushel. Price paid to the producer in Manitoba and eastern Saskatchewan on June 21 was $5.49½ per bushel. The export price on June 21 in Vancouver was $6.20 per bushel. The price paid to the producer in west Saskatchewan and Alberta was $5.68 to $5.70 per bushel.

DEPLETION OF BLUE WALLEYE FISH

Question No. 2,508—**Mr. Jarvis:**

1. Is the Blue Walleye fish extinct and, if not, what would be the estimate of the Department of the Environment of the number of such fish alive in Canadian inland water?

2. Subsequent to the Federal-Provincial Ministerial Conference, January 20 to 24, 1964, what action, policies and programs have been implemented by the government to combat the depletion in numbers of Blue Walleye fish?

3. How does the government determine whether a specific species of fish is increasing or decreasing in numbers, and what action is taken when it is determined that a species is decreasing substantially in numbers thereby creating the possibility of extinction of the species?

Hon. Jack Davis (Minister of Fisheries): 1 and 2. The Blue Walleye is not extinct but is indeed extremely rare in what was always a very limited area; namely, Lake Erie and the adjacent part of Lake Ontario near the Niagara River. Some of these fish, which are a colour variety of the more common and widespread yellow walleye, are in captivity in hatcheries, in an attempt to preserve them from extinction. The success of this program must, of course, await the test of time. The federal Government is co-operating with the U.S., through the Great Lakes Fishery Commission, and hence also with the province of Ontario and the Great Lakes states, in a program aimed at rehabilitation of walleye in general in Lake Erie.

3. The usual evidence of increasing or decreasing abundance of fish is through increasing or decreasing catches by either sport or commercial fishermen. The action taken in the case of a large and serious decrease depends upon the cause of the decrease, if this can be found. If the decrease is due to excessive fishery exploitation, the attempted remedy takes the form of fishery regulations as seem most appropriate to the situation. Examples would be, catch quotas, size limits, closed seasons and hatchery procedures. If the cause seems to be environmental, as may be at least partly the case in Lake Erie, the road back could be very long or in some cases impossible.

*ISSUANCE OF LICENCES UNDER MIGRATORY BIRDS PROTECTION ACT

Question No. 2,511—**Mr. Fairweather:**

1. Is the Minister of the Environment going to issue licences under the provisions of the Migratory Birds Protection Act for the shooting of robins and other migratory birds in New Brunswick?

2. Has the Minister received representations against the issue of such licences?

3. What alternative means has the Department considered which might protect blueberry crops and yet avoid the necessity of killing birds?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the answer is as follows. 1. No permits were issued in 1973 under Section 26 of the Migratory Birds Regulations for the shooting of robins in New Brunswick.

2. Yes.

3. This is a complex matter and no single alternative will likely be successful. Among the alternatives being considered and tested are the use of lure crops, acetylene exploders to simulate the sound of shotgun shells, special exploding shells that sound like a shotgun but are not lethal, and close supervision and inspection of harvestable fields by enforcement personnel of the CWS and provincial game branch.

NATIONAL DEFENCE—EXPANSION OF ROYAL ROADS MILITARY COLLEGE

Question No. 2,513—**Mr. McKinnon:**

Did the Minister of National Defence state that Royal Roads Military College would be expanded and improved, at a cost of several million dollars and, if so (a) what year is the work expected to start (b) what year is the work expected to be completed (c) is any money set aside in the 1973-74 Estimates for this work and (i) if so, how much (ii) if not, on what date is it likely to appear in the Estimates?

Hon. James Richardson (Minister of National Defence): As announced in Vancouver on July 13, 1973, there will be substantially increased capital expenditures for Royal Roads Military College, near Victoria, to place this western military college on an even footing with the Royal Military College at Kingston and Collège Militaire Royal at St. Jean, Quebec.

A new library, costing approximately $1 million, is included in the program. The exact figure for the total program has not yet been determined but it will amount to several million dollars. (a) Work will begin on the library in 1973 and (b) the library is expected to be completed by 1977. During preparation of 1973-74 estimates (c) (i) no expenditure was planned in 1973-74 for Royal Roads; (ii) major expenditures will begin in 1974-75 and will be included in estimates for that year.

FISHING VESSEL INSPECTION

Question No. 2,523—**Mr. Marshall:**

Under the Fishing Vessel Inspection scheme, will foreign fishing protection officers from vessels fishing in Canadian waters be allowed to board Canadian vessels to inspect in Canadian waters?

Hon. Jack Davis (Minister of Fisheries): No. Canadian fishing vessels will not be required to submit to inspection by foreign inspectors inside Canadian territorial waters.

CAPE BRETON DEVELOPMENT CORPORATION—EMPLOYMENT OF MR. GERALD HARTLEY

Question No. 2,525—**Mr. MacInnis (Cape Breton-East Richmond):**

Order Paper Questions

1. Was Mr. Gerald Hartley under contract to the Cape Breton Development Corporation and, if so (a) for what period (b) at what salary?

2. What were the conditions of his separation from the Corporation?

3. Did Mr. Hartley receive any separation pay?

4. Was Mr. Hartley given any paper(s) of recommendation at the time of his separation and, if so (a) who authorized same (b) who signed it?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. No.

2. A result of organization change.

3. Yes.

4. No, though such would have been given if requested.

ICEBREAKING BY AIR CUSHION VEHICLES

Question No. 2,527—**Mr. Forrestall:**

Has the government considered published data by Sunoco E and P Limited of Calgary with respect to tests carried out in the winter of 1971-1972 at Great Slave Lake in the Northwest Territories on hovercraft, which indicated a clear ability of such air cushion vehicles to cause ice failure or to break ice successfully up to a depth of 27 inches and, if so, will the government consider and undertake to commission an independent outside study on the possibilities of this craft with respect to (a) general capability of the craft as a light icebreaker (b) areas of possible use, such as in the Great Lakes/St. Lawrence system, Gulf and East Coast ports up to north of 60 degrees (c) cost-benefit study including performance and cost comparisons with conventional ice breakers employed in similar areas (d) capability of the craft as a utility vehicle (e) advisability of purchasing suitable air cushion vehicles for proper testing and/or designing prototypes for primary use as ice breakers and service craft (f) other related matters?

Hon. Jean Marchand (Minister of Transport): Published data with respect to tests carried out by Sunoco E and P Limited in which an air cushion vehicle broke ice up to a depth of 27 inches has been actively considered by the government, and has formed the basis for subsequent tests. The Ministry of Transport and the Departments of Indian and Northern Affairs, Environment and Public Works conducted further tests with this vehicle in the winter of 1972-73 at Tuktoyaktuk, N.W.T. in which the available thickness of ice of 22 inches was broken at about four miles per hour. Further limited tests using a smaller air cushion vehicle were also conducted at Montreal, and corroborated the previous results. Both these vehicles are of the non-self-propelled type and for the purposes of the tests were moved by winches. An interdepartmental working group with representation from the Ministry of Transport, National Research Council, Departments of Environment and Industry, Trade and Commerce has been studying the further application of air cushion technology to icebreaking. Independent studies have been carried out to investigate making non-self-propelled air cushion vehicles self-propelled, and also the design parameters of an air cushion vehicle specifically for icebreaking. There are technical problems to be overcome in providing effective means of self-propulsion, and these are being actively investigated. The mechanism by which ice is broken with air cushion technology is not fully understood and consideration is being given for study to be commissioned in order to identify the significant factors involved, to optimize any future designs. This study will consist of

theoretical analysis followed by model work. In parallel with this, further government trials are planned for the winter of 1973-74, involving the use of five different vehicles, including self-propelled air cushion vehicles to broaden the spectrum of practical knowledge. With the knowledge gained from the 1973-74 series of trials and the theoretical study, the government should be in a position in the spring of 1974 to consider the full implications, which are believed to be very significant, of this new form of icebreaking. Also at that time consideration will be given to the further action which may be necessary to realize, as soon as possible, the full potential of this unexpected application of air cushion technology. This action may include commissioning an independent design study for an air cushion icebreaker, the manufacture of a prototype of such a vehicle and the identification of geographical areas where the technology could be applied.

NATIONAL DEFENCE—STUDY OF AIR CUSHION VESSELS, MARITIME COMMAND

Question No. 2,528—**Mr. Forrestall:**

Has the government considered the United States defence and transport studies on the utilizations of air cushion vehicles as replacements for fleet units up to the level of light cruiser and, if so, will the government undertake to commission an independent, outside study of the potential of this type of vehicle with particular reference to (a) seagoing abilities in all types of seas, together with strengths and weaknesses and possible solutions to deficiencies (b) the ability to effectively handle various weapon and detection systems (c) the ability to effectively contain attack (d) a cost benefit analysis study in relation to present and anticipated operations (e) the ability to function in various geographic areas such as the Polar areas and the Tropics (f) the feasibility of constructing a prototype in Canada designed specifically to meet Canadian defence requirements and as a possible item for export sale?

Hon. James Richardson (Minister of National Defence): Yes, it is DND policy to continuously monitor studies conducted by other nations regarding all forms of equipment and vehicles that may have a military application. Canada is represented on several NATO and other Information Exchange Groups through which such information is passed. NDHQ staff officers are presently studying the numbers and types of vessels best suited to meet the requirements of Maritime Command within that Command's sphere of responsibility. With regard to the commissioning of an independent, outside study, it is considered that qualified expertise exists within the department to conduct such a study.

INCO'S SUPER STACK AT COPPER CLIFF, ONTARIO

Question No. 2,539—**Mr. Rodriguez:**

1. (a) Is the government, through the Department of the Environment, participating in testing the effects of INCO's "super stack" at Copper Cliff, Ontario and if so, with whom is the Department participating in such testing (b) what role is INCO playing in this testing vis à vis facilities, manpower, etc.?

2. (a) If the Department is participating with any other agency or agencies in such testing, how was the competency of the participating agency or agencies established (b) will the Department agree to submit its findings for corroboration by analysis of the third sample (c) will the Department permit interim reports on its findings to the public?

Hon. Jack Davis (Minister of the Environment): 1. (a) Yes, with the Ontario Air Management Branch; (b) nil, except providing parking facilities for mobile equipment.

2. (a) The competency of the Ontario Air Management Branch is generally recognized as being the highest of such provincial agencies in Canada; (b) yes; (c) yes, subject to agreement between the federal and provincial control agencies.

COST OF ICEBREAKING OPERATIONS

Question No. 2,544—**Mr. McCain:**

What were the costs of ice-breaking operations for each fiscal year 1970-71, 1971-72 and 1972-73, in each of the following regions (a) the Maritimes (b) the St. Lawrence River system (c) the Arctic (d) the Pacific coast (e) the Great Lakes?

Hon. Jean Marchand (Minister of Transport):

	1970-71	1971-72	1972-73
			$
(a) Maritimes	not available	not available	6,725,609
(b) St. Lawrence River System			2,757,111
(c) The Arctic (Icebreaking and Escorting)			3,887,000
(d) The Pacific			0
(e) The Great Lakes			550,002

Costs for 1970-71, 1971-72 are not available at this time. It would be necessary to review all ships' logs for this period in order to arrive at the necessary split and this could take several months.

[Mr. Marchand (Langelier).]

ST. LAWRENCE SEAWAY—INTEREST CHARGES

Question No. 2,545—**Mr. McCain:**

1. What are the estimated fixed charge costs for defrayment of interest charges and amortization of capital costs for the St. Lawrence Seaway for each fiscal year since 1970-17 inclusive?

2. Have these payments been made in accordance with the St. Lawrence Seaway Authority Act and (a) if so, in what manner (b) if not, how does the Seaway Authority intend to meet these obligations and requirements?

Hon. Jean Marchand (Minister of Transport): The St. Lawrence Seaway Authority advises as follows: 1. Under the Financial Administration Act the fiscal year of The St. Lawrence Seaway Authority is stated to be the Calender year. The payment of the following sums would have defrayed interest charges and amortization of capital costs for the Montreal-Lake Ontario section of the Seaway. 1970, $22,400,000; 1971, $23,700,000; 1972, $24,600,000. It is not possible to give comparable figures for the Welland section since the terms and conditions for repayment of indebtedness have not yet been determined.

2. No. (a) The following partial payments were made in respect of the Montreal-Lake Ontario section; 1970, $11,-665,000; 1971, $12,280,000; 1972, $8,749,000. (b) the reorganization of the St. Lawrence Seaway Authority's finances has been under study by an interdepartmental committee for some months and a report to the government is expected to be submitted by about October 1.

CNR AND CPR—PROFITS AND LOSSES

Question No. 2,549—**Mr. McCain:**

What were the profits or losses of Canadian Pacific Railway and Canadian National Railways for each fiscal year 1970-71, 1971-72 and 1972-73 in each of the following regions (a) British Columbia (b) the Prairie Provinces (c) Central Canada (Ontario and Quebec) (d) the Maritimes?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows: Neither railway compiles profit or loss statements on a regional basis.

NATIONAL DEFENCE—REJECTION AS A RESULT OF MENTAL ILLNESS

Question No. 2,551—**Mr. Rowland:**

1. Is a person with a past history of mental illness permanently disqualified from enrolment in the Canadian Armed Forces?

2. In disqualifying persons for enrollment in the Armed Forces on the grounds of a past history of mental illness, are distinctions made on grounds of length of illness, type of illness, severity of the disorder, etc. and, if so, what are the criteria applied?

Hon. James Richardson (Minister of National Defence): 1. Yes, the present regulation contained in CFP 154, Article 719, reads as follows: Psychoses, Psychoneuroses, Character Disorders. The causes for rejection for enrolment are: (a) Psychoses: A history of a definite psychotic episode shall preclude enrolment, except in cases of psychosis of brief duration associated with a toxic or infectious process. (b) Psychoneurosis: A history of a psychoneurotic reaction which has required hospitalization, or prolonged care by a physician, or loss of time from normal pursuits (i.e., impaired school or work efficiency). (c) Character Disorders: (1) A history of antisocial behaviour, encounters with the law, inadequacy, or marked immaturity. (2) Sexual deviation, chronic alcoholism, and drug addiction.

2. As a rule, the above criteria are strictly adhered to, but in some instances of minor character disorders the rules may be relaxed. An episode of proven psychotic reaction, and in cases of psychoneuroses, where hospitalization, relatively prolonged care by a physician, loss of time at work or school have occurred, rejection is habitual. Cases are considered individually, the medical history is analysed and the Medical Board renders a decision. When the illness or disorder is considered to have been of a minor nature, a candidate may be accepted.

*DEPARTMENT OF JUSTICE—PAYMENT OF FEES TO MR. DIETRICH BRAND

Question No. 2,560—**Miss MacDonald (Kingston and the Islands):**

Is it the intention of the Minister of Justice to recognize any government obligation north of 60 degrees, by paying fees and disbursements to Mr. Dietrich Brand, appointed by Mr. Justice William Morrow to act for the Department in current land hearings and, if not, for what reason?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, in so far as the Department of Justice is concerned, Mr. Dietrich Brand was appointed by Mr. Justice Morrow as amicus curiae to assist him in the recent caveat hearings. Mr. Brand was not appointed by nor did he represent the Department of Justice or the government of Canada. His fees in connection with this matter are therefore properly chargeable to the administration of justice in the Northwest Territories and their payment by the government of the Northwest Territories has been arranged with Mr. Brand.

SHIPMENT OF HORSES ABROAD

Question No. 2,577—**Mr. Rowland:**

1. For what purposes does Canada permit the shipment of horses abroad?

2. Is it permissible to ship horses for the purposes of slaughter?

3. Is there any follow-up to ensure that animals are employed for the purposes declared at the time of their shipment and, if so, what are the precedures followed?

Hon. E. F. Whelan (Minister of Agriculture): 1. Horses for export to Europe are certified to a standard of health which will permit their use for breeding or work purposes.

2. It is not a requirement to have the exporter indicate the purpose of export.

3. In as much as it is not a requirement to have the exporter indicate the purpose of export, there are no follow-up procedures. However, all horses being shipped are examined prior to export by a veterinary officer and must be classed as healthy, fit for travel, and in a condition for work or breeding.

Order Paper Questions

NATIONAL DEFENCE—LAYOFFS AT DOCKYARDS

Question No. 2,583—**Mr. Munro (Esquimalt-Saanich):**

1. How many casual employees in ship repair at HMC Dockyard (a) were laid off (b) left their employment voluntarily between March 26 and July 2, 1973 in (i) Esquimalt (ii) Halifax?

2. Have any of these employees benefitted or will they benefit from the retroactive pay rates set forth in the new collective agreement covering ship repair employees signed on July 18 in Ottawa with the Treasury Board and (a) if so, how many (b) if not, what explanation is offered for refusing to pay these employees at the new rates?

3. How many persons referred to in Part 1(a) and (b) were re-hired during the period March 26 and July 2 in (i) Esquimalt (ii) Halifax and were they paid eventually at the retroactive rates once the collective agreement already mentioned was concluded?

Hon. James Richardson (Minister of National Defence):

	Esquimalt	Halifax
1. (a)	7	NIL
(b)	10	NIL
2. (a)	5	NA

(b) seven of the total of twelve casual employees not in receipt of retroactive pay benefits are not eligible under the Retroactive Remuneration Regulations because they left the service voluntarily. The remaining five, who had less than six months employment, were laid off during the retroactive period. Their status, in terms of eligibility for the appropriate portion of the retroactive period, is currently under review.

3. Esquimalt, nil; Halifax, NA.

VISITS TO CANADA—FRENCH MILITARY PERSONNEL AND AIRCRAFT

Question No. 2,589—**Mr. Rowland:**

1. On or about Tuesday, July 24, 1973, were there present in Canada a significant number of French military personnel and two French military transport aircraft and, if so, for what purpose were they in Canada?

2. Did their presence in Canada have anything to do with French nuclear tests taking place in the South Pacific?

Hon. James Richardson (Minister of National Defence): 1. Sixteen Officers and 73 Officer Cadets from École de l'Air de France and the aircrew of two French DC 6 aircraft visited Canada on an educational tour from 18 July to 1 August, 1973. The itinerary included the following cities: 18-20 July, Ottawa and Toronto; 21 July, Niagara Falls (U.S.A.); 21-24 July, Calgary; 24-25 July, Vancouver; 25-26 July, Yellowknife; 26-28 July, Quebec City; 28-31 July, Montreal & Collège Militaire Royal de Saint-Jean; 31 July, Bagotville; 1 August, Departed Montreal for Azores.

2. No.

[Mr. Whelan.]

FEDERAL ASSISTANCE FOR ESTABLISHMENT OF BILINGUAL DISTRICTS ABROAD

Question No. 2,590—**Mr. Scott:**

1. Has the government given any money to help establish bilingual districts in other nations, such as the State of Louisiana and, if so (a) how much (b) who authorized the giving of this money (c) was approval of the Government of the United States received before the grants were given?

2. Does the government plan to continue this program and, if so, to which countries will the government probably be making donations?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of the Secretary of State and the Department of External Affairs as follows: 1. No.

2. Not applicable.

PROPOSED OLYMPIC VILLAGE, MONTREAL

Question No. 2,604—**Mr. Stackhouse:**

1. (a) How much money has been expended for funding the proposed Olympic Village at Montreal (b) how much has been budgeted for future expenditures for this project?

2. How much has been paid toward the salary of the Olympic Commissioner?

3. How many government employees have been or will be seconded to COJO?

4. (a) How much has been paid toward the salaries of government employees, if any, seconded to COJO (b) how much has been budgeted for anticipated future service by federal employees so seconded?

Hon. C. M. Drury (President of Treasury Board): 1. (a) None. (b) If the City of Montreal wishes to avail itself of the provisions of the National Housing Act, it is hoped that it may be accommodated within the scope of the existing NHA program and CHMC budgetary capacity for the period for which the request is received.

2. $35,880 have been paid for the period from July, 1972 when the Commissioner-General joined COJO, to August 24, 1973.

3. No employee of the federal government other than Mr. C.O.R. Rousseau has yet been seconded to COJO. Approximately 25 man-years may be seconded for the period 1973 to 1976.

4. (a) Nothing other than the Commissioner-General's salary as noted in 2 above. (b) Seconded personnel will be provided under normal program funding. Total expenditure has been estimated to range up to $750,000.

PURCHASE OF LAND—RIDEAU CANAL AND SMITHS FALLS AREA

Question No. 2,606—**Mr. Cossitt:**

1. Since 1957, has the government purchased any land adjacent to the Rideau Canal in the area of Smiths Falls, Ontario and, if so (a) what is the location of this land (b) on what date was the purchase made (c) from whom was the purchase made (d) what was the purchase price?

2. Did the government at any time plan to construct a building in the area of Smiths Falls, Ontario as a headquarters for the Rideau Canal system and, if so (a) was such information made public (b) on what date was this done?

3. Did the government subsequently decide not to build the headquarters of the Rideau Canal system in Smiths Falls, Ontario and, if so (a) on what date was this decision made (b) by whom was this decision made (c) was such a decision made public and on what date?

4. Is the government now reconsidering the matter of building the headquarters of the Rideau Canal system in Smiths Falls because of its declared decentralization policy?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. The following parcels of land adjacent to the Rideau Canal in Smiths Falls were purchased since 1957 by the federal government:

Location	Date purchased	Purchased from	Purchase price
Part of Lot 131 as shown on Registered Plan 2857 and Part of Reserve Lot between Bay and Fly Streets.	June 1967	DOT Holding Company	$33,000
Part of Lot 2, Concession 4, Township of South Elmsley.	August 1967	Ustel Motor Sales Limited	$1
Lot 130 and Water Lot in front of Lot 130 as shown on Registered Plan 2857	June 1968	DOT Holding Company	$35,000
Part of Lot 1 Concession 4, Township of North Elmsley.	August 1969	Town of Smiths Falls	$1
Part of Fly Street now Gile Street and water lot opposite Gile Street in Town of Smiths Falls.	March 1971	Town of Smiths Falls	$1

2. The government announced in April 1965 that it proposed to construct a headquarters for the Rideau Canal System at Smiths Falls.

3. The government still proposes to construct the headquarters.

4. No.

UNEMPLOYMENT INSURANCE PERSONNEL, KINGSTON, ONTARIO

Question No. 2,607—**Mr. Cossitt:**

1. Has there been a reduction in staff of the Unemployment Insurance Commission Office at Kingston, Ontario and, if so (a) what are the names of those employees laid off (b) on what dates were they laid off?

2. What was the reason for such action being taken?

3. Has there been a reduction in the number of persons employed by the Unemployment Insurance Commission at Kingston, Ontario assigned to handle complaints made to members of parliament by their constituents and, if so (a) what was the former number of persons involved in such work (b) to what level has this been reduced?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. Yes, six casual employees have been laid off. (a) M. F. Walters, G. P. McCallum, R. McNeil, D. Douglas, J. R. Edwards, J. R. Stewart. (b) August 10, 1973.

2. Work shortage.

3. Yes, (a) Three (one regular employee and two casuals); (b) two (one casual).

NATIONAL DEFENCE—NUMBER OF RETIRED PERSONNEL WITH 25 YEARS SERVICE

Question No. 2,608—**Mr. Forrestall:**

1. In the past three fiscal years, how many men or officers, by rank, have left the Canadian Armed Forces with an excess of 25 years service?

2. In the next three fiscal years, by year, how many men or officers of the Canadian Armed Forces with an excess of 25 years service are anticipated by the department to be retiring?

Hon. James Richardson (Minister of National Defence): 1. The number of men and officers who have attained in excess of 25 years service with the Canadian Forces who have retired during the past three years is as follows: General, 2; Lieutenant-General, 6; Major-General, 10; Brigadier-General, 27; Colonel, 69; Lieutenant-Colonel, 223; Major, 399; Captain, 362; Lieutenant, 4; Cadet, 2; Sub-Total, 1,104. Chief Warrant Officer, 317; Master Warrant Officer, 499; Warrant Officer, 665; Sergeant, 613; Corporal, 216; Private, 28; Sub-Total, 2,338; Total, 3,442.

2. Retirements of service personnel who will have achieved 25 years or more of service during the next three fiscal years is currently projected as follows:

	FY73/74	FY74/75	FY75/76
Lieutenant-General	2	2	4
Major-General	2	2	8
Brigadier-General	6	14	6
Colonel	14	23	24
Lieutenant-Colonel	40	81	69
Major	66	122	108
Captain	71	96	125
	201	340	344
Chief Warrant Officer	57	73	101
Master Warrant Officer	102	112	127
Warrant Officer	119	144	122
Sergeant	116	152	155
Corporal	59	64	68
Private	1	2	—
	454	547	573
Totals	655	887	917

POST OFFICE—ROYAL MAIL/POSTE ROYALE DESIGNATION

Question No. 2,618—**Mr. Forrestall:**

Is the government giving consideration to placing the words "Royal Mail/Poste royale" on the new series of mail vehicles that are being placed into service in Canada and, if not, for what reason?

Order Paper Questions

Hon. André Ouellet (Postmaster General): The words "Royal Mail/Poste Royale" have been placed on the newly designed Canada Post mail trucks.

NATIONAL DEFENCE—BREAKDOWN BY PROVINCE OF EXPENDITURES

Question No. 2,619—**Mr. Forrestall:**

What was the breakdown, by province, for dollar expenditure by the Department of National Defence, in each fiscal year 1965 to the present, inclusive?

Hon. James Richardson (Minister of National Defence): Prior to 1967 the Department of National Defence did not maintain its budgetary records in such a way as to readily identify the breakdown of departmental expenditures by province.

Province	(a) 1967-68[1] ($000)	(b) 1968-69[1] ($000)	(c) 1969-70[1] ($000)	(d) 1970-71[1] ($000)	(e) 1971-72[2] ($000)
Newfoundland	4,880	5,682	6,627	6,004	12,867
Prince Edward Island	12,297	11,381	13,072	13,946	16,583
Nova Scotia	157,378	174,173	201,081	199,301	236,180
New Brunswick	63,038	78,388	69,930	69,960	82,314
Quebec	290,018	290,656	269,606	271,236	376,733
Ontario	542,935	524,498	512,803	506,229	613,702
Manitoba	78,168	74,496	81,775	81,937	90,588
Saskatchewan	18,529	19,844	22,196	23,250	27,891
Alberta	89,570	90,603	103,759	109,826	135,961
British Columbia	110,490	119,047	135,195	146,512	160,697
Yukon	1,454	109	234	318	14
Northwest Territories	2,544	1,594	2,928	2,950	3,785
Outside Canada	196,482	170,673	170,582	140,200	175,315
Total Expenditure Distributed	1,567,783	1,561,144	1,589,788	1,571,669	1,932,630

NOTES: (1) In the distribution by province shown in columns (a) to (d) the amounts included for military pay are exclusive of payroll deductions for Federal Income Tax, superannuation, death benefit and Canada Pension Plan. Also excluded in the distribution are the government contributions to the superannuation account, death benefit and CPP. However, pension payments from non-budgetary funds to pensioners resident in the various provinces is included in this distribution.

(2) The distribution by province shown in column (e) is taken from the statement of expenditures by province for 1971-72 provided to the Miscellaneous Estimates Committee on 13 April, 1973. The amounts shown in this column are based on a distribution of all DND budgetary expenditures without the adjustments for military payroll deductions, government pension contributions and pension payments from non-budgetary accounts that are incorporated in the distribution given in columns (a) to (d) inclusive.

[Mr. Forrestall.]

NATIONAL DEFENCE—EXPENDITURES OUTSIDE CANADA

Question No. 2,620—**Mr. Forrestall:**

What dollar proportion of the total budget of the Department of National Defence was expended outside of Canada since 1968?

Hon. James Richardson (Minister of National Defence): The following percentages, by year, since 1968, represent the dollar proportion of the total Department of National Defence Budget spent outside Canada: 1967-68, 12.5 per cent; 1968-69, 10.9 per cent; 1969-70, 10.7 per cent; 1970-71, 8.9 per cent; 1971-72, 9.1 per cent.

NATIONAL DEFENCE—PUBLICATION OF CFAO IN BOTH LANGUAGES

Question No. 2,621—**Mr. Forrestall:**

1. On what date does the government and the Department of National Defence intend to complete the translation and publication of bilingual reprints of the Canadian Forces Administrative Orders?

2. At what level has funding for this program been provided for the 1973-74 fiscal year?

3. What percentage of such orders has been completed to date?

Hon. James Richardson (Minister of National Defence): 1. All new CFAO's are published in both official languages. When a current CFAO requires amendment it is republished in both official languages. It is estimated that all such Orders will be in both official languages within two years.

2. $87,000.

3. 60 per cent.

NATIONAL DEFENCE—RELEASES FROM CANADIAN ARMED FORCES

Question No. 2,622—**Mr. Forrestall:**

1. Since January 1, 1973, how many men or officers have been released from Maritime Command?

2. For each calendar year between 1964 and 1972, inclusive, how many men or officers were released, by command, from the Canadian Armed Forces?

Hon. James Richardson (Minister of National Defence): 1. The number of personnel who have left Maritime Command for one reason or another since January 1, 1973, is as follows: (a) Officers, 121; (b) Other Ranks, 910; Total 1,031.

2. Records of termination of service for all reasons prior to 1968 are incomplete. From 1968 to 1972 terminations of service from each Command and personnel accounting unit are as follows:

Order Paper Questions

Command	Off/ Men	1968	1969	1970	1971	1972
CFHQ	Off	450	757	728	627	422
	Men	519	627	537	375	410
		969	1384	1265	1002	832
Mobile Command	Off	146	186	133	140	151
	Men	1964	2102	1876	2098	2330
		2110	2288	2009	2238	2481
4 Cdn Inf. Bgde Gp	Off					
	Men	7	9	8		
		7	9	8		
Maritime Command	Off	203	247	202	208	186
	Men	1214	2187	1949	1616	1495
		1417	2434	2151	1824	1681
Air Def Command	Off	73	105	109	64	62
	Men	730	906	846	653	661
		803	1011	935	717	723
Air Trans Command	Off	89	160	174	170	134
	Men	499	748	703	659	669
		588	908	877	829	803
Training Command	Off	285	439	249	222	226
	Men	1701	2441	2064	1917	1808
		1986	2880	2313	2139	2034
Material Command	Off					
	Men	3	1			
		3	1			
CF Comm Command	Off	2	12	14	15	18
	Men	150	223	215	164	189
		152	235	229	179	207
Reserve-Survival	Off	32	67	59	21	1
	Men	63	150	134	34	2
		95	217	193	55	3
Tec Serv Unit	Off	23	67	50	40	27
	Men	169	314	285	263	173
		192	381	335	303	200
Cdn Def. Educ. Est	Off				24	125
	Men				1	14
					25	139
CF Trg Estab	Off					101
	Men				1	71
					1	172
Cdn Forces Europe	Off	34	53	40	34	14
	Men	330	270	332	196	154
		364	323	372	230	168
Other	Off	327	88	26	10	5
	Men	1566	437	257	175	202
		1893	525	283	185	207

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—AMENDMENT TO BILL 13-47

Question No. 2,627—**Mr. Orlikow:**

1. Is the Minister of Indian Affairs and Northern Development aware of the amendment by the Council of the Northwest Territories to Bill 13-47 "An ordinance Respecting the Preservation of Game" enacted on June 30, 1972?

2. Has the Minister received a request from the Inuit Tapirisat of Canada requesting him to disallow that amendment because no opportunity was given to the native organizations to submit their recommendations or to make clear the difficulties this amendment will cause to native people?

3. Has the Minister made a decision regarding this request, and, if so (a) what was it (b) for what reasons?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Yes.

2. Yes. The Minister received a letter from the President of Inuit Tapirisat, Mr. Tagak E. C. Curley dated June 5, 1973.

3. The Minister carefully studied both the amendments to the Bill and the arguments presented in the brief and concluded that the amended Ordinance will not result in the dilution of native hunting rights. Commissioner Hodgson is currently in the process of conducting a comprehensive review of all aspects of the Game Ordinance and Inuit Tapirisat (through the Federation of Natives North of 60°) as well as the other native organizations have been invited to assist Territorial officials in this review.

BOWDEN CORRECTIONAL CENTRE, ALBERTA

Question No. 2,628—**Mr. Gleave:**

1. On what date was the Bowden Correctional Centre in the province of Alberta purchased by the government?

2. What price was paid for this property?

3. What understanding was given as to continued employment of personnel at the institution?

4. How many inmates will the institution accommodate?

Hon. Warren Allmand (Solicitor General): 1. Negotiations for purchase of the Bowden Correctional Centre are not yet completed.

2. No money paid to date.

3. Negotiations now in progress aim at the hiring of all the present staff of Bowden with the possible exception of a very small number whose categories of employment are not normally required in the operational system of the Canadian Penitentiary Service. However, the operation of Bowden as a medium security institution of the Canadian Penitentiary Service will require a larger staff than presently employed there.

4. Approximately 200.

Order Paper Questions

NATIONAL DEFENCE—TAKE HOME PAY

Question No. 2,632—**Mr. Forrestall:**

By rank, for officers and men, what percentage of gross pay to Canadian Armed Forces personnel was actually taken home by CAF personnel in 1963, 1968 and 1972?

Hon. James Richardson (Minister of National Defence): To provide the information as requested, by rank, would entail the expenditure of man hours and dollars which are not available for this purpose. However, the following information may provide the required comparison.

	Officers	Men
	%	%
1963	84	88
1968	77	83
1972	74	79

NOTE: The above statistics represent gross pay less deductions for Income Tax, Pension, Supplementary Death Benefits and Unemployment Insurance.

NATIONAL DEFENCE—MARRIED QUARTERS

Question No. 2,633—**Mr. Forrestall:**

With respect to deductions for provision of married quarters for Canadian Armed Forces personnel, are there any instances in which the provisions of Queens Regulations and Order 208.51 are not being met and, if so, what are the circumstances?

Hon. James Richardson (Minister of National Defence): There are no known instances where charges for married quarters, in accordance with Article 208.51 of Q.R. & O. are not being applied to quarters occupied by families. On several bases, where the supply of married quarters exceeds the demand for family accommodations single personnel are offered these quarters with the following stipulations: (a) that the quarters will be vacated on 30 days' notice if required for family accommodation; and (b) that the monthly charge will be the full established rate, i.e., the Central Mortgage and Housing Corporation appraised shelter charge plus, where applicable, the national average charge of $21 for utilities.

CBC—ACQUISITION OF RADIO STATIONS

Question No. 2,640—**Mr. Neil (Moose Jaw):**

What was the price paid by the Canadian Broadcasting Corporation to acquire the assets of (a) CFRG/CFGR Gravelbourg, Saskatchewan from *Radio Gravelbourgh Limitée* (b) CFNS Saskatoon, Saskatchewan from *Radio-Prairies-Nord Limitée*?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: (a) $40,000; (b) $55,000.

[Mr. Allmand.]

AVERAGE "PER DIEM" COST PER ANIMAL AT QUARANTINE STATIONS

Question No. 2,641—**Mr. Neil (Moose Jaw):**

1. In each of the years 1970, 1971 and 1972, what was the average *per diem* cost per animal for feed and care at each of the quarantine stations (a) Saint Pierre (b) Grosse Île (c) Lévis (d) Edmonton?

2. In each of the years 1970, 1971 and 1972, what was the average cost per ton of hay, grain and/or prepared feed consumed at each of the quarantine stations (a) Saint Pierre (b) Grosse Île, (c) Lévis (d) Edmonton?

Hon. E. F. Whelan (Minister of Agriculture): 1. (a) St. Pierre, 1970, $5.32; 1971, $5.66; 1972, $5.73. (b) Grosse Île, 1970, $3.54; 1971, $3.69; 1972, $4.69. (c) Lévis, 1970, $9.44; 1971, $8.26; 1972, $7.01. (d) Edmonton, 1970, Not in operation; 1971, Not in operation; 1972, $9.03.

2. (a) St. Pierre Hay, 1970, $59.95 per ton; 1971, $52.30 per ton; 1972, $52.80 per ton; Prepared Feed 1970, $81.15 per ton; 1971, $86.43 per ton; 1972, $86.75 per ton. (b) Grosse Île Hay, 1970, $50.00 per ton; 1971, $50.00 per ton; 1972, $65.00 per ton; Prepared Feed 1970, $68.35 per ton; 1971, $75.85 per ton; 1972, $82.73 per ton; (c) Lévis Hay, 1970, $44.00 per ton; 1971, $44.00 per ton; 1972, $48.00 per ton; Prepared Feed 1970, $110.00 per ton; 1971, $114.00 per ton; 1972, $110.00 per ton. (d) Edmonton; 1970—1971 Not in operation. Hay, 1972,—$32.00 per ton; Prepared Feed 1972, $57.60 per ton.

CIDA—LIAISON DIVISION

Question No. 2,643—**Mr. Stevens:**

1. On what date was the Evaluation and Liaison Division of CIDA created?

2. How many staff are employed within the Evaluation and Liaison Division of CIDA?

3. (a) To whom does the Director of the Division report (b) to whom is the Director responsible?

4. How many capital projects undertaken by CIDA has the Evaluation and Liaison Division examined since the Division was created (a) what were the projects (b) for what reasons was each project selected for examination (c) for each of the projects examined by the Division (i) what information was judged to be relevant to the examination (ii) what was the information examined (iii) under what criteria was each project evaluated (d) for each project evaluated, what was the result, conclusion or recommendation of each evaluation (e) for each project evaluation which produced a recommendation, in which cases the CIDA acted upon the recommendation of the evaluation (f) for each of the projects evaluated, did the evaluation procedure take place within Canada, or on or near the site of the project?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the answer is as follows. 1. The Evaluation Division of the Policy Branch of CIDA became effectively operational in January of 1973. 2. Staff numbers as of September 1, 1973 were: Director, 1; Evaluation Officers, 3; Stenographers, 2, for a total of 6. In addition, a full-time consultant to the agency on educationl programs is attached to the division. 3. (a) The director of the division reports to the acting vice-president, policy branch; (b) The director is responsible to the acting vice-president, policy branch. 4. To date, the division has not examined any capital projects, but has been actively concerned with other areas of CIDA's programing, particularly in the fields of training and technical assistance.

ANTI-POVERTY PROGRAM—ABSCONDING OF FUNDS

Question No. 2,653—**Mr. Reynolds:**

Did Mr. Donald Anderson abscond with $3,000 from the Anti-Poverty Program under the direction of the Secretary of State and, if so, what action was taken (a) against him (b) to recover the said amount?

Hon. James Hugh Faulkner (Secretary of State): In October 1972, a Citizenship grant for $3,000 was awarded by the Secretary of State Department to the Abbotsford Low-Income Group, an organization not under the direction of the Secretary of State Department. With respect to Mr. Donald Anderson, his case is now before the court.

NATIONAL DEFENCE—CADET SUMMER TRAINING PROGRAM

Question No. 2,656—**Mr. Rowland:**

1. How many young Canadians (a) male (b) female are enrolled in the Cadet Program?

2. How many (a) male cadets (b) female cadets attended cadet summer camps in the summer of 1973?

3. By what percentage of the total enrollment in the Cadet Program (a) male (b) female did those attending summer camp represent?

4. What was the total amount of governmental expenditures on the Cadet Summer Training Program?

5. What was the total amount of governmental expenditures on the Cadet Training Program for (a) male cadets (b) female cadets in the summer of 1973?

6. In percentage terms, what was the portion of the budget of the Cadet Summer Training Program expended on training for summer training for (a) male cadets (b) female cadets in the summer of 1973?

Hon. James Richardson (Minister of National Defence): 1. (a) As of January 31, 1973, there were 64,692 young male Canadians enrolled in the Cadet Program. (b) At present, Section 43 of the National Defence Act precludes the enrolment of young female cadets.

2. (a) Approximately 24,000 male cadets attended cadet summer camps in 1973. (b) Not applicable. See 1(b) above.

3. (a) Approximately 37 per cent of the total male cadet enrolment attended summer camp in 1973. (b) Not applicable. See 1(b) above.

4. Approximately $6.9 million was allotted for the 1973 cadet summer training program. (Note: Actual expenditure is not yet known as all accounts for 1973 have not yet been cleared.)

5. (a) As for 4 above. (b) Not applicable. See 1(b) above.

6. (a) Approximately 62 per cent. (b) Not applicable. See 1(b) above.

PAYMENT OF PROVINCIAL AND MUNICIPAL SALES TAX ON TELEPHONE AND ELECTRICITY BILLS

Question No. 2,660—**Mr. Godin:**

Do Indians have to pay provincial and municipal sales tax on telephone and electricity bills?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Unless there has been exemption granted by the appropriate provincial authorities, Indians say the same provincial and municipal sales taxes as anyone else.

*VANCOUVER—INCLUSION OF ICE SKATING RINK IN GOVERNMENT BUILDING

Question No. 2,669—**Mr. Reynolds:**

Will the government building in Vancouver include an ice skating rink and, if so (a) is the rink to be used by the public (b) will there be any charge for its use?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the answer is as follows. (a) The preliminary conceptual plans for the Vancouver building by Arthur Erickson had shown an area on the outside plaza at ground level designated as a fountain or skating rink. If the concept remains unchanged, it is intended that during the summer months a large fountain would be installed and that during the winter months such facilities could be converted to a small skating rink for the use of and enjoyment of the public. (b) It is anticipated at this time that there shall be no charge for the use of this skating rink.

CBC—REMUNERATION PAID TO LISE PAYETTE AND JEANNETTE BERTRAND-JEAN LAJEUNESSE COUPLE

Question No. 2,674—**Mr. Matte:**

What is the salary or remuneration paid by CBC to hostess Lise Payette and the Jeannette Bertrand-Jean Lajeunesse couple?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: It has not been customary to require the CBC to disclose salaries or remuneration paid to individuals.

DESTRUCTION OF FORM E-67 AT CUSTOMS OFFICE, PORT OF LANSDOWNE, ONTARIO

Question No. 2,675—**Mr. Cossitt:**

1. Were instructions issued recently by anyone whatsoever for the destruction of all pink referral slips on hand at Canada Customs at the Port of Lansdowne, Ontario and known as Form E-67 and, if so, whom were such instructions given?

2. Was the reason for such instructions because this form, used strictly for internal port use, was printed entirely in the English language?

3. Was there any communication, written or verbal, between the Department of National Revenue and the Commissioner of Official Languages on this subject?

4. Were such forms ordered to be destroyed or discarded in any other localities in Canada and, if so, in what provinces and in how many localities in each province?

Hon. Robert Stanbury (Minister of National Revenue): In so far as National Revenue is concerned: 1. Yes. The Regional Collector, Port of Ottawa, ordered the destruction of all unilingual Forms E-67 at the Port of Lansdowne and their replacement with bilingual forms.

2. Yes. The form is now available in bilingual format.

3. No. There was no communication with the Commissioner of Official Languages concerning the use of unilingual Forms E-67 at the Port of Lansdowne. However, there

has been communication about the use, since discontinued, of such forms in unilingual format at the Port of Prescott.

4. Yes. Instructions have been issued to all field offices authorizing destruction of all unilingual forms provided replacements in bilingual format are available. Form E-67 was revised to bilingual format in March, 1972.

CIDA STUDY SESSION—AUGUST 22 TO 24, 1973

Question No. 2,682—**Mr. Schumacher:**

1. How many (a) teachers (b) advisers (c) other personnel (d) spouses were returned to Canada to attend the study session with officers of the Canadian International Development Agency August 22 to 24, 1973 from Francophone Africa?

2. In each case, what was (a) the country of employment (b) the cost of travel to and from Canada (c) the cost of accommodation (d) the cost of meals and other *per diem* expenses?

3. In each case, who bore the costs involved?

4. Where were the study sessions held?

5. What were (a) the nature of the sessions (b) the conclusions reached (c) the recommendations made (d) the action proposed by CIDA to reinforce its efforts in the field of social improvement as a result of this study session?

Hon. Mitchell Sharp (Secretary of State for External Affairs): (1) No personnel were returned to Canada specifically to attend this de-briefing session. Forty eight francophone teachers who had already terminated their assignments and were already in Canada, attended the Conference at Ottawa University. Twenty four were accompanied by their wives.

(2) (a) See following list of number of teachers and spouses by country. R.C.A., 5-4; Cameroun, 10-6; Tunisie, 7-1; Côte d'Ivoire, 5-3; Zaire, 2-2; Maroc, 1-1; Burundi, 1-1; Madagascar, 2-0; Gabon, 3-0; Algérie, 5-1; Tchad, 1-1; Sénégal, 4-3; Togo, 2-1. (b) Nil. Personnel already in Canada, having completed assignments. (c) $1,348. (d) $3,716.03 plus $1,030 for facilitators and secretariat (per diem) and mileage.

(3) CIDA.

(4) Ottawa University.

(5) Discussion Sessions in work groups and plenary to collect views of returnees on CIDA program and its administration. (b) Results of study session now being compiled. (c) Same as for 5 (b) above. (d) When recommendations and observations of CIDA returnees have been compiled, they will be considered by management in relation to existing policy and procedures.

SPORTS CANADA PERSONNEL

Question No. 2,686—**Mr. Jelinek:**

1.What is the total number of employees in Sports Canada?

2. (a) How many employees earn over (i) $16,000 a year (ii) $20,000 a year (b) what is the annual total payroll of Sports Canada (c) what percentage of the budget is made up of salaries and wages?

3. What were the (a) entertainment expenses (b) travelling expenses of Sports Canada executives and other personnel in the past fiscal year?

4. How many employees (a) are graduates in physical education (b) are professional athletes (c) held previous government positions other than clerical or junior administrative?

[Mr. Stanbury.]

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. 51

2. (a) (i) 13; (ii) 3. (b) 1972-73, $336,000; (c) 1972-73, 21.7 per cent.

3. (a) $ 7,542; (b) $84,546.

4. (a) 9; (b) 2; (c) 9.

EXPORT DEVELOPMENT CORPORATION—INTEREST RATE

Question No. 2,691—**Mr. Stevens:**

In July and August, what was the average rate of interest charged on new long term financing commitments by the Export Development Corporation?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Export Development Corporation states: It is not in the public interest to publish information on EDC lending rates. These rates vary according to such factors as the need to match international competition and the credit risks involved. To publish an average rate would be to disclose to certain borrowers that the EDC rate to them is above the average and this would militate against the possibility of repeat business for Canadian exporters.

BANDARANAIKE AIRPORT, COLUMBO, SRI LANKA

Question No. 2,693—**Mr. Stevens:**

1. What has been the total cost to date of the design and construction of the Bandaranaike (Katunayake) Airport at Columbo, Sri Lanka and, of this (a) what amount of the total cost to date was financed by Canadian aid (b) did this aid take the form of a loan or of a grant?

2. When was the Bandaranaike Airport completed, or, if the project is still underway, what is the projected date of completion?

3. At the conclusion of pre-construction studies, what was the total estimated cost of the Bandaranaike Airport?

4. What were the dates of (a) the start of the feasibility study on the Bandaranaike project (b) the start of the construction of the Airport?

5. What was the cost of the professional services provided on the design and construction of the Bandaranaike project, including (a) consultant's costs (b) architect's fees (c) engineer's fees (d) project manager's fees (e) lawyer's fees (f) other professional fees and, in each case, what were the names and addresses of each concern retained to perform the work together with the total amount paid or payable to such concern?

6. How many scheduled flights were recorded at the Airport during 1972 and in each quarter to date in 1973?

7. Based upon the feasibility study report on the construction of the Bandaranaike Airport, what is the nature of the anticipated impact that the Airport is expected to have on the economy of Sri Lanka?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Total cost of design and construction of the Bandaranaike Airport at Colombo was approximately $7.8 million and of this $6,568,718.25 was financed by the Canadian International Development Agency as follows: $5,068,718.25 from Grant Funds; and $1,500,000.00 from Loan Funds; $6,568,718.25 Total.

2. The Bandaranaike airport was completed in June 1968.

3. The preconstruction estimated cost was approximately $6 million. However, changes were effected later in the design of the terminal to include a third floor and a control tower and it was later decided to provide furnishings.

4. The feasibility study started in 1963. Construction started on the runway extension in September 1964 and on the airport terminal in February 1966.

5. The Foundation of Canada Engineering Corp. Ltd. of 2200 Yonge Street, Toronto, provided engineering consultancy services at the cost of $377,950.55 and was the only outside professional consulting firm engaged on the project. All other professional services were provided by the in house professionals of the Canadian Department of Transport.

6. Over seven thousand commercial air movements were recorded in 1972 at the airport. Statistics are not available within CIDA for 1973.

7. Prior to the construction of the Bandaranaike airport Sri Lanka did not have an airport which could handle the jet aircraft being used and planned to be used by international carriers. Sri Lanka, being strategically located on major intercontinental trade routes (both sea and air), expected to act as a major port of call on these routes. One other major advantage to the Sri Lankan economy was the anticipated increase in the volume of tourists which would result from the improvement of the airport facilities. Statistics of traffic at Bandaranaike Airport reflect a steady growth of both aircraft movement and passenger traffic. The current volume of traffic, and its annual rate of increase is, in fact, far greater than estimated at the outset of the project.

POLITICAL ACTIVITIES OF PUBLIC SERVANTS

Question No. 2,697—Mr. Lambert (Bellechasse):

Can a Public Servant become president of a federal or provincial political organization without violating the Public Service Employment Act or Regulations?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: No. Section 32 of the Public Service Employment Act states, in part, that no deputy head and no employee "shall engage in work for, on behalf of or against a political party".

LIP—ADVERTISING COSTS

Question No. 2,699—Mr. Towers:

1. What is the total cost of advertising for the 1973-74 Local Initiatives Program?

2. Is the cost itemized under total for newspapers, television and radio advertising and, if so, what are the amounts?

3. Is the expenditure for advertising of LIP included in the announced amount of $83 million or is it an additional cost and, if so, to what branch of the Department is the advertising charged?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. $510,000.

2. Yes; newspapers, $217,141.63; television, nil; radio, $165,824.

3. Included in the announced amount of $83 million.

PERCENTAGE OF POPULATION SPEAKING ENGLISH, FRENCH AND BOTH LANGUAGES

Question No. 2,701—Mr. Mather:

In the latest year on record, what percentage of the population of Canada speak (a) English only (b) French only (c) both languages?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: The following percentages are derived from the 1971 Census of Canada (the latest year for which these date are available) and show the percentages of the Canadian population speaking: (a) English only, 67.1 per cent; (b) French only, 18.0 per cent; (c) Both languages, 13.4 per cent.

(Note: 1.5 per cent speak neither language)

TOTAL EXPENDITURES ON A NATIONAL ACCOUNTS BASIS FOR ALL GOVERNMENTS IN CANADA

Question No. 2,708—Mr. Stevens:

What was the total expenditure on a national accounts basis in each of the calendar years 1968 to 1973 for all governments in Canada and what was the total expenditure in each of the years at the federal, provincial and municipal levels?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: The total expenditure on a national accounts basis in each of the calendar years 1968 to 1973 for all governments in Canada and the total expenditure in each of the years at the federal, provincial and municipal levels is as follows:

	1968	1969	1970	1971	1972	Jan.-June[1] 1973
Total Government Expenditure[2]	24,472	27,226	31,112	35,229	39,813	21,611
Total Federal Expenditure[3]	12,254	13,524	15,337	17,496	20,250	11,287
Total Provincial Expenditure[4]	10,354	11,674	14,159	16,534	18,169	9,685
Total Municipal Expenditure[5]	8,288	9,295	10,460	11,562	12,754	6,749

[3]First six months only.

[2]Excludes transfers to other levels of government.

[3]Includes transfers to other levels of government and expenditures by the CPP.

[4]Includes transfers to other levels of government and expenditures by the QPP.

[5]Includes transfers to other levels of government and hospital expenditures.

Order Paper Questions

FARM CREDIT CORPORATION—NUMBER OF APPLICATIONS RECEIVED UNDER SMALL FARM DEVELOPMENT PROGRAM

Question No. 2,709—**Mr. Mazankowski:**

1. How many applications, by province, have been received by the Farm Credit Corporation under the Small Farm Development Program?

2. How many applications have been approved?

3. How much money has been disbursed?

4. What is the disbursement by province?

Hon. E. F. Whelan (Minister of Agriculture): The Farm Credit Corporation advises as follows:

1. Applications Received

Province	Vendor Grants	Special Credit Assistance
British Columbia	3	—
Alberta	901	181
Saskatchewan	35	—
Manitoba	70	9
Ontario	135	18
New Brunswick	36	6
Nova Scotia	13	4
Prince Edward Island	23	5

2. Applications Approved

British Columbia	1	—
Alberta	745	144
Saskatchewan	4	—
Manitoba	41	5
Ontario	114	16
New Brunswick	31	5
Nova Scotia	11	4
Prince Edward Island	18	5

3. Total Disbursed*	$1,802,196	$2,941,850

4. Disbursement by Province*

Province	Vendor Grants	Special Credit Assistance
	$	$
British Columbia	3,500	0
Alberta	1,532,166	2,415,550
Saskatchewan	0	0
Manitoba	18,600	88,700
Ontario	154,395	266,800
New Brunswick	38,475	63,000
Nova Scotia	19,360	60,600
Prince Edward Island	35,700	47,200

* All of the approvals have not yet been disbursed.

[Mr. Breau.]

NUCLEAR POWER AS ALTERNATIVE SOURCE OF ENERGY

Question No. 2,719—**Mr. Forrestall:**

Is nuclear power competitive with fossil fuels when the latter exceed $4 per barrel and, if so (a) are the Pulp and Paper industries as well as the Marine industries paying upwards of that amount (b) what specific steps is the government now taking to explore the advantages of nuclear power as an alternative source of energy?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: Nuclear energy is competitive as a source of electrical power with crude oil exceeding $4 per barrel. This economic advantage occurs only for large units and therefore nuclear energy is not competitive as a source of power for industrial or marine uses. Atomic Energy of Canada Limited and the Department of Energy, Mines and Resources carry out continual surveys to monitor the changing economic situation.

SURVEY WITH OLD AGE PENSIONERS IN BRITISH COLUMBIA

Question No. 2,728—**Mr. Reynolds:**

1. Can the Minister of National Health and Welfare advise whether it is the federal, municipal or provincial government that is conducting a survey with Old Age Pensioners in British Columbia?

2. (a) Did the persons conducting this survey leave a copy with the Old Age Pensioners and, if not, for what reason (b) was the signature of the Old Age Pensioners required on the survey and, if so, for what reason?

3. For what purpose is this survey being conducted?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. It is the government of British Columbia that is conducting a survey with old age pensioners in that province.

2. (a) and (b) Such information may be obtained from the government of British Columbia.

3. Such information may be obtained from the government of British Columbia.

PICKING OF CLAMS AND ABALONES ON WEST COAST

Question No. 2,742—**Mr. Reynolds:**

Is the government considering putting a limit on the number of (a) clams (b) abalones picked daily on the West Coast and, if so, on what date will these regulations come into effect?

Hon. Jack Davis (Minister of Fisheries): Regulations restricting the taking of clams and abalones on the west Coast of Canada are currently being promulgated.

VISIT OF MEMBERS OF PARLIAMENT TO SASKATCHEWAN PENITENTIARY

Question No. 2,744—**Mr. Howard:**

Since January 1, 1958 has any person, who was at the time of the visit a Member of Parliament, visited the federal penitentiary at Prince Albert, Saskatchewan and, if so, what is the name of each such person and the date of each such visit?

Hon. Warren Allmand (Solicitor General):

Member	Date of Visit
The Hon. Davie Fulton Minister of Justice and Attorney General of Canada	12 April, 1959
The Hon. L. T. Pennell Solicitor General of Canada	26-27 March, 1966
The Hon. G. J. McIlraith Solicitor General of Canada	8 March, 1969
Mr. Frank Howard, M.P.	3-4 April, 1970
Mr. R. Thomson, M.P.	3-4 April, 1970
Mr. J. Skoberg, M.P.	3-4 April, 1970
The Hon. Jean-Pierre Goyer Solicitor General of Canada	5 August, 1971
The Right Hon. John G. Diefenbaker, M.P.	21 October, 1972
The Hon. Warren Allmand Solicitor General of Canada	9 March, 1973
Mrs. Albanie Morin, M.P. Mr. Stuard Leggatt, M.P. Mr. Reg Stackhouse, M. P. Miss Flora MacDonald, M.P. Mr. Norval Horner, M.P.	24 September, 1973 Members of a subcommittee of the Standing Committee on Justice and Legal Affairs.

SIMULTANEOUS INTERPRETATION—GRANT TO CANADIAN BUILDING OFFICIALS ASSOCIATION

Question No. 2,753—**Mr. Hellyer:**

1. Was the grant of $2,215 to the Canadian Building Officials Association to enable the Association to make a simultaneous interpretation service available to those attending its annual meeting, in April, made retroactively after the meeting had been held?

2. On what date was the cheque forwarded?

Hon. James Hugh Faulkner (Secretary of State): 1. and 2. The meeting of the Canadian Building Officials Association was held from April 2 to April 6, 1973. A cheque for the sum of $2,215 for simultaneous interpretation services was sent on April 5, 1973.

STUDENT LOANS—COLLECTIONS BY FINANCIAL COLLECTIONS AGENCY LTD.

Question No. 2,754—**Mr. Knight:**

1. As of September 1, 1973, what was the total amount of student loans in arrears allocated to the Financial Collections Agency Ltd. for collection?

2. How much has been collected?

3. How much revenue accrued to the agency in these collections?

Hon. John N. Turner (Minister of Finance): 1. $20,041,666.

2. $3,532,082.

3. $730,727.

DREE—DESIGNATED AREAS, NEW BRUNSWICK

Question No. 2,767—**Mr. Corbin:**

1. Since 1970, has the Government of New Brunswick requested the federal government to designate other special areas than are mentioned in the Act concerning the Department of Regional Economic Expansion and, if so, on what date?

2. Was such a request made before 1970 and, if so, on what date?

3. What new area(s) would be so designated?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 1. and 2. There is no record of such a request having been made before or after 1970.

3. N/A

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPARTMENT OF JUSTICE—RESEARCH EXPENDITURES

Question No. 128—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the Department of Justice on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT RESEARCH EXPENDITURES

Question No. 131—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the Department of Indian Affairs and Northern Development on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

FEDERAL ASSISTANCE TO COMPANIES

Question No. 152—**Mr. Broadbent:**

1. Were grants and loans made to the following companies: Atlantic Sugar Refineries; Abitibi Paper Co. Ltd.; Alcan Aluminum Ltd.; Alberta Gas Trunk Line Ltd.; Algoma Steel Corporation Ltd.; Bethlehem Copper Co. Ltd.; BP Oil and Gas Ltd.; Bell Canada; British Newfoundland Corp. Ltd.; Bank of Montreal; Bank of Nova Scotia; Canadian Pacific Railway Co.; Canadian Ingersoll-Rand Co. Ltd.; Consolidated Bathurst Ltd.; Canadian Johns-Manville Co.; Chemcell Ltd.; Chrysler Corp.; Consumer's Gas Co. Ltd.; Canadian International Paper; Canadian Imperial Bank of Commerce; Canada Permanent Mortgage Corporation; Canadian Javelin; Canadian Breweries Ltd.; Campeau Corp. Ltd.; Crown Life Insurance Co.; Canada Packers Ltd.; Davie Shipbuilding Ltd.; Dominion Textile Ltd.; Dominion Foundries and Steel Ltd.; Dome Mines Ltd.; Distillers Corp - Seagrams Ltd.; DuPont of Canada Ltd.; Domtar Ltd.; Ecstall Mining Ltd.; Eddy Match Co. Ltd.; Eddy Paper Co. Ltd.; Ford Motor Co.; Falconbridge Nickel Mines Ltd.; Foster Advertising; General Motors Corp.; *Glaverbel Verrerie Ltée.*; Gaspé Copper Mines Ltd.; General Electric Co.; Great Canadian Oil Sands Co.; Gordon Hill Advertising; Great West Life; Hudson's Bay Co.; Hiram Walker - Gooderham and Worts Ltd.; Husky Oil Ltd.; Iron Ore Co. Canada Ltd.; Imperial Oil Ltd.; IBM Canada Ltd.; International Nickel Co. (Canada) Ltd.; John Labatt Ltd.; Kates, Peat, Marwick Co.; Loblaw Companies Ltd.; London Life Insurance Co.; Laurentide Financial Corp; Mercantile Bank of Canada; Metropolitan Trust Co.; McFarland Construction; Micro-Max Products Ltd.; Melchers Distilleries Ltd.; McCain Foods Ltd.; MacMillan Bloedel Ltd.; Mutual Life Assurance Co. of Canada Ltd.; Molson Industries Ltd.; Massey-Ferguson Ltd.; McLaren Advertising; Noranda Mines Ltd.; National Sea Products Ltd.; Peat, Marwick, Mitchell Co.; Power Corp. of Canada Ltd.; Prudential Assurance Co. Ltd.; Procter and Gamble Co. of Canada Ltd.; Petrofina Canada Ltd.; Royal Canadian Bank; Rayonier Quebec Inc.; State Farm Insurance Co.; Steel Co. of Canada Ltd.; Shell Canada Ltd.; Steep Rock Iron Mines Ltd.; Saint John Shipbuilding and Dry Dock Co. Ltd.; Simpson's Ltd.; Sun Life Assurance Co.; Sperry Rand Canada Ltd.; Swift Canadian Co. Ltd.; Toronto-Dominion Bank; The Commercial Life Assurance Co. of Canada Ltd.; Trans Mountain Oil Pipe Lines Co. Ltd.; Trans Canada Pipe Lines Ltd.; Texaco Co. Ltd.; Union Carbide of Canada Ltd.; Union Gas Ltd.; Westinghouse Canada Ltd., by the Departments of (a) Regional Economic Expansion (b) Industry, Trade and Commerce (c) National Defence (d) Energy, Mines and Resources (e) Manpower and Immigration in each fiscal years beginning 1968-69 and, if so, in what amounts each year?

2. Were remissions under Section 17 of the Financial Administration Act made to the same companies in the same period and, if so, in what amounts in each fiscal year?

Return tabled.

GRANTS UNDER RDIA

Question No. 155—**Mr. Broadbent:**

1. What are the names of corporations which accepted offers of cash grants under the Regional Development Incentives Act (RDIA) in each of the fiscal years 1969-70, 1970-71, 1971-72, 1972-73 to date, distributed by province where the capital expenditure was to be made?

2. In each case (a) what were the amounts of money committed and what cash payments were made to date (b) how many new jobs were undertaken to be created (c) how many of the projected new jobs are in existence at present (d) what is the projected date of the commencement of commercial operation of the facility in question?

3. What are the names of the recipients of RDIA grants who (a) are at present overdue with the projected date of commencement of commercial production (b) notified the department that the planned facility will not proceed with commercial production (c) started commercial production in the planned facility and have since discontinued operations in the facility (d) are still expected to start commercial production in the facility in the future?

4. What were the amounts of grants recovered by the department in cases reported under Part 3(c)?

5. What are the objectives of the above program?

6. Has the department conducted any evaluative study of the program and, if so, what was the date of the latest report?

Return tabled.

INTERNATIONAL EXCHANGE VISITS

Question No. 1,502—**Mr. Alexander:**

1. What was the total amount spent in each fiscal year since 1969 on grants to groups by the Secretary of State for the purpose of international exchange visits?

2. For each fiscal year since 1969, which groups were given such grants and in what amounts to each group?

3. What were the stated purposes of the visits made by each group during the above period and which countries were visited by each group?

Return tabled.

GRANTS UNDER DEPARTMENT OF SECRETARY OF STATE CITIZENSHIP PROGRAM

Question No. 1,504—**Mr. Stackhouse:**

How much money was expended for grants, payable under the Department of the Secretary of State Citizenship Program, during 1972, to citizens groups and voluntary organizations in (a) each of the provinces and territories (b) Metropolitan Toronto (c) Scarborough, Ontario?

Return tabled.

GRANTS OF PUBLIC FUNDS TO CHARITABLE ORGANIZATIONS

Question No. 1,819—**Mr. Stewart (Okanagan-Kootenay):**

How many charitable organizations received grants of public funds during each year 1970 to 1972 inclusive and (a) how much did each receive (b) for what reason was the grant made in each case?

Return tabled.

LIST BY ELECTORAL DISTRICTS OF LAWYERS APPROVED TO ACT ON BEHALF OF GOVERNMENT

Question No. 1,835—**Mr. Cossitt:**

Does the Department of Justice maintain a list by electoral districts of lawyers approved to act on behalf of the government and, if so (a) what are the names on the list for each electoral

district in the province of Ontario (b) are such persons listed as members of a political party and, if so, which one?

Return tabled.

EXPENDITURES BY GOVERNMENT DEPARTMENTS ON PROFESSIONAL AND SPECIAL SERVICES

Question No. 2,092—**Mr. Mather:**

By department, what was the amount spent on professional and special services in 1967 and 1972?

Return tabled.

RENTAL OF SPACE BY GOVERNMENT IN NATIONAL CAPITAL REGION

Question No. 2,131—**Mr. Stevens:**

1. (a) What are the names of those persons/companies, holding corporations, or other entities from which the government presently rents space in the National Capital Region (b) in the case of corporate entities, who are the principal officers and who are the directors and shareholders of each?

2. (a) Were public bids for rental space invited and, if not, what procedure for the selection of space was followed (b) are re-rental leases negotiated on an annual basis?

Return tabled.

*FAILURE OF CORPORATIONS AND UNIONS TO FILE RETURN UNDER CORPORATIONS AND LABOUR UNIONS RETURNS ACT

Question No. 2,190—**Mr. Peters:**

1. How many corporations failed, in each of the past three years, to file a return with Statistics Canada under the Corporations and Labour Unions Returns Act?

2. What were their names and addresses?

3. How many corporations, in each of the past three years, were fined under Section 7(1) of the Act and what was the total amount of fines imposed and collected?

4. How many officers, directors or agents of those corporations were fined in each of the past three years and how many were imprisoned under the provisions of Section 7(2) of the act?

5. How many registered letters were sent by the Minister of Industry, Trade and Commerce, in each of the past three years, to the delinquent corporations, as provided for by Section 8 of the act and how many fines and imprisonments ensued?

6. How many labour unions failed, in each of the past three years, to file a return with Statistics Canada under the Corporations and Labour Unions Returns Act?

7. What were their names and addresses?

8. How many labour unions, in each of the past three years, were fined under Section 12(1) of the act and what was the total amount of fines imposed and collected?

9. How many officers, members of the executive board or agents of unions were fined in each of the past three years and how many were imprisoned under Section 12(3) of the act?

10. How many registered letters were sent by the Minister, in each of the past three years, to the delinquent labour unions, as provided by Section 13 of the act and how many fines and imprisonments ensued?

Return tabled.

LIST OF LAWYERS MAINTAINED FOR GOVERNMENT LEGAL WORK IN BRITISH COLUMBIA

Question No. 2,272—**Mr. Cossitt:**

What are the names, addresses and electoral districts of all lawyers maintained by the Department of Justice for government legal work in the province of British Columbia?

Return tabled.

LIST OF LAWYERS MAINTAINED FOR GOVERNMENT LEGAL WORK IN ALBERTA

Question No. 2,273—**Mr. Cossitt:**

What are the names, addresses and electoral districts of all lawyers maintained by the Department of Justice for government legal work in the province of Alberta?

Return tabled.

LIST OF LAWYERS MAINTAINED FOR GOVERNMENT LEGAL WORK IN SASKATCHEWAN

Question No. 2,274—**Mr. Cossitt:**

What are the names, addresses and electoral districts of all lawyers maintained by the Department of Justice for government legal work in the province of Saskatchewan?

Return tabled.

LIST OF LAWYERS MAINTAINED FOR GOVERNMENT LEGAL WORK IN QUEBEC

Question No. 2,276—**Mr. Cossitt:**

What are the names, addresses and electoral districts of all lawyers maintained by the Department of Justice for government legal work in the province of Quebec?

Return tabled.

LIST OF LAWYERS MAINTAINED FOR GOVERNMENT LEGAL WORK IN ONTARIO

Question No. 2,280—**Mr. Cossitt:**

What are the names, addresses and electoral districts of all lawyers maintained by the Department of Justice for government legal work in the province of Ontario?

Return tabled.

DREE—ESTABLISHMENT OF RAPESEED CRUSHING PLANT IN WESTERN CANADA

Question No. 2,295—**Mr. Yewchuk:**

1. Since 1969, how many applications were (a) received (b) accepted by the Department of Regional Economic Expansion to establish some Rapeseed Crushing Plants in the provinces of (i) Alberta (ii) Manitoba (iii) Saskatchewan (iv) others?

2. For each year, 1969 to 1972 inclusive, what was the total amount of money spent by the government (a) to assist the provinces of (i) Alberta (ii) Manitoba (iii) Saskatchewan (iv) others in establishing and maintaining some Rapeseed Crushing Plants (b) to improve and expand port facilities for the handling of rapeseed and rapeseed processed products?

3. Is consideration being given by the government to include processed grain products under the Crowsnest freight rates and (a) if not, for what reasons (b) if so, on what date?

4. For each year, 1969 to 1972 inclusive, which countries have imported from Canada (a) rapeseed (b) rapeseed oil (c) rapeseed meal (d) rapeseed margarine (e) rapeseed shortening?

5. How many countries have been contacted by personnel of (a) the Canadian Wheat Board (b) the Department of Industry, Trade and Commerce in order to promote the export sales of (i) rapeseed (ii) rapeseed products?

6. Is it the intention of the Canadian Wheat Board to remove delivery quotas on rapeseed and (a) if so, on what date (b) if not, for what reasons?

Return tabled.

* MULTICULTURALISM PROGRAM

Question No. 2,346—**Mr. Clark (Rocky Mountain):**

1. What are the names, positions and departments of the public servants involved in any aspect of the multiculturalism program?

2. How many consultants to, or other contract or occasional employees of, the government are involved in any aspect of the multiculturalism program and what is the name and responsibility of each?

3. Of those persons enumerated in response to Parts 1 and 2, how many fall under the authority of (a) the Minister of State responsible for Multiculturalism (b) the Secretary of State (c) some other minister (d) more than one minister?

4. Of the persons who fall under the authority of more than one minister, in each case (a) who are the ministers involved (b) what is the description of the division of authority?

5. Of the persons under the authority of the Minister of State responsible for Multiculturalism, how many are not on the personal staff of that minister?

Return tabled.

COAST GUARD PROGRAM

Question No. 2,370—**Mr. McKinnon:**

1. What are the Coast Guard vessels by (a) type (b) purpose (c) number of crew (d) base for each coast?

2. What are the administrative and operational costs for the Coast Guard on each coast?

3. Is there any central administrative cost of the Coast Guard not included in Part 2 and, if so, what is it?

Return tabled.

OFY PROGRAM

Question No. 2,414—**Mr. Beatty (Wellington-Grey-Dufferin-Waterloo):**

1. For each year 1971, 1972 and 1973, what was (a) the total number of OFY applications received (b) the total amount of OFY funds disbursed (c) the total amount of OFY funds requested (d) the total number of OFY grants awarded (i) nationally (ii) by each province and territory (iii) by each constituency represented by a cabinet minister (iv) by each constituency represented by a parliamentary secretary?

2. For each year 1971, 1972 and 1973 (a) how many applicants were employed in the previous year by OFY projects (b) how many such applicants received OFY grants, in each case (i) nationally (ii) by each province and territory (iii) by each constituency represented by a cabinet minister (iv) by each constituency represented by a parliamentary secretary?

3. For the same years, in how many instances were references or contact people, who were involved with the making of OFY applications, also members of the Local Advisory Board and, in each case (a) what were the names of the contact people (b) what were the names of the references (c) what were the titles of the projects involved (d) what was the name of the constituency (e) what was the amount of the award?

[Mr. Yewchuk.]

4. For the same years, how many applications were refused where either the contact person or the reference were members of the Local advisory Board and, in each case (a) what were the titles of the projects involved (b) what was the name of the constituency?

Return tabled.

COST OF SUMMER HOSTELS

Question No. 2,501—**Mr. Clark (Rocky Mountain):**

1. How many summer hostels are being (a) subsidized (b) otherwise supported (c) managed outright by the government in 1973?

2. What is the cost to the government of each summer hostel operation?

3. Was an approach to (a) the Canadian Youth Hostel Association (b) any other group outside government made to operate or manage these summer hostels and, if not, for what reason?

4. Was any approach made to (a) the Canadian Youth Hostel Association (b) any other group to provide alternate hostel accommodation and, if not, for what reason?

5. If approaches were made to operate summer hostels or provide alternative hosteling arrangements to any group other than the Canadian Youth Hostel Association, what was the name of each such group?

6. What is the location of each summer hostel which will be maintained on a year-round basis?

Return tabled.

ST. LAWRENCE SEAWAY—CAPITAL COST ADDITIONS

Question No. 2,546—**Mr. McCain:**

1. For each fiscal year since the commencement of operations, what have been the capital-cost additions to the St. Lawrence Seaway?

2. (a) What was the total capital cost of each such addition (b) what was (i) Canada's share (ii) the U.S. share of each addition's cost?

Return tabled.

COST OF FREIGHT SUBSIDIZATIONS

Question No. 2,548—**Mr. McCain:**

What was the cost to the Canadian taxpayer for freight subsidization for each fiscal year 1970-71, 1971-72 and 1972-73 in each of the following regions (a) the Maritimes (b) Central Canada (Ontario and Quebec) (c) the Prairie provinces (d) British Columbia?

Return tabled.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order under the heading of questions. On Wednesday, March 21, 1973, as recorded in *Hansard* at page 2447, question No. 19 in my name was passed as an order for return and a return was tabled that day. However, it was grossly incomplete. The question had to do with directorships of cabinet ministers. Only a few ministers responded. Since the House passed the question as an order for return, I think it would be in order to ask that that return be completed.

Mr. Reid: Mr. Speaker, I remember that question very well. I had inquiries made. Unfortunately, the cabinet ministers of this government do not have a surfeit of directorships in outside companies.

Mr. Knowles (Winnipeg North Centre): I rise on a further point of order. That does not excuse cabinet ministers from responding to an order of the House that a full return be tabled.

• (1520)

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

ARAB-ISRAELI WAR—REQUEST FOR REPORT—POSITION OF CANADA—POSSIBLE PARTICIPATION IN PEACEKEEPING

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Can the hon. gentleman report any progress with respect to coming closer to the end of the terrible war that is taking place in the Middle East, and will he tell us precisely what is the attitude of the Canadian government toward this tragic conflict?

Hon. Mitchell Sharp (Secretary of State for External Affairs): During the parliamentary recess, when this bloody war began, I did make some public statements and it would be my intention, either tomorrow or the next day, to make a statement on motions setting out the facts as we know them and the attitude of the Canadian government.

Mr. Stanfield: Will the minister tell the House whether the statement he made to the effect that Canada would agree to participate in a new peacekeeping force is formal government policy, and whether the government has committed itself or is prepared to send forces immediately upon a request by the United Nations?

Mr. Sharp: As the Leader of the Opposition knows, we do have some Canadian forces in the area today serving with the United Nations Truce Supervisory Organization. They are continuing to serve in that capacity although, as the hon. gentleman knows, the truce is no longer being observed. I said in the House, and I repeated it in New York, that Canada would be prepared to participate in peacekeeping operations under the auspices of the United Nations. That caveat about United Nations sponsorship does, of course, apply to any request that might be made to us to serve in this area again.

Mr. Stanfield: I should like to ask the Secretary of State for External Affairs whether he has taken any initiative on behalf of Canada to bring hostilities in the area to an end?

Mr. Sharp: Mr. Speaker, I would not wish, of course, to exaggerate the importance of what Canada might say or do in these circumstances. This is not a war which is going

to be ended by simple requests from a country like Canada to stop the fighting. We have, however, done everything we can to make known Canada's view that this kind of warfare is not likely to settle anything and that there must be negotiations. We have expressed this point of view to all those participating in the war at the present time. We have instructed our ambassadors to present this view to the governments of all countries concerned and there has been some response—so far, not very hopeful.

ARAB-ISRAELI WAR—POSSIBILITY OF DEBATE—RIGHT OF ISRAEL TO EXIST AND HAVE SECURE BOUNDARIES

Mr. David Lewis (York South): On the same subject, may I ask the Secretary of State for External Affairs whether he would be prepared to agree to a debate on this issue in the House, not necessarily a lengthy one but comprising more than the usual statement by him followed by responses on the part of the spokesmen for the other parties?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Subject, of course, to the agreement of the House leaders on the business of the House, I, personally—and I know the government shares this view—would have no objection to a debate of that kind if it could be arranged at a time when it did not interfere with vital business going on in the House.

Mr. Lewis: Basic to the entire problem in the Middle East, as the Secretary of State for External Affairs knows, is the question of the right of Israel to continue its existence as a sovereign country in that area. May I ask the minister whether, in any statement he may make, he will continue to emphasize Canada's support of the right of Israel to exist and to have secure and recognized boundaries?

Mr. Sharp: Yes, Mr. Speaker. I can entirely agree with what the leader of the New Democratic Party has said. Canada's policy begins from the premise that the State of Israel, which we helped to bring into existence and whose membership in the United Nations we supported, has the right to exist just like any other state in the world.

Some hon. Members: Hear, hear!

Mr. Sharp: We also believe it is entitled to live behind secure and recognized boundaries.

ARAB-ISRAELI WAR—GOVERNMENT POSITION ON WHETHER OR NOT ARABS GUILTY OF AGGRESSION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is more direct than those which have been asked so far.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Oh, no, those questions were very proper.

An hon. Member: But inept?

Mr. Diefenbaker: However, the people of Canada would like to know whether the minister, who has apparently been in communication with the Arab states according to the public statements he has made, has informed them that the attack made on Israel by the Arab states was an act of naked aggression and one that cannot be justified under international law? Is that the opinion of the government?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I have expressed a view which is widely shared throughout the world and which is based upon the observations of the United Nations Truce Supervisory Organization, that the attack on this occasion came from Egypt and Syria.

Mr. Diefenbaker: What is the attitude of the Canadian government? Instead of a mealy-mouthed generalization, will the minister say whether the government made known its feeling that what has happened over there on the part of the Arab states cannot be justified under international law? That was the question.

Mr. Sharp: I am not going to compete with the right hon. gentleman in matters of international law. All I can say to him, and I am sure he would agree with this, is that this way of settling this international dispute is not likely to lead to useful results. He will agree with me that the fighting ought to stop and that we ought to get down to negotiations.

Mr. Diefenbaker: That is just a generalization.

CHILE—REQUEST FOR STATEMENT ON RECOGNITION OF MILITARY GOVERNMENT—ASSISTANCE TO POLITICAL REFUGEES

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question, also directed to the Secretary of State for External Affairs, has to do with another subject. Will the hon. gentleman make a statement in the House explaining why the government of Canada decided so quickly to recognize the new military government of Chile in light of the disregard by that government of the fundamental rights of many of the people of Chile? And did the government approve or will it repudiate a report of the Canadian ambassador to Chile justifying the military coup?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I do not think it is necessary to make a statement in the House as to the reasons for recognizing the government of Chile. We were following a practice which we have followed, generally speaking, in the past. Indeed, far from giving early recognition to the government of Chile we were very late in the process; we followed the Vatican, Denmark, Sweden and other close friends who have just as strong a respect and liking for democratic institutions as we have.

Mr. Brewin: If the minister does not propose to inform the House as to the reasons for Canadian recognition of the new regime, will he at least outline to us the steps to be taken to assist political refugees from Chile by offering them asylum, safe conduct and assistance?

[Mr. Diefenbaker.]

Mr. Sharp: As the hon. gentleman knows, we have accepted in Canada a number of Chileans who entered the Canadian embassy in Chile seeking, I think the best word is, shelter. Under international law they are not refugees in the ordinary sense but they did come to the Canadian embassy seeking shelter, and they were given shelter in accordance with the standing instructions provided to all our ambassadors. They are now in Canada. We have sent an immigration officer from Buenos Aires to Santiago, and we have sent one of the leading figures in the Department of External Affairs to examine the situation on the spot. I think the hon. gentleman can be sure we shall act with humanity in these matters as we always do.

* * *

● (1530)

[*Translation*]

POST OFFICE

REQUEST THAT PAY OF RURAL MAIL DELIVERY CONTRACTORS BE INCREASED

Mr. Roland Godin (Portneuf): Thank you, Mr. Speaker. I wish to direct a question to the Postmaster General. In view of the increase in the price of cars and fuel as well as in the cost of living in general can the minister say whether he is considering a revision of the position of rural mail contractors as well as all categories of employees with the Post Office who move the mail at rates set several years ago? If so, when will the minister make known his plans concerning the required adjustment so those employees will be in receipt of salaries comparable with those of other categories?

Hon. André Ouellet (Postmaster General): Yes, Mr. Speaker, that will be done within two or three weeks.

* * *

[*English*]

FINANCE

POSSIBILITY OF NEW BUDGET—MINISTER'S POSITION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. In view of the continuing high level of inflation and some evidence that the economy is slowing down and unemployment is rising, but more particularly in view of the fact that since that last budget we have had a great number of policies brought in affecting the expenditure pattern of the Canadian government, would the Minister of Finance tell the House today when we may expect to have a new budget?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I did reply to the hon. gentleman's leader that it was not my intention to bring in a budget at the moment.

Mr. Stanfield: That was three weeks ago.

Mr. Turner (Ottawa-Carleton): That was three weeks ago and the position has not changed.

Mr. Gillies: Is it the position of the minister, therefore, that he can do nothing to control inflation through fiscal policy, just as he can do nothing—

Mr. Speaker: Order, please. That is hardly a supplementary question. It is argumentative and a question asked in those terms is not in order.

[*Later:*]

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I have a supplementary question for the Minister of Finance which is based on the original question asked by the hon. member for Don Valley. On October 11 the Governor of the Bank of Canada stated that economic growth is largely responsible for inflation. Is the minister in agreement with this statement? If so, are his present policies and practices being based on it?

Mr. Speaker: Order. The question can be asked directly without asking the minister whether he is in agreement with a statement made in other circumstances. A question asked in such terms is irregular.

* * *

IMMIGRATION

ADJUSTMENT PROGRAM—POSSIBLE EXTENSION OF OCTOBER 15 DEADLINE—GOVERNMENT'S INTENTION TOWARD THOSE WHO FAIL TO REGISTER

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I address a couple of questions to the Minister of Manpower and Immigration. Can the minister advise the House and the country as to how long he intends to assess the situation respecting the regularization of status legislation, and when does he intend to advise the country whether the October 15 deadline is final?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, it is only common sense and practical to wait at least until all the figures on the program are in before making a judgment whether we do have some firm evidence that there are many people whom the program has not reached. I would be interested in the hon. member's reaction when he assesses the program as well.

Mr. Alexander: I suggest that the members of the Conservative Party have been very co-operative in this serious matter. I should like to ask the minister what he intends to do with those illegal immigrants who do not register by midnight, October 15? How does he intend to ferret them out and what are his intentions in terms of dealing with them, keeping in mind there has been some suggestion that perhaps there is a witch hunt in the making?

Mr. Andras: Mr. Speaker, the use of the expression "witch hunt" came from sources that I cannot identify and I repudiate it totally. We said, and I think all hon. members agreed, when we dealt with Bill C-197 that once the program is over the law as it stands will apply. We do not intend to beef up our enforcement provisions and go on a witch hunt, but we do intend, when the presence of illegal

immigrants in this country is brought to our attention, to apply the law as it now stands.

* * *

TRANSPORT

NEWFOUNDLAND AND PRINCE EDWARD ISLAND FERRY SERVICES—POSSIBLE ESTABLISHMENT OF CROWN CORPORATION TO OPERATE—EFFORTS TO CLEAR BACKLOG OF FREIGHT AT NORTH SYDNEY

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the statement made by the minister on Friday last regarding the Newfoundland and Prince Edward Island ferry services, is it the intention of the government to establish a Crown corporation to discharge the government's constitutional responsibility to provide continuous ferry services to these two provinces? May I also ask what efforts the government is making to clear up the backlog on the North Sydney to Newfoundland ferry route as a consequence of the rail strike?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, as I have already announced we have restructured the administration of ferry services in the Atlantic provinces. I made this announcement a few days ago. There will be a separate administration presided over by Mr. Tingley of Newfoundland, with sub-units in P.E.I., Newfoundland and Nova Scotia. We hope that under this new formula there will be a more efficient service. This administration will be able to plan for the future, will make recommendations, and will not be all mixed up in the administration of the CNR.

With regard to the second part of the question, we are making an all-out effort to get rid of the backlog. There are about 20 vessels travelling from Nova Scotia to Newfoundland. At the peak on September 24, 937 cars were backlogged. The number is now down to 702 cars. Progress is being made very rapidly and we hope within a few weeks to get rid of the remaining backlog.

NEWFOUNDLAND AND PRINCE EDWARD ISLAND FERRY SERVICES—POSSIBLE FREEDOM FROM TIE-UPS AS RESULT OF LABOUR DISPUTES

Mr. James A. McGrath (St. John's East): Mr. Speaker, by way of a supplementary question may I ask the minister whether the new administration announced in the minister's release concerning ferry services within the CNR means that these services will no longer be subject to labour disputes within the railway and that the minister can now guarantee that the services will never again be disrupted?

Hon. Jean Marchand (Minister of Transport): No, Mr. Speaker, it does not mean that. I think if we are to remove the right to strike on the part of workers the question will have to be discussed in the House, when I presume many members will have something to say about it.

Oral Questions

SUGGESTED USE OF ARMED FORCES AIRCRAFT AND VESSELS TO CLEAR BACKLOG OF FREIGHT AT NORTH SYDNEY

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, may I address my question to the Minister of National Defence. In view of the fact it appears that his department is giving support to the removal of the backlog of freight, I wonder whether the minister has received a request for increased support, not only through airlifts but on the part of vessels owned by the department? What action is the minister taking in this regard?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the armed forces have been helping to remove the backlog of freight. We have moved two and a half million pounds by Hercules aircraft on some 74 flights, and we will be able to carry this program forward for as long as it may be useful.

Mr. Speaker: There are a number of supplementary questions on this subject. The Chair might recognize the hon. member for Assiniboia and then the hon. member for Bellechasse before returning to the several members who have questions to raise on this point.

* * *

GRAIN

WHEAT—SUGGESTED CHANGE IN CROP YEAR TO EQUALIZE PAYMENTS TO FARMERS WHO MADE EARLY DELIVERIES

Mr. Bill Knight (Assiniboia): Mr. Speaker, I have a question for the Minister of Justice who is in charge of the Canadian Wheat Board. In view of the fact that many smaller producers delivered their grain during the old crop year in June and July in order to meet financial obligations and debts and therefore lost out on the announcement regarding new prices on July 31 or August 1 for the new crop year, would the minister inform the House whether the government is considering making an equalization payment from the new pool account so as to assist those farmers who took a beating as a result of the new prices?

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker. The ordinary year end of the pool is July 31, and farmers are fairly well aware of that fact. The fact is that some farmers realized that there was a possibility of a higher price and held their grain for a period or put it in storage for a period to sell to the new pool. I see no easy way of attempting to change the year end for pooling purposes in order to amalgamate part or all of two pools.

Mr. Knight: In view of the fact the government threw the quotas wide open and requested the farmers to deliver grain in the dying days of the old crop year and smaller farmers had to take payments to meet their debts, thus taking a beating as a result of the situation, would the minister inform the House whether the government has instructed the Wheat Board to examine the possibility of backdating the new crop year to July 15 or July 1?

[Mr. Marchand (Langelier).]

Mr. Lang: Mr. Speaker, I should say, first of all, to the hon. member for Assiniboia that the opening of quotas is a function of the Canadian Wheat Board, not of the government. I think the hon. member would find it very difficult to draw one particular line and then not begin to draw a second one for those people who delivered their grain in the previous two week period. That is why I suggest that the alternative of somehow amalgamating the two would have the effect of creating what might be considered to be far more difficulties than it was set up to cure.

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• (1540)

[*Translation*]

AGRICULTURE

APPLICATION OF NEW FEED GRAIN POLICY—EFFECT ON EASTERN PRODUCERS

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

Can he tell the House whether the new feed grains policy announced on September 14, 1973 has been applied so far, and what are the results in connection with the claims of eastern producers?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the feed grain policy has been implemented in stages as the mechanics became available. The hon. member is, no doubt, referring to the question of the actual pricing of feed grains, particularly barley, for the purpose of marketing in the east. I am informed that a price announcement by the Canadian Wheat Board is expected momentarily.

* * *

TRANSPORT

NEWFOUNDLAND FERRY SERVICE—SUGGESTED REDUCTION IN FARES AND FREIGHT RATES

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is supplementary to a question directed to the Minister of Transport by my colleague, the hon. member for St. John's East. In view of the fact that the 90 miles separating Newfoundland from the mainland of Canada are to us what the trans-Canada highway is to people in other parts of Canada, is the minister prepared to instruct this new organization to revise the fares and freight rates structure for moving people and goods across that 90 miles to make them consistent with the cost of travelling 90 miles on any portion of the trans-Canada highway?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this problem of rates is being studied with the premiers of the Atlantic provinces. I met with them a few weeks ago. I intend to continue to study all these problems in an effort to find, hopefully, an acceptable solution.

BACKLOG OF FREIGHT AT NORTH SYDNEY—REQUEST FOR INDEPENDENT INQUIRY—POSSIBLE USE OF ADDITIONAL ARMED FORCES AIRCRAFT

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, in view of the fact that on September 19 the minister indicated that, according to information from Canadian National Railways, the backlog of freight destined for Newfoundland would be cleaned up in about two weeks, and at that time there were 650 cars backlogged, and in view of his own statement today that there are 702 cars backlogged in the same system, would he cause an independent government or departmental inquiry, independent of the stuff he is being fed by Canadian National, into the circumstances so that he himself will recognize the dilemma facing the people on the east coast of this country?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think in order to be fair to all those working very hard to get rid of this backlog of freight destined to Newfoundland, particularly those in the Department of Transport and the ferry workers, I should point out that there is a normal backlog of about 200 cars between Moncton and the east, so you have to deduct that number from the 702 cars. It is for this reason we are making an all-out effort. We chartered 13 ships in order to get rid of the backlog. We have also had a strike in St. John's, and a bridge collapsed. In addition, there has been a tremendous increase in the amount of freight and passenger traffic.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): You don't want to listen.

Mr. Speaker: Order, please. May we have order, please. The Chair will recognize the hon. member for a last supplementary question, following which I suggest we should move to the next subject.

Mr. Lundrigan: Mr. Speaker, perhaps on motions tomorrow the minister might make a statement to help clear up this matter. I should like to direct this question to the Minister of National Defence. In view of the fact that three Hercules aircraft airlifting freight for approximately seven days managed to clean up about half of what is normally shipped by sea in one day, and in view of the fact that some of this freight was cement which we export from Corner Brook to the mainland and it was flown back again to Newfoundland, would the minister be willing to authorize a serious effort to put on eight or ten Hercules for two or three weeks in order that Newfoundland children can expect Santa Claus to arrive at least before the middle of February? I ask this as a serious question and not as a political show.

Some hon. Members: Oh, oh!

Mr. Lundrigan: Mr. Speaker—

Mr. Speaker: Order, please. The minister did not indicate an intention to reply to the question by the hon. member. The hon. member for Saint-Hyacinthe.

An hon. Member: It was another minister.

Mr. Speaker: I apologize to the hon. member for Saint-Hyacinthe. I must admit that I was looking at the wrong minister. Perhaps the Minister of National Defence might be allowed to answer the question put by the hon. member for Gander-Twillingate.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I should like to say to the hon. member that the Department of National Defence has made a very serious effort. I suggest that 74 flights represents a lot of flying. We are operating under the guidance and direction of the Department of Transport in respect to this airlift. As I said in my reply a moment ago, we are willing to put on more planes if they can help in these circumstances.

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EXTERNAL AFFAIRS

ARAB-ISRAELI WAR—POSSIBLE SUPPLYING OF ARMS BY CHINESE—SUGGESTED DISCUSSION BY PRIME MINISTER WITH CHINESE GOVERNMENT

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, my question is addressed to the Acting Prime Minister. In view of reports to the effect that Chinese arms are being used by certain guerilla groups in the mid-east, can the Acting Prime Minister inform the House whether the Prime Minister, while in Peking, will discuss these reports?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the reports I have had of the discussions between the Prime Minister and the leaders of the Chinese government—I think the House will agree that these discussions have gone very well and that the non-partisan, warm reception given the Prime Minister indicates the high regard of the people of China for Canada and Canadians—are to the effect that the Prime Minister discussed the Middle East situation with both Mao Tse-tung and Chou En-lai. When the Prime Minister returns I am sure he will be happy to answer this question.

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NORTHERN AFFAIRS

NORTHWEST TERRITORIES—CONDITION OF HIGHWAY BETWEEN ENTERPRISE AND HAY RIVER

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. In view of the fact that eight to ten people have lost their lives in car accidents on a very bad section of the Northwest Territories highway between Enterprise and Hay River, will the minister advise the House if and when this dangerous situation will be corrected?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am aware of that and I have asked the officials of the department to see what could be done to improve the situation. However, it

must also be understood that this is a very difficult road—the roads are not paved—and that sometimes accidents could have been caused by wrong manœuvres by absent-minded drivers.

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[*English*]

TRANSPORT

INQUIRY AS TO REPORT OF TRANSPORT COMMISSION ON RAILWAY ACCIDENTS AND SAFETY PRECAUTIONS

Mr. J. R. Ellis (Hastings): Mr. Speaker, I have directed this question on another occasion to the Minister of Transport, but in view of the fact that as of yesterday afternoon there were a number of freight cars spread across the real estate in my home town I wonder whether the minister can now tell us when we may expect the report he has promised for some time regarding derailments in Canada and safety precautions to be taken in this regard?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am awaiting this report from the Canadian Transport Commission. As soon as I get it I will communicate it to the hon. member.

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EXTERNAL AFFAIRS

ARAB—ISRAELI WAR—REQUEST FOR STATEMENT ON DUTIES AND SAFETY OF CANADIAN MEMBERS OF UNITED NATIONS TRUCE OBSERVERS FORCE

Mr. Donald Munro (Esquimalt-Saanich): Mr. Speaker, my question is also directed to the Secretary of State for External Affairs. Would he assure the House and the country of the safety of Canadian truce observers performing their duties under United Nations orders in the area of the Middle East, and will he indicate their names, the duties they were called upon to perform at the time of the outbreak of hostilities, the areas of their operations and their present whereabouts?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I do not carry that kind of information in my head. I can assure the hon. member that all my reports indicate that Canadians serving in that area are alive and well. I would be very happy to supply the hon. member with the names, duties and other information in order to satisfy his curiosity.

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FINANCE

CANADA SAVINGS BONDS ADVERTISING CAMPAIGN—SUGGESTED REVIEW BY CONSUMER AFFAIRS MINISTER

Mr. Don Blenkarn (Peel South): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. I wonder if the minister has reviewed the advertising campaign conducted by the government of Canada in an effort to sell the current issue of Canada savings bonds?

[Mr. Chrétien.]

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): I have not as yet, Mr. Speaker, but I will be happy to look into the matter.

Mr. Blenkarn: When the minister reviews that campaign, will he do so with the intention of indicating to the Canadian public that the 8 per cent interest rate barely represents enough to break even—

Some hon. Members: Oh, oh!

● (1550)

Mr. Speaker: Order, please. The hon. member for Dartmouth-Halifax East.

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EXTERNAL AFFAIRS

ARAB ISRAELI WAR—POSITION OF CANADIAN MEMBERS OF UNITED NATIONS TRUCE SUPERVISORY COMMISSION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my supplementary is related to a previous question directed to the Acting Prime Minister. I wonder whether we are interpreting him correctly in understanding the Acting Prime Minister to have said that in fact no members of the Canadian Armed Forces serving with the United Nations Truce Supervisory Commission in the Middle East are in fact in the protective custody, if you will, of one of the warring nations and are free and as nearly as able fulfilling their duties?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, what I said in my answer is that they are alive and well. I am not absolutely sure just where they all are at the moment because some of them have been asked to move out of areas of warfare for their own safety. I will have to inquire concerning just exactly where they are and who is helping to protect them at the moment.

* * *

ENERGY

OIL EXPORT TAX—SHARING WITH ALBERTA—SUGGESTION THAT MINISTER OF FINANCE TAKE OVER NEGOTIATIONS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Minister of Finance a question. Has the government now reached an agreement with the government of the province of Alberta in respect of what portion of the surtax will be returned to the province of Alberta at this time?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that question is still under negotiation.

Mr. Woolliams: Then may I ask the Minister of Finance this question. In light of the fact the Minister of Energy, Mines and Resources has caused a lot of difficulty between the two levels of government because of his inflammatory statements, would the Minister of Finance be prepared to take over negotiations in respect of the

problem concerning the surtax between the federal government and the provincial government?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, under the circumstances I think I had better interpret that as being argumentative.

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EXTERNAL AFFAIRS

CHILE—ALLEGED RECOMMENDATION FROM CANADIAN AMBASSADOR THAT CANADA SUPPORT MILITARY JUNTA

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In view of the fact that Mr. Andrew Ross, the Canadian ambassador to Chile, has been reported to have recommended to the government of Canada shortly after the coup that we support this anti-democratic coup, would the minister inform the House whether or not the government received such a recommendation and, if so, whether he has taken steps to remove this man from office?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the hon. gentleman seems to be referring to an alleged leak and it is government policy not to comment on these matters because it only encourages their repetition.

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AGRICULTURE

ALLEGED FLOODING OF CANADIAN MARKET WITH FAT CATTLE FROM UNITED STATES—SUGGESTED EMBARGO

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is directed to the Minister of Agriculture. In view of the squeeze that cattle feedlot operators are in, has the minister received any communication from the feedlot operators either west or east about the flooding of the Canadian market with overly fat cattle?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I believe the hon. member is talking about cattle from the United States. We have received representations from the feedlot operators, east and west, from the Beef Improvement Association, the Canadian Livestock Association and the Canadian Cattlemen's Association. In essence, what most of them are saying is: Keep your hands off and we will work this out ourselves.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Has the minister seriously considered a temporary embargo until fat cattle from the United States are off the market?

Mr. Whelan: Mr. Speaker, we have considered this. We are still discussing it with the Canadian Cattlemen's Association and other such associations. I intend to discuss it further with my colleagues. In any decisions for which I have been responsible I have, as Minister of Agriculture, believed in full discussion with the parties concerned. When I can get some kind of a definite opinion from them it will be something different from what I have been getting as to just what they want us to do.

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PENITENTIARIES

COLLINS BAY—ESCAPE OF FOUR INMATES—GOVERNMENT ACTION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Solicitor General. Will the minister tell the House what actions are being taken by his department in connection with the escape of four inmates from the Collins Bay institution over the weekend?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the inmates escaped from Collins Bay over the weekend by gaining access to the plumbing and heating ducts in the institution and thereby gaining access to the heating unit which is outside the walls of the Collins Bay institution. The police authorities were alerted immediately and a search is presently underway.

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YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—POSSIBLE TRANSFER TO DEPARTMENT OF MANPOWER

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is for the Secretary of State. Can the Secretary of State tell the House whether the government has decided to end the Opportunities for Youth Program as it now exists and transfer its so-called youth employment function to the Department of Manpower? Also, will the minister undertake to table all reports evaluating OFY so that parliament may judge the effectiveness of this $43 million program and any successor programs that the government may propose?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, no such decision has been taken.

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VETERAN'S AFFAIRS

POSSIBLE PHASING OUT OF VETERANS LAND ACT OFFICE IN LONDON, ONTARIO—PROVISION FOR HANDLING ACCOUNTS

Mr. William C. Frank (Middlesex): Mr. Speaker, I should like to direct my question to the Minister of Veterans Affairs. Is it a fact that the Veterans Land Act offices in London are to be phased out by late 1974, and if such is the case what provisions have been made to assist in the relocation of the several employees and avoid the obvious inconvenience to some 10,000 veterans whose accounts are now handled through this office?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, to answer the hon. member's question, this is under consideration. It is not definitely phased

out. So far as the accounts of veterans are concerned, there will be some provision made to see that the services are provided.

Mr. Speaker: On second thought, I think that question might well have been placed on the order paper, but the question has been asked and the hon. member has received a reply.

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LABOUR CONDITIONS

ALLEGED REPAIRING OF CANADIAN LOCOMOTIVES IN UNITED STATES—POSSIBLE LOSS OF JOBS—GOVERNMENT ACTION

Mr. John Wise (Elgin): Mr. Speaker, I should like to direct my question to the Minister of Labour. Will the Minister of Labour investigate immediately the situation in the city of St. Thomas where Canadian locomotives usually repaired in Canadian shops have been sent to the United States for repairs? If this situation continues it will result in the loss of a large number of Canadian jobs.

Mr. Speaker: Order, please. The minister might reply briefly to the question.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I would appreciate having more details from the hon. member. On the face of it, it would appear to be a question which should be more appropriately directed to the Minister of Manpower or the Minister of Transport.

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COMMUNICATIONS

ALLEGED INCREASE BY BELL CANADA IN RATES CHARGED RURAL SUBSCRIBERS—REQUEST FOR FREEZE AND INVESTIGATION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the minister who is speaking for the Minister of Communications today. In view of the current practice of Bell Canada to increase, without corroboration, basic monthly rates for rural telephone subscribers living outside the company's core boundaries in the Sudbury area, and in view of the hardship these increases are causing many rural residents, will the minister consider instigating a thorough investigation of these rate increases by Bell Canada and the placing of a freeze on increases until such time as the investigation is completed?

Hon. Jeanne Sauvé (Minister of State for Science and Technology): Mr. Speaker, in the absence of the minister who is away on government business I am pleased to take this question as notice and I am sure the minister will answer it when he returns.

[Mr. MacDonald (Cardigan).]

[*Translation*]

AGRICULTURE

PRICE OF FEED GRAIN TO EASTERN CANADA UNDER NEW POLICY

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I wish to ask the minister responsible for the Canadian Livestock Feed Board a question which is supplementary to that of the hon. member for Bellechasse. In view of the fact that when he announced his new policy, the minister stated that the price of feed grain in eastern Canada would be considerably lower, that this announcement was made three months ago, and that the price of feed grain has in fact remained unchanged, could he advise the House when he expects the price of feed grain to go down in eastern Canada?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the purpose of the new feed grain policy is not to create either lower or higher prices for feed grains but rather to ensure availability at the same basic price plus costs all across the country. The implementation of this policy has been in progress. The price base under this new policy, in other words, based on the average price in western Canada, will be announced very soon.

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DRUGS

INQUIRY AS TO REPORT OF LEDAIN COMMISSION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of National Health and Welfare. Could the minister advise the House when the LeDain report will be out, what is the reason for the delay and why is it not out already?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I should like to know the answer to that.

Mr. Speaker: The hon. member for Athabasca.

Mr. Reynolds: I rise on a question of privilege, Mr. Speaker.

Mr. Speaker: I apologize to the hon. member for Athabasca, but the hon. member is rising on a question of privilege.

Mr. Reynolds: Mr. Speaker, the minister promised this report months ago. It has cost the people of this country millions of dollars. The last time the minister was asked the same question he said it was delayed because of translation. I cannot understand his explanation and I think it is contemptuous of the minister not to present the report to the House.

● (1600)

Mr. Speaker: Order, please.

CANADIAN CULTURE

INQUIRY AS TO CONSULTATION WITH PROVINCES AND ETHNIC ORGANIZATIONS ON SELECTION OF DELEGATES TO MULTICULTURAL CONFERENCE

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Secretary of State. Can he inform the House whether the various ethnic organizations and the provinces of Canada were asked to select delegates for the multicultural conference now in progress?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I will have to consult my colleague, the Minister of State responsible for multiculturalism, on the exact format. I have a general idea but I would like to be absolutely precise.

Mr. Speaker: Order, please. I will recognize the hon. member for Athabasca on a supplementary, then the hon. member for Vancouver South and, before calling orders of the day, the Leader of the Opposition.

Mr. Yewchuk: Perhaps from his general knowledge of this information the minister could inform us whether these organizations were at least asked for advice regarding who the delegates should be.

Mr. Faulkner: Mr. Speaker, I believe so, in most cases. I am not sure if this would be true of all organizations.

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IMMIGRATION

ALLEGED REFUSAL OF VISAS TO RUSSIANS INVITED BY FISHERMEN'S UNION TO VISIT CANADA—REQUEST FOR EXPLANATION

Mr. A. John Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of Canada's policy to maintain friendship with Russia and, more recently, with mainland China, as evidenced by the Prime Minister's visit, can the minister tell the House why visas were refused last week to Russians invited to Canada by the United Fishermen's and Allied Workers' Union in British Columbia?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, this situation was brought to my attention over the weekend, and I have asked for a full report on it. I will advise the hon. member as soon as I get the details.

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CONSUMER AFFAIRS

MONITORING OF SALES TAX AND TARIFF CUTS TO ENSURE BENEFITS REACH CONSUMERS—REQUEST FOR REPORT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs from whom I have been trying to obtain a report on the monitoring of the consequences of tax reductions contained in the budget of the Minister of

Finance last February, which the minister has frequently indicated would be forthcoming. Now, following three weeks of leisure, can the minister tell the House when we may expect this report, if we are ever going to get it at all?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I intend to table it in the House this week.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*Translation*]

FAMILY ALLOWANCES ACT, 1973

MEASURES TO PROVIDE FOR PAYMENT OF FAMILY AND SPECIAL ALLOWANCES

Hon. Marc Lalonde (Minister of National Health and Welfare) moved that Bill C-211, to provide for the payment of family allowances in respect of children to supplement the income of Canadian families and for the payment of special allowances to provide for the care and maintenance of other children, and to amend the Income Tax Act in consequence thereof, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

[*English*]

He said: Mr. Speaker, it is with great pride today that I move second reading of Bill C-211, a measure to supplement the incomes of Canadian families and improve their capacity to meet the costs of raising children. Bill C-211 will permit 3½ million Canadian families, the great majority of which have low or middle incomes, to realize a net additional amount of $840 million in 1974 alone. In addition, it will advance the development of a more equitable regional redistribution of income across Canada. For these reasons, Bill C-211 represents a major step in the over-all reform of the social security system to which this government is firmly committed. As a matter of fact, it constitutes I believe the largest single federal expenditure ever voted by Parliament for any new program.

This bill is the second major social policy measure that the Government has brought before the House in the past six months. The first, of course, was legislation this past spring to increase the universal old age pension to $100 per month, thereby raising the guaranteed minimum income for pensioners to $170.14 monthly for single pensioners and $324.60 monthly for married couples when both the husband and wife are pensioners. Recently, Parliament approved a further amendment to the Old Age Security Act to provide that both the Old Age Security Pension and the Guaranteed Income Supplement be escalated in accordance with increases in the cost of living on a quarterly basis, instead of once a year, as was previously the case. This means that as of October, the guaranteed minimum income is $179.16 for single pensioners and $341.80 for a married pensioner couple. These increased pensions for the aged, together with the changes in income tax law which substantially reduced or eliminated the tax burden

on pensioners have, we believe, gone a long way towards improving the lot of our citizens aged 65 and over.

Bill C-211, now before the House, is directed at the other end of the age spectrum—at our citizens who are under 18 years of age. To mitigate the effects of rising prices, Parliament recently approved an amendment to the Family and Youth Allowances Acts to increase the monthly allowances paid in respect of dependent children under age 18 from an average of $7.21 to a flat $12 per month effective in October. The bill now before the House proposes to almost triple the pre-October average allowance payment from $7.21 monthly to an average of $20 monthly, with effect from January 1, 1974. This increase will mean greater benefits for over 7½ million children in over 3½ million Canadian families.

Family allowances were first introduced in Canada in 1945. In that year the allowances were set at $5 for children up to 6 years of age, $6 for children aged 6 to 9, $7 for children aged 10 to 12 and $8 for children aged 13 to 15. The Family Allowance Program in 1945 was additional to the system of income tax credits for dependent children of taxpayers that had been in operation since 1918. The two measures were, however, closely co-ordinated. That is, the Income Tax Act required the return of certain amounts up to 100 per cent of the family allowance payments received, according to a graduated formula taking into account family income and size. In 1947, this approach was modified to repeal the tax on family allowances and to provide different exemptions depending on whether children were qualified or not qualified for family allowances. The original exemptions were $100 for a child qualified for family allowances and $300 for a child not so qualified. In the intervening years these exemptions have been increased and revised to $300 for children under 16 years and $550 for a dependent child of 16 years or over.

In 1957 the allowance rates were changed to $6 for children up to 10 years of age and $8 for children aged 10 to 15. The 1956 Family Assistance Program was revised in 1962 to provide the same level of benefits for the children of immigrants during their first year in Canada. Youth allowances of $10 for dependent children aged 16 and 17 who are in attendance at school were introduced in 1964. Finally, family and youth allowances were raised to a uniform benefit of $12 monthly effective October 1, 1973.

The original Family Allowance Program was introduced for the purpose of giving a maximum measure of income support to families to help ease the financial burden of bringing up children and to provide a measure of equal opportunity for children regardless of a family's economic situation. The objective of the new family allowance program is to provide a supplement to the income of Canadian families in such a way that those with the greatest need will receive the greatest benefit.

● (1610)

The increased allowances were proposed in the working paper on Social Security in Canada which I tabled in this House on April 18 last. In the working paper a family allowance increase was put forward as part of what we have called an "income supplementation" strategy. This strategy is one of five strategies advanced by the government of Canada as the basis upon which a general federal-provincial review of social security policy might be undertaken.

At the April 20 Federal-Provincial conference of welfare ministers it was generally agreed that the propositions put forward in the working paper would provide an appropriate basis for a social security review. There was also unanimous agreement among the ministers at the conference that first priority in reforming the Canadian social security system should be given to increases in family allowances.

[*Translation*]

Mr. Speaker, this bill is important for several reasons. First, it represents a major step in the reform of Canada's system of social security. It is the initial phase of a program of income supplementation for those Canadian families whose earnings from employment are insufficient to support the family unit, for those families whose breadwinner simply cannot find employment, and for those families whose breadwinner cannot or is not expected to work, such as disabled persons and single-parent families.

It is estimated that there are 327,000 families with children under 18 who can be classed among the "working poor"—families whose earnings are not considered sufficient to support the family unit. There can be several reasons for this.

As hon. members know, income from employment does not ordinarily take account of family size. The family's breadwinner may be working part time at or near the minimum wage but even if he or she works full time at this wage, the earnings are not sufficient to support more than one or two dependents. Second, the breadwinner may be able to obtain work only on a seasonal or intermittent basis and is not able to earn enough to meet the mimimum income needs of the family. For these families, it is a constant struggle to try to keep off the welfare rolls. These families continue to work because of their pride in their ability to make their own way and because they do not want to lose their respect for themselves.

The tripling of family allowances will go some considerable way in providing more income to assist low-income families in meeting the costs of caring for and educating their dependent children.

Another significant feature of this measure is that it will permit a province to vary the family allowances paid within that province in relation to the age of children or the size of family or both, but not in relation to family income, provided there is an act of the provincial legislature which establishes what the variation should be. This approach would thus involve two parallel sets of legislation—one passed by the Parliament of Canada and one passed by a provincial legislature—both of which would regulate the family allowances to be paid in that province. Before differential rates can be paid in a province, however, the Minister of National Health and Welfare would have to satisfy himself on two counts: first, that the family allowances to be paid in the province would average $20 per child over a three-year period and, second, that an allowance of not less than $12 per month would be paid in respect of any individual child.

At this point I would like to emphasize again what I have stated several times in this House. Although the

amount of the cheques may vary from province to province, depending on provincial legislation, family allowances will continue to be sent by the federal government directly to families. Of course, a province may pay its own allowances as it sees fit. I should also like to draw attention to the fact that if a province chooses to have a $12 allowance paid in respect of children in a certain age group or in respect of a certain size of family, it will be necessary to pay more than $20 in respect of other children in order that a $20 average can be achieved. The provision to permit the provinces to vary the rates of family allowances flows from the fourth principle enunciated in the Speech from the Throne, namely:

It must be recognized that Provinces may wish to have the structures of social security vary in accordance with the social needs, income standards and the cost of living in different communities.

Mr. Speaker, this is consistent with recommendation No. 84 of the Special Joint Committee of the Senate and House of Commons on the Constitution of Canada. I should add that the approach of having two parallel sets of laws governing social security transfer payments represents a significant innovation in constitutional arrangements as well as a new and, hopefully, continuing phase of federal-provincial cooperation.

Two provinces to date—Alberta and Quebec—have indicated their intention to take advantage of this "flexibility formula", and all provincial ministers of welfare have welcomed the federal government's initiative to give this increased flexibility.

The government has proposed in this bill that the minimum allowance that can be paid in respect of any child must be 60 per cent of the national norm. We have selected this percentage figure taking account of the recommendation of the Special Joint Committee of the Senate and House of Commons on the Constitution that, where a province wishes to vary the benefits paid to individuals under federal programs involving demographic grants or guaranteed income payments, such benefits should not be less than a certain percentage—the committee suggested perhaps one-half or two-thirds—of the amounts that would be paid under the scheme proposed by the federal government.

I should also mention, Mr. Speaker, that the bill contains a provision to pay a special allowance of $20 per month for the care and maintenance of children who are maintained by provincial governments or agencies of provincial governments in institutions or in foster homes or who are maintained by private institutions.

The principle underlying the new family allowance program is that the allowance represents a supplement to family income. Logically-speaking, therefore, we should not be paying an allowance in respect of children maintained by provincial governments in foster homes or institutions or maintained in private voluntary institutions. There are other provisions to cover the costs for such care, such as the Canada Assistance Plan. However, I have received strong representations to the effect that we would be discriminating against already disadvantaged children in institutional care if we were to eliminate the allowances now paid. Consequently, the government has decided to ask Parliament to approve payment of a special allowance of $20 to be paid for the care and maintenance of these 58,000 children.

Moreover, we propose to include children in the care of those private voluntary institutions that have been approved by a provincial government. This will mean that allowances now will be paid in respect of an estimated 9,000 children maintained in private voluntary institutions and for whom payments are not made under existing legislation.

In order to avoid discriminating against children residing with foster parents, we propose that the special allowance cheque be sent directly to the foster parent in the same way that a family allowance cheque is sent to a regular parent.

● (1620)

[*English*]

Turning to the matter of costs, the proposed new family allowance program will result in an annual total cost of $1,830 million. This may be compared with the $640 million which was being expended annually on family and youth allowances prior to the October increase. However, we are also proposing that the family allowance should be treated as taxable income in the hands of the parent who claims an exemption for the child for income tax purposes. The estimated tax recovery will be $350 million to the federal treasury and a further $115 million to provincial treasuries, as a result of the tax-sharing agreements. Consequently, the net additional cost to the federal treasury of the new allowances will be $840 million, for a total net cost for the whole program of about $1,365 million.

I should stress that the proposal to tax the family allowance will mean that if a province does not vary the rates and an allowance of $20 is paid, only a very limited number of taxpayers with very high taxable incomes, for example, those with taxable incomes of over $40,000 whose children are 16 and 17 years of age, will suffer some loss compared with their existing family and youth allowance payments. Obviously, the situation may be somewhat different in those provinces which decide to modify the configuration of family allowances. The taxation of family allowances will bring them into line with the tax treatment accorded to other income security payments, such as Old Age Security, Canada Pension Plan benefits and Unemployment Insurance.

It will also be recalled that the Economic Council emphasized the need to concentrate family allowance benefits on the poor. The Family Income Security Program, or FISP, which my predecessor brought before this House last year, was designed to provide greater benefits, the lower the family's income. In the Speech from the Throne, and in my January 11th speech, the government's intention of bringing forward a new family allowance program which would concentrate the greatest benefits on those families with the lowest incomes was clearly stated. By taxing family allowances we will bring about a substantial degree of selectivity in the amount of the benefit, because a large part of the allowance will remain in the hands of those who need it most—the lower income families who do not earn sufficient income to pay taxes or who earn just enough to be taxed at the lowest marginal tax rate. On the other hand, families in the higher income tax

brackets will receive a benefit that progressively reduces as income rises.

It may be useful to illustrate the effect of taxing the family allowance. Assuming that the national norm of $20 per child is paid; a non-taxpayer would receive a net benefit of $20; the average Canadian taxpayer would receive a net benefit of $15; the taxpayer in the highest tax bracket would receive a net benefit of $8.

Even after taxes are paid on family allowances, most Canadian families—and more particularly all the low as well as the middle income families—will be well ahead in comparison with allowances under the previous program. For example, the federal government used to pay a family with four eligible children an average of $346.08 per year. Based on the new average of $20 a month per child, the same family earning $4,000 per year will now receive—after allowing for taxes, I repeat, after allowing for taxes—$934.08, which represents a net increase of $588 per year for that family. The same family earning $6,000 per year will receive a net increase of $364.07. With earnings of $8,000, it will receive a net increase over and above what it was receiving before the latest amendments to the Family Allowances Act and the Youth Allowances Act, and after paying taxes, of $345.29. Furthermore, the same family with earnings of $10,000 will receive a net increase of $319.71.

[*Translation*]

We propose that the new allowances become payable as of January 1, 1974. There are several reasons for choosing this date. First, it coincides with the start of a new tax year and will simplify reporting of income when taxpayers file their tax returns for 1974. Second, provincial governments require time to develop and submit their plans for variations in rates of allowances. Finally, it will take time to gear up the administrative machinery to provide for differential payments.

Parents now in receipt of family allowances will not have to reapply for the new allowances payments. However, parents will be asked to provide some additional information to facilitate taxing the allowances.

● (1630)

There are several other features of the bill that I would like to highlight on second reading. The family allowance will continue to be paid to the mother where there is one. However, it will be up to each family to decide which parent will claim the child as an exemption for income tax purposes.

Family allowances will be paid to parents who are temporarily residing abroad providing they are still paying Canadian income taxes. This will mean family allowances will now be paid in respect of children of armed forces and diplomatic personnel posted abroad. The allowance to be paid in these situations will be the national norm of $20.

The allowance will be paid in respect of a child residing in Canada who has at least one parent who is a Canadian citizen or a landed immigrant or, in certain circumstances who is a nonimmigrant but whose income is subject to Canadian income tax. To be eligible for the allowance a parent must wholly or substantially maintain the child.

[Mr. Lalonde.]

Allowances will be available for children of immigrants as soon as they are legally landed. This means that the family assistance program, under which allowances equal to family allowances are paid during the first year in Canada, can be discontinued.

The school attendance requirement will no longer apply. Unemployed children under 18 who do not attend school are just as dependent on their parents as children who do. This means that allowances will be paid for all dependent 16 and 17 year olds throughout the year, instead of the present practice under youth allowances where youths must be in attendance at school to qualify for the allowances or be disabled and incapable of attending school.

The bill also provides that the average family allowance can be increased from time to time to take account of changes in the cost of living. Such increases would be brought about by order-in-council subject to approval through a resolution of the House.

Mr. Speaker, the proposal to increase family allowances, which was originally outlined in the Working Paper on Social Security in Canada was applauded by the vast majority of Canadians. To be sure, there were some fears that the magnitude of the increased expenditures would mean an increase in taxes. This will not be the case. The government has decided that priority in the allocation of government revenues will be given to the financing of increases in family allowances. We intend to fund these higher allowances without having to increase taxes to do so.

Apart from increasing the income of Canada's "working poor", the increased allowances should to some extent ease the pressure on provincial social assistance expenditures. The increase in the allowance should in many instances be enough to keep families off the welfare rolls.

Moreover, a tax recovery of $115 million will be realized by the provinces through tax-sharing arrangements. We would hope that these tax recoveries would be used by the provinces to ease the burden of their social welfare costs.

[*English*]

I have seen some criticism of the proposal to increase family allowances on the ground that higher family allowances will encourage people to have more children, thus aggravating the so-called "population problem". All available evidence suggests that this claim is unfounded. There are a number of factors which can affect fertility. These include, for example, the level of family income, the economic outlook, trends toward urbanization, higher living standards, increased employment of women outside the home, spread of knowledge of family planning and development of effective contraceptive devices as well as changing social and cultural attitudes toward family size.

There appears also to be a high correlation between higher incomes and lower fertility. Taking account of long term trends, young married couples today are relatively better off than their counterparts of a generation ago and are limiting the number of children they have to maintain the standard of living they have achieved. Moreover, it is estimated that it costs between $500 and $700 annually to maintain a child. Consequently, a family allowance of $240 can hardly be said to provide an incentive to procreate.

If one examines the statistics on population trends both in Canada and in other countries, there appears to be no evidence that family allowance programs have stimulated the birth rate. This holds true even for those countries that have deliberately set about to use family allowances or other forms of income support to stimulate the birth rate. For example, population growth was the specific objective sought by the family allowance system in France. However, from 1960 to 1971, the fertility rate, that is the number of live births per 1,000 women of child-bearing age, has declined from 70.1 to 60.4 per 1,000. Czechoslovakia is another country which in the post-war period tried to stimulate population growth through family allowances and other forms of income support, but the fertility rate fell from 62.4 per 1,000 in 1960 to 51.4 per 1,000 in 1970.

It is also interesting to note the population trends between Canada and the United States over the past few years. Canada has paid family allowances since 1945; the United States has no program of family allowances. In 1960, the fertility rate in Canada was 94.6 per 1,000 and in the United States it was 86.1 per 1,000. In 1971, the fertility rate in Canada was 56.5, in the United States it was 59.3, remarkably close.

In a study conducted by the United Nations in 1965, it was found that there was a high correlation between high levels of economic growth and economic development and low birth rates. This study showed that the level of fertility divided the less developed countries from the more developed countries more consistently and more completely than any other single indicator. In the less developed countries the crude birth rate, that is, the number of live births per 1,000 of population, is still well above 30 births per 1,000, but in the developed countries it is below 30. In many it is around 15 per 1,000.

The 1965 World Population Conference reported that an advanced economy with a high per capita product requires and imposes a demographic pattern on the country under which the birth rates cannot be as high as those found in less developed countries. On the evidence I have seen, I am convinced that in an economically advanced country such as Canada, family allowances at the levels proposed would not affect the underlying factors that are encouraging and stimulating the trend toward still lower birth rates.

I think we should look at another interesting fact. Hon. members may recall that it was in 1945 that family allowances were introduced in Canada. In 1945, the average number of children under 16 years per family in Canada was 2.37. Today it has fallen to 2.17. Looking at the average number of children per family, the following comparisons are enlightening.

In 1945, Ontario had 2.06 children per family: In 1973 the figure was up to 2.15. In British Columbia in 1945, it was 1.93 children; in 1973 it was 2.09. In the province of Quebec in 1945, there were 2.86 children per family. By 1965 that figure had decreased to 2.61. In 1967, the government of Quebec introduced its own family allowance scheme in addition to the federal family allowances, yet the number of children per family continued to decrease to 2.11 today.

Hon. members will be interested to know that in 1973, British Columbia has the fewest children under age 16 per family, an average of 2.09. Contrary to popular mythology, the province of Quebec has the next lowest rate of 2.11, followed by Ontario at 2.15, Nova Scotia at 2.21, Saskatchewan at 2.22 and Manitoba at 2.24.

While Quebec is the second lowest province in terms of number of children per family, it is by far the lowest province with respect to the fertility rate. In 1971, there were 47.6 live births per 1,000 women of child-bearing age. The next lowest province was British Columbia with a rate of 55.4 per 1,000.

Mr. McGrath: Will the minister accept a question?

Mr. Lalonde: I will gladly answer a question after I have concluded my remarks. In global terms, families in Ontario will receive $650 million from the federal government through this program; in Quebec $497.5 million; in British Columbia $183.1 million and in Alberta $149.1 million.

I have pointed out these details because I am deeply concerned by several letters I have received recently from Canadians who believe that this program is designed primarily to benefit Quebec families. The foregoing facts simply do not support this argument, Mr. Speaker. I would therefore request the active support of all members of the House, regardless of their political affiliations, in dispelling this erroneous impression, which undermines the unity of our country.

● (1640)

Some critics have suggested that we should eliminate family allowances completely or, alternatively, limit allowances to one or two children per family. Mr. Speaker, I reject this proposition out of hand. In all humanity, one cannot argue that because parents ought, perhaps, not to have had children, we should allow the children to suffer from poverty and malnutrition. Other measures should be and are being adopted to encourage family planning. For example, my department has set up a program of public information and education on family planning. Moreover, we are promoting the training of professionals and non-professionals engaged in providing family planning services and are supporting research on family planning.

It is through improved programs of public information and education that we are trying to come to grips with the issue of family planning. It is through the family allowances program that we are hoping to improve the living standards of the present generation of Canadian children who, through no fault of their own, find themselves living in conditions of poverty.

When one adds to this $840 million the $300 million in additional expenditures incurred earlier this year with the increase of the old age security pension to $100 a month, the estimated additional $94 million to the end of the year 1973-74 resulting from quarterly escalation of OAS/GIS, the further estimated additional annual costs of $158 million for OAS/GIS escalation in 1974-75, it will be seen that this government has added almost $1.4 billion to social security in the last six months. These measures have all been taken in the interests of improving the standard of living of our aged and our families.

Mr. Speaker, the Government of Canada together with the governments of the provinces is well into the joint review of social security which was proposed in the work-

ing paper tabled last April. This joint review with the provinces is progressing extremely well in our view. As one of the first results of this review, I hope to bring before the House this fall legislation to amend the Canada Pension Plan. As hon. members know, I have met with my provincial counterparts for a second time in early October. The aim of this meeting has been to first of all reach agreement on changes in the CPP and to review progress of the various studies being undertaken by working parties of federal and provincial officials.

I am happy to report that my provincial colleagues and I have reached agreement on four basic points: on the escalation of pensions according to increases in the cost of living; on the level of the yearly maximum pensionable earnings; on the amount of earnings which will be exempt from contributions, and on the removal of the earnings test in respect of retirement pensions for those aged 65 to 69. I would propose very shortly to introduce in the House legislative amendments concerning the escalation provision and the raising of the yearly maximum pensionable earnings for 1974, followed by the remaining amendments as soon as possible thereafter.

Federal-provincial working parties were set up last April to begin study of the propositions on the income supplementation strategy, the social insurance strategy and the employment strategy, as outlined in the April working paper. Another federal-provincial working party on the social services strategy was established at the recent meeting of federal and provincial deputy ministers of welfare. Mr. Speaker, I am personally encouraged by the spirit of co-operation which has been shown by the governments of the provinces toward the review of Canada's social security system. I am confident that given the good will that has prevailed to date, we shall be able, within the next few years, to set in place a social security system which will ensure a better standard of life for all Canadians.

Mr. McGrath: Would the minister entertain a question? I ask him whether, in order to help us in the course of this debate, he would provide statistics for all the provinces. The hon. gentleman selectively used statistics to support his arguments, but I believe it would be very useful if we were given statistics relating to all the provinces. For example, it would be interesting to know which province has the highest ratio of children under 16.

Mr. Lalonde: Some of those statistics are available as appendices to the working document on social security which was released in April. If there are other figures which the hon. member would like to have I would be pleased to make them available, either in the course of this debate on second reading or at its conclusion, or when the bill is being considered by the committee. I would be pleased to let hon. members have all the statistics which are at my disposal in this respect.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a further question to the minister before he resumes his seat? The hon. gentleman said a few moments ago that one of the results of the conference held with his provincial counterparts earlier this month would be the introduction of two bills to amend the Canada Pension Plan. May I ask whether, as another result of that conference, he will be introducing a bill to amend the Canada Assistance Plan?

Mr. Lalonde: There was, indeed, an agreement in principle with regard to cost-sharing between the federal government and the provinces in cases where universal programs in areas previously covered by the Canada Assistance Plan are introduced by the provinces. Any cost-sharing by the federal government would necessitate amendments to the Canada Assistance Act. However, a precise formula still remains to be worked out between officials of the federal and provincial governments. The process should take a few weeks but I hope agreement can be reached reasonably soon. Nevertheless, I would not expect that amendment to the act could be introduced before the end of this year. At any rate, if it cannot be introduced by the end of this year I hope it will be introduced early in the next session.

Mr. Knowles (Winnipeg North Centre): You can try.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, may I say at the outset that I plan to support this measure although I am very doubtful, after hearing the minister for the last ten minutes, whether one of the former leaders of his party would support him were he here. Sir Wilfrid Laurier used to talk about Canada having 50 million people. If prosperity is an inducement to a diminution of family size, and if this measure is an important measure contributing to prosperity, we are, in fact, contributing here to a diminution of the population growth rate and Sir Wilfrid Laurier would therefore be most disturbed.

I think I know what my hon. friend from St. John's East (Mr. McGrath) was really asking the minister. He wanted to know which province had the highest birth rate, and you can imagine, Mr. Speaker, since he was asking for this information, that it is the Province of Newfoundland, exceeded only by the Northwest Territories where the birth rate is 48.6 as against Newfoundland, where it is 34.1 followed by Prince Edward Island with 27.1. If I followed the Minister's logic I would say that these were the three least prosperous areas in Canada. I should like to say that if I am supporting this measure, as I am, it is not because I regard it as a deterrent to population growth in this country.

● (1650)

I should like to say that this is another of the measures that causes us some difficulty in exercising our deliberative function in the House of Commons. We must, of course, in our federal structure have constant, frank and cordial communications, with the provinces but I am often troubled in these realms of dominion-provincial relations when we in this chamber, the people's representatives gathered together in Canada'a national assembly, are presented with a fait accompli.

How much better would it have been for our side of the co-operative federalism exercise had the minister proceeded to open up the measure for debate, though perhaps only limited debate, last July so that those of us who represent the people federally in this legislature might have been given the chance to present our ideas. This strikes me as a very sound proposal and a very prudent one when we have a minority government. Indeed, I think it would be a good

thing under any circumstance; it is the sort of thing that would be very valuable.

I do not have very much time before the hour of five o'clock comes upon us.

Mr. Baker: Take it all.

Mr. Macquarrie: I have been urged by my colleague to go all out and use the whole five minutes, so I think I will do that. I always like to hear the minister, even when he is partisan, though he was not today. However, I am a little unhappy—indeed, I am profoundly disturbed—that at a time when the country faces an economic crisis of pressing gravity the response of the government time after time is to throw out another welfare measure. In the emergency session in August and September it was the minister who came through with measures. There was a little change to old age security, an alteration here, another there, adopting policies that the opposition had suggested long ago. In face of this grave and terrible situation of galloping inflation, this modicum of relief is not sufficient to meet the mountain of need of the Canadian people.

We have a government that is clearly, obviously and tragically without an economic strategy. Without such strategy it relies on tactics. In face of inflation, a chronic case of unemployment and a continuum of economic stagnation, the government has but one response: Send in the welfare minister, who must gallop to the relief of the whole group. Where are the mighty economic ministers of this government? Cannot they take up arms in the fight against inflation? All that the Canadian people have to do today to reach a judgment on the fighting capacity of the Minister of Finance (Mr. Turner) in economic matters is to read the answer that he gave the hon. member for Don Valley (Mr. Gillies) just a few hours ago. Where is the Minister of Industry, Trade and Commerce (Mr. Gillespie)? He has not been in Russia the whole time; where are his moves in this important area? And what is the Minister of Consumer and Corporate Affairs (Mr. Gray) doing? At this point I am running out of giants in the field of economics!

Mr. McGrath: Not difficult to do with the government over there.

Mr. Macquarrie: Why are these ministers so silent, so supine, so superlatively recumbent in face of the cost of living volcano that is shaking Canada's economic structure to its very roots? Is nothing forthcoming to strengthen the economy of this country and to halt the advance of grievous inflation? Certainly the minister, despite his best intentions—and he is not always at his best—cannot cope with this problem. We cannot welfare ourselves into a sound economic society. We cannot capsulize palliatives enough to overcome the economic agony of the Dominion of Canada.

While we support this bill—because it does provide some measure of relief—we ask for, indeed we cry out for meaningful action on a forward front of economic strategy. As far as I and my colleagues are concerned, we do not think this measure requires a long debate in this chamber. But it does require very serious study in committee because this bill, unlike the one which was passed in September, has a good deal of complexity which needs examination, scrutiny and further elucidation by the minister.

There are provisions that please me. Those relating to school attendance are certainly an improvement. There is no reason for the Minister of National Health and Welfare (Mr. Lalonde) to become the giant truant officer for the whole of Canada. So the proposal is a great improvement. I am also glad that Canadian citizens who serve abroad will derive benefit from this bill.

May I call it five o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Veterans Affairs—Disability pensions, action to eliminate backlog of applications; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Canadian Broadcasting Corporation—Provision of educational films to school boards—government position; the hon. member for Grenville-Carleton (Mr. Baker)—Public Service—Appeal against decision condemning red circling—Request for review of practice and appropriate legislation.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills.

PRIVATE MEMBERS' MOTIONS

[*English*]

TRANSPORT

SUGGESTED ACTION TO PREVENT DAMAGE TO SHORELINE BY PASSAGE OF SHIPS

Mr. H. W. Danforth (Kent-Essex) moved:

That, in the opinion of this House, the government should consider the advisability of taking action, wherever necessary in the inland navigable waters of Canada, to prevent damage to shorelines, dykes, homes, lands and other public and private property caused by the passage and manœuvering of ships and boats and other vessels.

He said: Mr. Speaker, the purpose of the motion before the House is to encourage the government to take a look at the provisions of the law as they now stand which govern damage done to shorelines by boats in our inland navigable waters. When the present law was first brought before parliament and passed, the situation was far different from what it is today. The law as enacted at that time

made provision that the federal government was responsible in the main for damage caused by the wake from freight-laden ships to the banks of inland waters and rivers. Later this provision was amended to include any damage that might be caused by a change in the motion of the waters due to the building of any government dock, wharf of marina where it could be amply proved that the existence of such a structure changed the current to such a degree or changed the normal flow of the water to such a degree that it caused monetary hardship to the owners of adjacent property.

● (1700)

Mr. Speaker, the course of events in this country has changed the situation which these laws were designed to cover. When they were adopted most of our navigable waters and the banks adjacent thereto were owned by the Crown. Along the shores of these waters there were many homesteads, and the homesteaders based their livelihood on lumbering and hunting. There was some agricultural activity, but not of an intensive nature. In those days these lands did not have the value they have today. This shoreline is today very valuable. We find many private dwellings and estates in these areas. We also find rich farmland and a great deal of industrial development, and I have in mind marinas, motels, hotels and other like accommodation for tourists from this and other nations.

The damage caused by the wakes of boats plying these waters is considerable in some areas, and the cost of keeping the water back from low-lying areas is high. The people who own this property should not be responsible for the constant repair of dykes and shorelines being eroded in this manner. It is my contention that the federal government should be responsible for the repair and maintenance of the shorelines on our navigable waters.

Many tourists are being encouraged to come to this country these days, and many of them here by boat. This traffic is especially concentrated in certain areas in Ontario adjacent to our great bodies of water. Many tourists from the United States have easy access to our resort areas. In my own area large flotillas of pleasure craft traverse the waters visiting various towns and cities. This represents a tremendous source of income to the merchants and those who provide these tourist services.

While there is a problem in relation to the erosion of our shorelines, certainly the solution is not to discourage tourism. These people plying our rivers and lakes bring in thousands of dollars, but the damage to our shorelines is tremendous. You may recall, Mr. Speaker, that some two years ago a number of citizens tried to stop the tourists travelling in the waters in my area. Many signs were put up asking these tourists not to use the river, and there were verbal exchanges between tourists and those on the shore. I understand that there were fruits and vegetables thrown at passing tourists. This is something that should be discouraged as the tourism industry represents a tremendous asset to this nation as a whole. Financially, this industry is one of our most profitable and we want to encourage it in every possible way.

The purpose of the motion before the House is to request the government to give consideration to a revision of our prevailing archaic laws under which these boats are plying our navigable waters. These laws relate to domestic and foreign traffic. The traffic during our tourist season represents many times the traffic that normally travelled these waters when these laws were put into effect. It seems to me that we should take the same approach at the federal level as we take at the provincial level, treating our waterways as we treat our highways. We should no longer think of our navigable streams in terms of the horse and buggy days.

Years ago when these laws were brought into effect our highways in this country were only small trails which gave access to horses and wagons. With the advent of the automobile the governments in this nation found it necessary to upgrade our highway systems, and this has been carried out successfully. It seems to me that we should take the same approach in respect of our navigable waters.

When damage is done along our highways, the departments of various governments are quick to act. This is particularly true in respect of our Trans-Canada Highway. Surely, this is the approach that we must take, as our waterways will be used more and more in future rather than less, particularly as the tourist industry increases. We must do something now because those who live on the shores of these waterways cannot afford the tremendous financial cost of repairing and maintaining the shoreline.

An attempt has been made to limit the speed of tourist boats plying the waterways in order to lessen the damage caused by the wakes of these boats. There is a speed limit in effect on most of our rivers, and that limit is enforced admirably, but it has become apparent that speed limits by themselves do not provide a solution. We have observed recently that speed alone does not cause the damage. Many of these vessels travel at reasonable speeds, but because of the size of the vessels the wake or the wash is exceptional. It seems that we must revise our laws in order to bring some semblance of order out of what is quickly becoming a chaotic situation. Many of those who own the shore property are boat owners. Some of them operate marinas, and it is a joy to behold how carefully these people preserve and maintain the rights of other owners of shoreline property.

The purpose of this bill is to alleviate the burden on the shoulders of those who own shoreline property. I hope it finds favour in the House, and I hope that something can be done to rectify what is now becoming a very grievous situation, not only in that area I have the honour to represent, but in all areas where there are navigable waters used by our own boat owners and many tourists.

Mr. Paul E. McRae (Fort William): Mr. Speaker, I welcome the opportunity to speak on this motion because, as the hon. member for Kent-Essex (Mr. Danforth) has pointed out, the problems which exist in his area also exist in my area in Ontario. The problems created by the rapid speed of boats and ships of one kind or another is considerable. Shoreline erosion is a very definite problem. Right in my neighbourhood a number of small pleasure craft, yachts and even larger boats, move up and down the river creating erosion problems.

This difficulty has been increased by the creation of a provincial park further up the river. The erosion problems are considerable, but I must point out that the federal

government is working on the problem. I think hon. members should know a little bit about what the federal government is doing. While the government is making an effort, there are other things that could be done.

On April 11 of this year, the St. Clair and Detroit River Vessel Speed Regulations were gazetted. The Ministry of Transport established these regulations for the purpose of navigational safety, the preservation of navigational channels and the protection of riparian interests. The speed limits apply to all vessels, other than pleasure yachts, having an over-all length of 65 feet or more. They were established after months of lengthy discussions with interested parties. They are based on extensive technical studies and field observations conducted jointly by the engineering staffs of the St. Lawrence Seaway Authority and the U.S. Corps of Engineers.

● (1710)

The schedule to the regulations specifies the maximum upbound and downbound speed, expressed in miles per hour over the bottom, in the St. Clair and Detroit Rivers from Fort Gratiot Light to the Detroit River Light, excluding Lake St. Clair. These regulations will be complemented by similar regulations established by the American authorities for those parts of the river under their jurisdiction. Enforcement of the regulations is being carried out in the Detroit River by ministry officials and the RCMP with the aid of a shore installation which enables measurements to be made over a known distance to determine the speed of passing ships. From May 25 to September 13 inclusive, 707 commercial vessels of 65 feet in length or over were monitored passing the Amherstburg area.

I keep bringing up the point of vessels 65 feet and over because I think one area where improvement can be made is in the reduction of the length of boats to which these regulations apply because, although this would not apply to Lake St. Clair, such boats cause damage in the smaller lakes and rivers. Of this total to which I have referred, approximately 5.5 per cent exceeded the speed limit sufficient to warrant legal action being taken. A chronic offender appeared in court on September 20 and pleaded guilty. He was fined $50. I consider this fine to be rather small considering the damage done to shorelines. Warning notices have been sent to the remaining offenders. The intention is that all vessels exceeding the speed limit will be prosecuted. I think operators of vessels should be aware of this warning, and I think we should be sure that we follow it up. I hope that fines in excess of $50 would be more the rule than the exception.

In drafting speed regulations of this type, it is necessary to take into consideration the interests of the marine community as a whole. This requires the establishment of speeds that will be realistic and meet, as far as possible, the conflicting interests in the area. Speed limits that are set too low will impose unfair economic burdens on commercial vessels; these added costs will eventually be passed on to the general public when purchasing consumer products. Conversely, speed limits that are too high may cause extensive damage to shore property and, in addition, high speeds may encourage unsafe navigational practices to the detriment of all concerned.

Damage to Shoreline by Passing Ships

An amendment to the St. Clair and Detroit River speed regulations was given Privy Council approval on the 31st of August, 1973, and published in the Canada *Gazette*, Part II, on September 26, 1973. This amendment will give these regulations more flexibility by allowing for a temporary reduction of speed limits, as circumstances require, in any part of the river to which the limits apply. This requirement for more flexibility has become necessary due to exceptionally high water levels in the St. Clair and Detroit Rivers which has brought strong protests from riparian interests who have been exposed to extensive property damage.

I can understand the need for flexibility depending on water levels, winds and so on. In addition, it has been proposed that the regional director for the central region, marine services, Ministry of Transport, be granted the power to temporarily lower the speed limit for the safety of navigation or for the protection of persons or property at or near the shore. A speed limit established by the regional director will come into force upon its publication in a notice to shipping or a notice to mariners and will remain in force until its modification or cessation is published in a subsequent notice to shipping or notice to mariners. Speed limits are in force in many of Canada's public harbours and are administered by the various harbour authorities. This is certainly the case in the harbour that is in my constituency, the Thunder Bay Harbour.

In particular, the Ministry of Transport has encouraged the Windsor Harbour Commission to enforce speed limits for vessels of less than 65 feet in length within harbour commission boundaries. Between Montreal and Lake Ontario, the St. Lawrence Seaway Authority is responsible for the establishment of maximum speed limits. Seaway Notice No. 4 of 1972 sets the limits in specified sections of the waterway for vessels in excess of 40 feet in length. These limits are as a result of extensive studies that have taken place over many years. The objective in the St. Lawrence is similar to that in the St. Clair and Detroit Rivers; to establish realistic speeds that will meet the requirements of the marine community as a whole.

A further seaway notice No. 5 of 1972 introduced, as a result of wave investigations, speed limits of 13 miles an hour over the bottom in the Canadian waters of the St. Lawrence River in the area from Grenadier Island to Howe Island. On May 11, 1972, the St. Lawrence Seaway reaffirmed the speed limits in other areas of the system and brought to the attention of mariners the fact that complaints were still being received from the public regarding excessive vessel speeds causing shoreline property damage and creating the risk of possible serious injury or loss of life. This notice also warned the mariner that surveillance crews were using radar to enforce the speed limits on a round-the-clock basis. A reduction of the maximum speed by the St. Lawrence Seaway for the Beauharnois Canal was promulgated in seaway notice No. 9 of 1972.

On March 21, 1973 the St. Lawrence Seaway re-established speed limits in the river between Montreal and Lake Ontario. The notice of March 21 was followed by notice No. 7 of 1973, dated March 27, 1973 which included a plan showing the designated speed limit areas in the Montreal-Lake Ontario section of the seaway. This notice

advised mariners of the necessity of imposing temporary speed limits due to the present high water levels. It also included a warning that surveillance crews would be enforcing the speed regulations on a round-the-clock basis using radar equipment. This is extremely important. If we have regulations they must be enforced on an around-the-clock basis because the shoreline does not go to sleep at night and can be damaged at one time as well as at another. Mariners were requested to exercise vigilance in adhering to the prescribed limits; failing to do so might cause shoreline property damage and create the risk of possible serious injury or loss of life. The following are the temporary speed limits. In Parts of Lake St. Louis 12 knots to 13 knots, depending on the width. Between Ogden Island and Blind Bay, 14 knots, and between Bartlett Point and Tibbetts Point 13 knots.

The rising water levels in Lake Ontario and the Upper St. Lawrence River were in April, 1973, reaching the point where shoreline and property damage could result from normal vessel speeds. All predictions based on close monitoring indicated that this point would be reached within the following few days. Due to these facts, the Canadian and American Seaway authorities jointly announced that they had reached agreement on further temporary speed reductions. In general, vessels would be limited to a maximum of 12 miles an hour between Tibbetts Point on Lake Ontario and Lancaster, Ontario on Lake St. Francis. In making this announcement, Dr. Camu and Mr. Oberlin said:

> These further speed reductions are being made in recognition of the serious threat which the forecast high water poses to the citizens on both sides of the waterway. We have called upon the shipping industry to join us in recognizing the emergency conditions by strict adherence to the prescribed limits even though the efficiency of the waterway will be significantly reduced as a result of these restrictions.

When vessel speed limits are established they are based on the results of continuing field studies which take into account a number of factors including vessel speed, wave height, shape of hull, width and depth of channel, current velocity and other related criteria. While all these points are carefully considered in arriving at a speed limit, the effects of high water levels are also given substantial consideration with respect to the areas under study, the use to which the waters are to be put and the extent, development, condition and proximity of the shoreline.

● (1720)

On April 10, 1973, notice No. 8 was issued by the Seaway, superseding notice No. 7 of 1973. This notice further reduced the speed limits in force and, in addition, included three areas previously not affected.

Notice No. 9 of May 8, 1973, imposed a temporary speed limit of 11 miles an hour over the bottom in the area of the Canadian middle channel for all vessels in excess of 40 feet in length.

During the latter part of this summer, the water levels on Lake Ontario and the upper St. Lawrence River were receding to more normal conditions. This is not the case in the upper lakes, and certainly not the case on Lake Superior, so we have a year or two before we can expect that situation to occur. As a matter of fact, with the closing of a couple of the locks at Sault Ste. Marie we can expect the levels of Lake Superior to be high for two or three years, possibly even higher than they were this year. If there is any significant run-off this spring, we may have considerable shoreline flooding and damage next summer when the high water usually occurs, that is about the first of August. As a result of the water levels on Lake Ontario and the upper St. Lawrence River receding, some of the temporary speed limits were removed. However, notice No. 15 of August 15, 1973, while expressing appreciation for the co-operation of pilots and masters during the high water periods, continued to stress that their co-operation in adhering to the speed limit was essential.

In the period from April 19 to July 20, 455 commercial vessels were checked. Of this total, 55 were found to be exceeding the speed limit, 30 offenders received letters of warning because they only exceeded the speed limit by a small amount, and six had recorded violations and were fined between $100 and $300, very small fines considering the damage that was done. The charges against the remaining 19 violators are still being processed.

On May 4, 1973, the Ministry of Transport published notice No. 417 to mariners warning mariners of the damage caused by the excessive speed of ships and boats. This notice would also be published in the annual edition of "Canadian Notices to Mariners":

> During recent years, there has been a marked increase in the damage caused by draw-off and wave disturbance generated by the passage of ships and boats.
>
> In addition to damage caused to wharves, boat houses, small boats, moored ships, and erosion of the shoreline, there is also the attendant risk of causing serious bodily harm to persons in, on, or near the shore, particularly children.
>
> The amount of draw-off and the size and intensity of the waves at any given speed varies with the hull form and draft of each vessel. Other factors include the proximity to the shore and objects concerned and the configuration of the channel.
>
> Existing water levels must be taken into account since high water levels tend to increase and extend the damaging effects of a vessel's passage beyond what would otherwise be expected.
>
> Masters, pilots and owners of vessels may be subject to court action for damages sustained by injured parties as a result of damage or injury caused by the passage of their vessels.
>
> Regulations designed to control this type of damage would require speed limits sufficiently low to prevent damage by any type of vessel. This might impose on some vessels unrealistic speed limits and cause undue economic and recreational restraints.
>
> Control of vessels' speed limits by regulation can be avoided if persons in charge of the navigation of vessels, who best know the individual characteristics of their vessel, exercise restraint and reduce speed as necessary, taking into account all factors that may contribute to or aggravate the damaging effects of draw-off and wave disturbance—

Whereas many speed restrictions are of a specific nature, tailored to the needs of a particular area, this notice is general in nature and is intended to apply in all Canadian waters. The notice is reprinted yearly in the "Canadian Notices to Mariners". This publication is one that must be carried on board all ships in waters under Canadian jurisdiction under the charts and publications regulations.

The problem of vessel speed can also be approached in another way. The boating restriction regulations provide a means of control where the operation of boats creates specific problems such as noise nuisance, danger to other

craft or to swimmers, or erosion of the shoreline by wave action.

The purpose of the regulations is to restrict or prohibit some or all types of boating activity in specified areas or bodies of water. Provision is made in the regulations for: first, the imposition of speed limits; second, the limitation of the height of wash from vessels; third, the prohibition of water skiing, and fourth, the prohibition of boating in general. These various restrictions are listed in the restrictive schedules appended to the regulations.

In order to have a restriction or a prohibition imposed on a given body of water, a local authority such as a municipality makes application to the appropriate provincial authority which may, after assessing provincial interest in the matter, make formal application to the federal government to consider including the body of water in one of the restrictive schedules. The federal government may then, after ascertaining that there is no overriding federal interest in the matter, impose the desired restrictions.

The regulations provide for police officers or persons designated by the Minister of Transport (Mr. Marchand) as peace officers to enforce the regulations. Provisions are made for fines of up to $500 for infractions. I believe that the limit of $500 is unreal because the damage done can be far in excess of that amount of money. In fact, often what is damaged cannot be replaced. When a portion of shoreline consisting of three or four acres falls into the waters, as happened in our area not so long ago, how does one assess that kind of damage? I think that to be realistic, fines in excess of this amount, fines that relate somewhat to the damage, should be enforced.

The provinces of Ontario, British Columbia and Alberta have already designated departments to which application for boat operation restrictions can be forwarded. A preliminary study has been carried out regarding a vessel traffic management program for Canada. It is anticipated that a firm policy will be established and a national program developed as a result of this study.

Various forms of vessel traffic management have been in use in Canadian waters since the early 1960's. These systems were developed to fulfil particular local requirements. Since the mid-1960's, major changes and developments have occurred in the marine transportation field which require vessel traffic management systems to be established on a national scale. These changes include the introduction of the Very Large Crude Carrier and the concept of transshipment of crude oil and oil products. Of course, we all aware of the size of some of these supertankers. They include the introduction of containerization and other similar shipping practices, the increasing movement of all types of cargo by marine methods, major oil exploration activity in the Arctic and on the east and west coasts, a proposed west coast tanker route, and the development of supertanker terminals on the Atlantic coast.

In conclusion may I say that I support the intent of the motion. I think we have a very serious shoreline problem, particularly in view of the high water level of the Great Lakes and the systems leading to and from the Great Lakes. I believe that the regulations should be more strictly enforced, that smaller vessels should be included, vessels of ten or 12 feet, and finally, that some of the fines should be increased so that they are in relation to the damage that is done.

● (1730)

Mr. Frank Howard (Skeena): Mr. Speaker, the official spokesman for the government has laid his hand upon this motion and given it his blessing and, presumably, the blessing of the government. Certainly the sponsor of the motion, the hon. member for Kent-Essex (Mr. Danforth) is in agreement with it, as are we. I did not see any members of the Social Credit party rising to speak, but they can express their own views. Therefore, in light of the importance of this matter I wonder if an attempt could be made through you, Mr. Speaker, to assess whether the House would be disposed to make an order that the proceedings be interrupted at five minutes to six o'clock to vote upon this motion. Would Your Honour test the House to see whether this suggestion meets with the approval of hon. members?

Some hon. Members: Agreed.

Mr. Howard: If that approval were given, I would shorten my remarks to simply declaring my support for the motion and let other hon. members have their say between now and five minutes to six. I wonder if I could ask for the consent of the House.

The Acting Speaker (Mr. Laniel): Is the hon. member rising on a point of order?

Mr. MacGuigan: Mr. Speaker, I think the hon. member will recognize that his suggestion is quite improper. There is no procedure in the House for testing opinion in this way. If the hon. member wants to make his remarks, then when the time comes it will be up to Mr. Speaker, if no further speakers rise, to ask consent of the House.

Mr. Howard: I do not need to lecture you, Mr. Speaker; you know the rules far better than the hon. member. The House can make the order by unanimous consent. I am asking that that be done, and if it is we will continue with the debate.

The Acting Speaker (Mr. Laniel): The hon. member is aware that there is a difficulty here. If we make an order at this time, the hon. member will lose the right to complete his remarks. It is the view of the Chair that there is not the kind of consent that the hon. member seeks; therefore I would ask the hon. member to complete his remarks.

Mr. Howard: Mr. Speaker, I would willingly forgo my right if for once in this House we could get hon. members, especially those in the Liberal Party, to quit lobbying matters to death and talking them out.

Mr. Guay (St. Boniface): I rise on a point of order, Mr. Speaker. I want to bring to the attention of the hon. member and of Your Honour that on two separate occasions in this House I have accepted bills from his party which we did not talk-out during the five o'clock proceedings. If he does not know that, it is time he did and took notice of it.

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Mr. Howard: Mr. Speaker, the honourable and mouthy parliamentary secretary obviously missed what I was saying. It is not a question of relying upon his generosity; it is a question of permitting the House to make a decision. We should not have to rely upon the graciousness of the hon. member for Winnipeg South, or wherever he is from—

An hon. Member: St. Boniface.

Mr. Howard: —from St. Boniface (Mr. Guay), the parliamentary secretary, or anybody else on the government side to tell us how generous, friendly and willing they are to accept specific ideas put forward by members of the opposition. I am saying that there should be a right inherent in the rules to permit an hon. member to move a motion, to introduce a bill and to have it accepted or rejected on its merits, and not on whether the hon. member for St. Boniface wants to pick and choose. That is the point I was trying to make.

The motion put before us by the hon. member for Kent-Essex has an element of deficiency about; certainly not from his point of view or from the point of view of the people living alongside inland water areas who are confronted with problems, but it has a deficiency. This matter was touched upon by the hon. member for Fort William (Mr. McRae) at the conclusion of his remarks when he spoke about coastal waters and the effect shipping can have upon communities and lands and buildings there as well as inland.

I should like to make a few remarks with respect to the impact of shipping upon coastal communities. When I say the motion is deficient in this regard, it is only from the point of view of expressing the needs and feelings of people in these communities; it is not meant to refer in a derogatory way to the substance of the motion itself. I am sure the hon. member for Kent-Essex and others appreciate the need to think about this question in expanded terms.

In recent times we have oil damage caused to some of our coastal communities by oil tanker groundings and collisions. We think of the *Arrow on the east coast, the Irish Star* earlier this year on the west coast, the leak from the ruptured oil pipeline of Richfield oil refinery in the state of Washington which spewed oil all over the beaches in that area and the lower coastal part of British Columbia. More recently, we think of the two ships which collided in Vancouver harbour and spewed their oil all over the area. At the time, or just prior to the rupture of the oil line at the Richfield refinery in Washington there was a discussion in this House about oil tanker routes, a discussion about the Arctic Waters Pollution Prevention Act as well as the alterations that were made to the Fisheries Act to deal with deleterious substances in waters frequented by fish and the like.

During the course of debates in the House, the Minister of Fisheries (Mr. Davis) on numerous occasions assured us that in the absence of legislation and proposed changes to the Canada Shipping Act—because the Arctic Waters Pollution Prevention Act did not apply to the Atlantic and Pacific coasts, but only to the Arctic area—the government had a contingency plan to deal with any accidental oil spills that might take place on our coasts. Upon the heels of this declaration we experienced the effects of the broken line at the refinery to which I referred earlier and the inundation of oil in the Crescent Beach area, the White Rock area, the Boundary Bay area and the lower coastal part of British Columbia. We then discovered that the government's contingency plan consisted of voluntary help from school kids. The contingency plan was just froth and air; it did not exist. The cleaning of the beaches had to be done by citizens and students.

This appears to have been the case since that time. There is no contingency plan that I have been able to discover, there is no over-all plan, no concept of what should be done, especially in light of the decision of the United States government to build the Alyeska pipeline. It is proposed to bring oil by supertanker down the west coast via Alaska to Washington and California. These tankers will be routed alongside the coastal communities of British Columbia. The government does not seem to know what to do about the situation except wait and see how extensive the damage is and then deal with it. That is not good enough, Mr. Speaker. For the people of British Columbia and of the Atlantic provinces who are concerned about coastal routes, this approach is too careless.

● (1740)

The Arctic Waters Pollution Prevention Act, as we have said before, is one of the finest pieces of legislation in the field of preventing oil pollution to be found anywhere in the world. Its requirements are most stringent. It includes extensive requirements governing the construction of ships; it requires the installation of safety features such as certain types of valves and double hulls for ships that might be carrying oil in Arctic waters. This legislation was a commendable move by the government. The Arctic Waters Pollution Prevention Act established a 100 nautical sea miles limit which extended off certain Arctic islands and the archipelago in that area: it extended Canada's authority 100 nautical miles seaward of the Arctic islands. The act applies to oil-carrying tankers.

The sad part is that this piece of legislation, the finest of its kind anywhere applying to oil tankers, governs an area in which there are no oil tankers operating. It applies to the Arctic, and nobody is hauling oil in or around the arctic. The oil that is to come from the North Slope of Alaska, from Prudhoe Bay, is to come across land. It will be taken across Alaska and down the west coast where the legislative requirements are not nearly as stringent as those contained in the Arctic Waters Pollution Prevention Act.

We have said that in the absence of any other declaration on this matter—and no declaration has been made so far—Parliament should amend the Arctic Waters Pollution Prevention Act so that it applies also to the Atlantic and Pacific coasts. In that way we could extend our authority in those areas 100 nautical miles farther than it extends now. We should consider such legislation because the hazards off the Atlantic and Pacific coasts are even greater than the hazards in the Arctic. We ought to extend our authority 100 nautical milles seaward so that we could limit and control the construction of oil tankers plying those waters. We could then say to tankers coming under the jurisdiction of a foreign country, "If your tankers come inside our 100 nautical mile zone, they must have

double hulls, they must have installed the latest and best safety devices and they must submit to inspection by Canadians."

These ships should meet our requirements because we are trying to preserve our land. As well, we ought to say, "If you do not intend to meet these requirements, we shall require you to carry your oil more than 100 miles offshore; and please do not bother coming inside our particular zone because our land is more precious to us than any oil which any tanker may be carrying from one part of a foreign jurisdiction to another."

If this motion were to come to a vote, which I doubt, I would think of moving an amendment the concept of which would be to extend the provisions of the Arctic Waters Pollution Prevention Act to our coastal waters east and west. I have written out an amendment such a that but will not move it at this time. If the matter is to come to a vote, the amendment can be moved by a colleague or somebody else. My amendment would apply to inland waters, coastal waters, territorial seas and to those areas around our territorial seas. It would include a measure that would take into account contemplated damage from oil spills as well as from the simple passage and manoeuvring of ships in our waters.

Apart from that, the motion before the House has my full endorsement. Even though the parliamentary secretary suggested that my original request was improper, I think it would be fine if for the next few minutes before six o'clock the Liberal Party ceased and desisted from attempts to talk this motion out and allowed it to come to a vote so that Parliament could express itself on a matter as important as this.

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Joseph-Phillipe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, if the hon. member for Skeena (Mr. Howard) had not spoken so long, perhaps his wish would have been fulfilled. We can look at the clock and note the length of time for which he spoke. I think it could be said that the hon. member personally took the most time in debating this particular matter. I also take note of a comment he made about vessels operating more than 100 miles offshore if they do not meet certain requirements. That approach will not solve the problem. I find his attitude rather surprising. As I say, sending ships farther out to sea will not solve the problem. No matter whether ships are operating 50 miles or 100 miles from shore, oil that is spilled in one area can show up in another area.

Speaking on the motion, the problem of shore erosion is of concern not only to those areas of the country about which we are now concerned but to many other parts of Canada. This is a matter for harbour commissions, which have been discussing it for many years. Some of them no doubt are finding solutions, as are governments. They will continue to do so. The Department of Public Works, for example, discharges the federal government's responsibility for the construction of protection works along shores where ship-generated waves cause erosion.

The federal government has constructed shore protection works since confederation, although the major activity in this area began in the high unemployment period of the 1930s. The construction of this type of project became a substantial item in terms of both cost and workload throughout the years, particularly since the end of World War II. During the period 1947-1967 the department spent about $25 million on shore protection works. The bulk of this work was carried out by the department along the St. Lawrence River.

In 1960, in an effort to establish a rational approach to determining the department's responsibilities and location of works, the department established the Shore Erosion and Protection Committee. The purpose of the committee was to investigate the following: (a) areas where erosion is taking place; (b) factors which may be contributing to this erosion; (c) design of protection works; (d) economic analysis of government activity in this field; and (e) upon completion of the initial investigation the committee would investigate and review specific proposals for the construction of protection works. In 1964 the structure of the committee changed somewhat and as a consequence it was renamed the Treasury Board Shore Erosion Protection Committee.

In 1966 cabinet approved a new policy governing federal participation in the construction of shore protection works. The cabinet directive provides as follows:

(a) The Department of Public Works be authorized to construct remedial works and pay 100 per cent of the cost of such works only where the erosion can be attributable, by more than 50 per cent, to navigation or a federal government structure, and the value of the land to be protected exceeds the cost of such remedial works by 100 per cent.

(b) Where erosion is caused for the most part by natural causes but where navigation or the presence of a federal government structure is a contributing factor the Department of Public Works may contribute to the cost of such structure in proportion to the effect these causes have on the erosion, provided that in no case this contribution exceeds 50 per cent of the works, which in the opinion of the department would provide adequate protection.

● (1750)

Technical studies have been undertaken by the Department of Public Works to establish criteria for assessing federal responsibility in cases where erosion is due at least in part to ship-generated waves. These criteria have been in effect since 1968. They are used to determine the degree of federal government responsibility for shore erosion resulting from wave action on the St. Lawrence River, the Richelieu River, the Detroit River and the St. Clair River. Once the degree of federal government responsibility is known, the 1966 cabinet directive dictates the federal government contribution in the construction of remedial works.

An hon. Member: You are living in the past.

Mr. Guay (St. Boniface): This may be from the past, but it is still in order. The trouble is that some opposition members do not look back to find out what remedial action is available. Instead of shooting off their mouths when they do not know what is going on, they should at least listen to what is being said because it may benefit the areas which they represent.

It is interesting to note that in the summer of 1969, because of a number of urgent and extensive problems along the St. Clair River the Department of Public Works

undertook additional studies to attempt to determine as closely as possible the effects of ship waves along the shores of the St. Clair River and the Detroit River. The report of this study provides relatively precise figures and procedures covering the wave energy transmitted to the shore from ships and waves. A report on the St. Clair, Detroit and St. Lawrence Rivers was prepared in March, 1970, by Marine Engineering and the Department of Public Works. The information contained in this report would be an asset in connection with the references being made at the present time.

I stated there had been some expenditures. In addition to actual expenditures for protection works in the province of Quebec, in Ontario—specifically on the Detroit and St. Clair Rivers—the expenditures have been as follows: 1966-67, $110,000; 1967-68, $700. I imagine that is all that was requested that year. In 1968-69 the figure was $110,000, and in 1969-70 it was $100,000. This makes a total of $320,700 over the four-year period.

With regard to the Fraser River in British Columbia, the funding for bank protection works is provided by the Department of Energy, Mines and Resources. This is principally because the major benefit is in the protection of dykes and in reducing the threat of flooding.

There should be a concern by all governments and the public in their commitment to environmental protection. The relationship of shore erosion to environment can be viewed as a loss of value to property, sedimentary pollution of rivers, harbours and lakes, real property loss, possible depletion of tax bases of local governments, loss of recreational benefits, decline of general area values, increasing importance of recreation manifesting itself in increased pleasure craft population and indicating a proportional increase in shore damage attributable to waves generated therefrom, legal aspects of ownership as related to the responsibility to maintain and repair the protection works when built, consideration of eventual expropriation or purchase of privately-owned shoreline by the Crown for public use and the relationship to provincial and national parks and playgrounds.

There is no doubt that all levels of government face many problems in this regard. Initial schemes are being developed in coastal waters. As an example, the Chedabucto Bay vessel traffic management system incorporates regulation, traffic separation, aids to navigation, communications, shore surveillance and pilotage which, obviously, are directed toward vessel safety which have as an ancillary benefit features which serve to reduce shore erosion. The same can be said for systems being developed at Chebucto head at the entrance to Halifax harbour and for the Strait of Juan de Fuca off Vancouver Island. Obviously, such schemes will be developed in restricted or congested waters. Consequently, when we move to the inland waters of Canada, shore erosion as a result of vessel movement will in all likelihood be reduced.

The Acting Speaker (Mr. Laniel): Order, please. The hour appointed for the consideration of private members' business having expired, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

[Mr. Guay (St. Boniface).]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES ACT, 1973

MEASURES TO PROVIDE FOR PAYMENT OF FAMILY AND SPECIAL ALLOWANCES

The House resumed consideration of the motion of Mr. Lalonde that Bill C-211, to provide for the payment of family allowances in respect of children to supplement the income of Canadian families and for the payment of special allowances to provide for the care and maintenance of other children. and to amend the Income Tax Act in consequence thereof, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, in the four and a half minutes vouchsafed to me before five o'clock I was endeavouring, with my usual sweet reasonableness and modulated tones, to discuss the bill which the minister was good enough to bring before us earlier in the afternoon. I was referring with great concern to the inadequacy of the government's response to the present overwhelming crisis. I referred also to the importance of a measure such as this coping effectively with the broad spectrum and the heavy burden of our nation's economic ills.

The lack of a concerted attack on poverty and the failure of the present government to alleviate the hardship suffered by too many Canadians has gone on for far too long. The elimination of poverty must be one of Canada's most important goals. Support for children is only one part of any anti-poverty strategy; a comprehensive approach to social problems brought about by poverty requires that income protection be given to adults both with and without children. Family allowances are an immediate and short-term response to the solution of large-family problems.

In terms of aiding those in poverty, family allowances must be considered against the background of the rise in the cost of living. The increase from an average of $7.21 to $20 barely compensates for the rise in the cost of living since 1945 when the late Mackenzie King introduced family allowances to members of parliament of that day and to the people of this country. Had family allowances been tied to the cost of living from the outset, the figure today would be $19.35 per month. So $20 a month is not an overwhelming advance. I am not here to criticize that 65 cents; I am going to fight for it. But let no one try to throw over his shoulders the cloak of munificence and generosity on account of those 65 cents. We are in favour of it; but let us not, for God's sake, try to turn it into a gold mine for the Canadian people.

Increases in family allowances are but another example of the government's ad hoc approach to inflation. I don't want to quote Larry Zolf, because the press does not quote

me, but he once spoke of the present government as the "ad hockery night in Canada." The buying power of increased allowances has already been used up by the increase in the cost of living which has taken place during the past year. No one, surely, has to document this painfully obvious fact. Food prices are rising at an unacceptable rate, resulting in a serious effect on the nutrition of Canadians. A study carried out in Montreal shows that fully 20 per cent of the population lives in poverty and that 44 per cent of the city's slum families are undernourished.

Advice such as that given to consumers by the Minister of Consumer and Corporate Affairs (Mr. Gray) to use "evasive action" when shopping, that is, to substitute for high-priced food items less expensive ones of equal nutritional value is, to put it bluntly, a lot of nonsense since, unfortunately, the prices of the latter are rising even faster than those of the higher priced items. Compare hamburgers with sirloin and you get the picture. Regrettably, unfortunately, but truly, the low income consumers today are the hardest hit by rising prices, especially the 25 per cent of Canadians—and what an appalling statistic that is—who are living below the poverty line. According to the Economic Council of Canada, one and a half million families, or 22 per cent of all family units in Canada today, are poverty stricken. Therefore, any ameliorative measures such as this are hardly conceived and executed in haste.

• (2010)

The Senate Committee on Poverty of 1971 stated that the over-all poverty rate was approximately 25 per cent, and that one Canadian in four was a member of a family unit whose income was below the poverty line. Canadians living on low and fixed incomes are further hit, as a recent ECC study shows, by the fact that "the general burden of taxation falls unfairly on lower income families when it is measured in terms of ability to pay".

Genuine government attempts to control the cost of living would be of more value to those living in poverty than an increase in family allowances which barely reflects the rise in the cost of living. Therefore, I call again for what I called for at 4.55 this afternoon—a meaningful, powerful and co-ordinated assault upon inflation, a concerted effort to buttress the economy of the country. This is what we must have and it is what we need.

I mentioned that this minister, and the whole area of welfare, is being used as the only apparent weapon to fight the terrible dragon of inflation. But even this minister's exertions must soon come to an end; he will run out of bills on the order paper, and what will we do then? Even Mrs. Plumptre has finished her cross-country safari, an assault made with almost as much noise and exactly as much success as the charge of the Light Brigade.

The minister referred to his satisfaction at increases in old age security. But what of the plight of the older Canadians whose pensions are already grabbed up by the greedy, insatiable maw of inflation? And if that is not enough, their nursing homes are taking up the slack, charging as much as they can as quickly as they can after the increase is put into effect; because these institutions, too, are gripped by a rate of inflation which is making this country a bad example among the developed countries of the world on the inflation spectrum. Among some of the most prestigious international economic bodies, we in Canada are being designated as the country least likely to succeed in its anti-inflation measures. What a prospect, what a reputation, what a profile before the world!

In so far as this measure offers relief to hard-pressed Canadians who have families, as I said earlier we of course welcome it and will support it. We will make no effort in any way likely to delay implementation of this measure. We want the cheques in the hands of the mothers of Canada in time. Indeed, I suggested some weeks ago that they should now be receiving $20 instead of the $12 provided in the interim measure, but my view was not accepted by the minister or the government.

However, with regard to the 100,000 Canadians with young families I must say again that, important though this group is, it is but one of a great body of hard-pressed Canadians. Let the rest not be forgotten as the minister takes as much credit as he can from his efforts.

The government has taken some time to get a meaningful family allowance measure into the legislative flow. We all remember the FISP bill of inglorious memory, and we remember the various plans which were put forward and later aborted during the last four years. This afternoon I expressed the need for a close and careful committee study of this bill. Some of the questions that spring to my mind are of a general nature and to a degree are questions of principle. Others are technical and administrative but none the less important.

In the first category, I should like to hear more about what the minister referred to as the bill's being a measure of regional distribution of income across the country. On the first page of his speech, which I now have available to me, the minister said:

> In addition, it will advance the development of a more equitable regional redistribution of income across Canada.

A desirable goal, but I should like to hear a bit more about it. Perhaps the minister meant that with greater flexibility the individual provinces could mount a more equitable assault on poverty within their own bounds. That may well be so, and I trust the ministers of welfare who are concerned and knowledgeable about the matter have expressed their views. But we must ask if there is a danger of variations between provinces growing rather than decreasing as the amounts very from province to province under a highly flexible system.

An inescapable fact of our federalism is that the provinces range widely in fiscal capacity. They may be juridically equal, they may be peers constitutionally, but when we get to the realm of fiscal capacity we come to an area of painful inequality and widespread variation. Might we not be faced with a situation where the people of the poorer provinces will fall behind their fellow Canadians in the wealthier provinces in confederation? On this I should like further explanation and assurance. Is the Dominion Government, the great equilibrating agency of confederation, able to guarantee, will it guarantee, a measure of equality or near equality to the people of all provinces? Was the bill founded on a clear awareness of this very serious question? I welcome assurances in this regard from the minister when we move into committee.

In committee, too, we can hear more about other aspects. For example, I should like to have a little clearer explanation of the income tax aspects, having noted over the years so many faulty prognostications by so many departments of this government. I wonder how the minister can predict with such precision, as he did this afternoon, what the practical aspects of the bill will mean, without knowing how the fathers and mothers of the realm will decide who shall pay, who will claim, who will be the payer of the income tax. I think there might at least be some room for a little further study and reflection on that question.

We will also want to have this measure, which is but one measure in this field, more closely and meaningfully related to the goals set forth in the orange paper. We shall want some elucidation of the various new elements in this kind of measure. This is why I said earlier today that this was the kind of bill that required careful study in committee.

● (2020)

I think the interim bill was very straightforward and very simply written. It was drafted in such a way as to bring about easy comprehension so that it could be disposed of quickly in the House in general debate. This bill requires a good deal more study. As I read it over with great care, I am prompted to ask further questions which are more suitable to the committee than to this chamber. I do not know, for instance, from the bill on what date the minister is to table his reports. I do not get any clear picture of the mechanism through which the federal government can recover any overpayments which may be made.

The interim bill, as we note en passant, has no terminal date, and I presume I should not be concerned about any administrative or other flaw which might prevent the operative enactment of this bill by the date set out by the minister, January 1. I presume the interim bill will carry on, and probably that is why no terminal date was put in. A very important and serious fault, indeed a grievous error, is the issue of the cost of living increase. The bill is inadequate in this regard and I am surprised that the inadequacy has not been corrected.

In the resumed session of August and September, measure after measure was brought forward in the House. The House was moved to bring in recommendations in respect of the cost of living. Measures were provided whereby these could be enacted. Now I find that this bill is deficient in this regard. There should be a clearcut provision to the effect that the recipients of family allowance will have given to them regularly and automatically a sum corresponding to the annual cost of living increase. Anything less than that is unjust, improper and shows a considerable unawareness of the issue when dealing with the public service, old age security pensioners and the rest.

I believe such an amendment should be moved. I hope the minister will recognize the need for it. If he does, he will have the support of this part of the House. We have always asked for that realism to be reflected in legislation. We always thought the 2 per cent was fantastic nonsense, and ask again for a realistic figure. We ask that the legislation be written clearly and simply so that there is no convoluted development of somebody reporting back to someone and someone else making a decision. Let this provision be written in so that the people of Canada, the would-be recipients of these measures, know exactly where they stand. For whatever time is left to this government they can be pretty sure there will be a lot of inflation, so they should have it written in. I think this is a very important and prudent suggestion.

I should like to speak longer on the bill, but I want to give ample time to the honourable and venerable member for Winnipeg North Centre (Mr. Knowles). I always enjoy hearing from him on these measures, and also the representative of the Social Credit party. I say again that I hope we will soon be in committee, where we can study this measure and hear further from the minister on this bill which has considerable complexity and, while it is not by any means an answer to the inflationary evils which stalk the land, is something which for what good it will do we can welcome. To advance that good we will expedite the bill, giving it our reasonable consideration.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we welcome Bill C-211. We welcome it because it will put additional dollars into the income of all the families of the country in which there are children. We welcome it also because the principle upon which this bill is based is essentially sound. Like the hon. member for Hillsborough (Mr. Macquarrie), speaking as one venerable member to another, I like the Minister of National Health and Welfare (Mr. Lalonde) much better when he is Dr. Jekyll than when he is Mr. Hyde. Today he was the doctor. Today he had a good case, and he did not spoil it by attempts to make partisan capital out of this piece of legislation.

I have referred to my friend the hon. member for Hillsborough in making this allusion to the Minister of National Health and Welfare. I may say I shall probably come back to my friend from Hillsborough a little later, but at the moment I should like to draw attention to the fact that in the five minutes he had before five o'clock he certainly let the cat out of the Tory bag. To him this bill and the measure to increase old age security were welfare. That is all, just welfare. I do not mind his castigating the other ministers of the Liberal government for their failure to cope adequately with economic problems, but if that is all he understands about universal old age security, if that is all he understands about universal family allowances, namely, that these measures are welfare, I pity this country if my friend the hon. member for Hillsborough is ever minister of national health and welfare. As I say, I shall come back to that matter a little later.

First of all, there is another word or two I should like to say about my friend Dr. Jekyll, the Minister of National Health and Welfare. I really enjoyed his speech today, as I enjoyed his speech of January 11 and several other speeches he has made, unlike other speeches which I shall not mention at this time. As I listened to him today, making it clear that he has an appreciation of social policy, that he understands what he is doing when he brings in improved old age pensions and improved family allowances, and when he tells us about changes to be made in the Canada Pension Plan, I realized that he was having a pretty good time.

I think the minister was genuine in his joy in making the speech he made this afternoon. But I found myself

wondering how much pleasure my friend the Minister of National Health and Welfare would have had if the election of last October 30 had produced a majority Liberal government in Canada. Does he suppose for one minute that in less than one year he would have brought in a couple of increases in respect of old age security, a couple of increases in respect of family allowances, and proposed increases to the Canada Pension Plan, as well as even a proposed change in the Canada Assistance Plan? Not on your life! We would have been lucky to get, in four years out of the minister or ten years out of the Tories, what this minister has been able to bring before the House of Commons in a period of less than 12 months. As I said on April 18 when the minister tabled his orange paper, what a difference October 30, 1972, made in the history of this country, particularly in the history of social legislation.

● (2030)

If some of my friends in various parts of the House think that I am being too generous in welcoming this legislation, it must be obvious that the reason we welcome it is that we know we are responsible for it.

Some hon. Members: Oh, oh!

An hon. Member: Come on, Stanley.

Mr. Knowles (Winnipeg North Centre): I hear interesting phrases such as, "Oh, come on Stanley" and, "Oh, that isn't nice." Well, Mr. Speaker, it is the truth. My friend, the Minister of Veterans Affairs (Mr. MacDonald), is agreeing. He knows, also, that the reason he has been able to bring in some measures respecting veterans is also due to the fact that on October 30, 1972, the people of this country did not elect a majority government that would have done nothing, but elected a parliament of minorities and gave us sufficient strength to demand the measures for which we stand.

So I say that we welcome very warmly, this piece of legislation. Until last month, September, family allowances had not changed at all except for the fact that the original schedule of $5, $6, $7 and $8 a month was reduced to a schedule of just two amounts, $6 or $8 a month. But until last month $8 was the top figure paid by way of family allowances—and it is the amount for which some of us voted in the House of Commons in 1944, nearly 30 years ago.

An hon. Member: Holy smoke!

Mr. Knowles (Winnipeg North Centre): So we are proud of the fact that by virtue of a bill which we passed in September of this year, the average family with children in this country is getting an increase in its income, in this month of October, of about $10 a month. Now, by virtue of Bill C-211, in January, 1974, the average Canadian family with children will have a further increase of from $12 to $16 a month. In a sense I pull these figures out of a hat, but they are based on an average family having two children and on the fact that some of them will have to pay income tax and some will not. Those who have two children and who do not pay income tax will have an increase of $16 a month in January over what they are receiving this October, November and December. So because this is, be it ever so small, nevertheless a contribution to the families of this country in their effort to cope with the rising cost of living , I say that we welcome this piece of legislation.

We welcome it, also, because of its simplicity. In a moment I may complain that it is not as simple as I should like it to be. Certainly it is not as simple as the bill that we passed in 1944, which consisted of only five pages. This one consists of 20 pages. But compared with the bill known as FISP, Bill C-211 is the ultimate in simplicity. I heard my friend, the hon. member for Hillsborough, a few moments ago refer to FISP as a bill of ignominious memory. I forget what his precise adjective was, but it was not far off that one. Under my breath I was saying to my colleagues that even so the Tories had voted for it. I remind the minister that the government which he joined after the election, and the department over which he now presides, presented us last year with that complete and utter monstrosity which was aimed at achieving selectivity on the basis of a means or a needs test which was completely and utterly unworkable.

Mr. Alexander: And discriminatory.

Mr. Knowles (Winnipeg North Centre): Again I say that but for the results of the election on October 30 we might have had that bill brought back to us again. This bill is simple but for one main feature, and is much more like the bill of 1944 in that it has no means test, no needs test and no complications of the kind that would have made FISP completely unworkable. The main reason, as I see it, that this bill consists of 20 pages rather than five is the flexibility that has been written into it under which the provinces, if they wish, may vary the amount of the allowance from the $20 norm that is laid down in the bill.

I listened with interest to the minister this afternoon when he indicated that it looked as though only two provinces will take advantage of that flexibility, one being Quebec and the other Alberta. I want to say quite frankly that I wish this flexibility were not necessary; I wish the payment of family allowances could be the same with respect to all the children of Canada, the same $20 a month. But I have no hesitation in saying that this is not a very high price to pay for a feeling of co-operation among the provincial governments and the federal government; and if this provision produces harmony and co-operation in this field, if this makes provinces such as Quebec and Alberta feel that they can go along, I suggest that that is not a very high price to pay.

We shall watch with interest what variations those provinces make in the basic $20 and, like the hon. member for Hillsborough, I should like to be told when we get into committee how the government proposes to deal with the situation if the figures that are set by those two provinces result in more than $20 a month on the average being paid into each of them. However, that is a detail which we can work out.

I trust, in so far as I can tell from reading the bill, that any overpayment that results because those two provinces set up schedules that are too high will not be collected from the individual. I gather that if any overpayment has to be collected or if any adjustment has to be made, it will be the province that will have to take care of it and not the

individual. Even with that complication which accounts for a good deal of the wordage of this bill, it is a small price to pay and we welcome its general simplicity, as well as the fact that we are back to the kind of legislation that we had in 1944 which simply says that for every child in this country up to a certain age there is to be a family allowance of $20 a month on the average.

● (2040)

Having said that, having made the point that the average is to be $20 a month, perhaps I may be pardoned if I spell out the obvious and say that the result apparently will not be the same in respect of every child. In eight of the provinces of Canada, and in the Yukon and the Northwest Territories, the amount will be $20 per child, whereas in the province of Quebec and the province of Alberta there will be some variation, according to the wishes of those provinces, provided it adds up to the same amount in total, namely, an average of $20 for each child.

Not only is this bill simple in the sense that it provides for the payment so directly and really needs very little language to spell it out, apart from the flexibility pages, but it is very simple in its approach to the question of selectivity through the use of the income tax formula. I remember very well how, during the debate on FISP in the previous parliament, we pleaded for this formula to be accepted. We argued at all stages of the debate that a flat amount should be paid in respect of every child, on a universal basis, and that the way to make sure that the wealthy did not get more than they needed, the way to even things out if they needed to be evened out at all, was by means of the income tax system. We were even prepared to have a special income tax, if necessary, to make sure that this evenness was achieved.

The then minister of national health and welfare, now the Minister of Labour (Mr. Munro), stood in his place and said that this was so complicated, so ridiculous, and that the government should not be asked to put out huge sums of money with one hand, then turn around and with the other take some of it back in income tax. No, it could not be done in that previous parliament, that majority parliament, when the present Minister of National Health and Welfare was in the back room, instead of out front where he could do things. The present Minister of Labour said it could not be done. But this afternoon the new Minister of National Health and Welfare stood up and with great pride—part of that speech that he so enjoyed making—told us that the total amount to be paid out in a year under the new bill would be $1,830 million.

In the same section of his speech the minister told us, his voice still reflecting pride, that the estimated tax recovery would be $350 million to the federal treasury and a further $115 million to the provincial treasuries. Last year it could not be done, it was too complicated, it was crazy to pay money out with one hand and take it back with the other. In the previous parliament, when we tried to get the former minister to increase the basic amount of old age security we were told that was not the way to do it. But this minister, in this parliament of minorities, sees the light and realizes that it is sensible to make payments of this kind on a universal basis; any problem that is created because certain wealthy people get the payments can be taken care of through income tax.

[Mr. Knowles (Winnipeg North Centre).]

I congratulate the Minister of National Health and Welfare on being minister in a minority government. I enjoy the smile he is giving me right now. I suspect I have said things this evening that he has thought about himself. I suspect he realizes that if that party had won a majority on October 30, he would not be having the good time he is having in this parliament.

The minister does not mind being castigated by the hon. member for Hillsborough for bringing in too much welfare. The minister is enough of a social scientist to know that it is not welfare, but redistribution of income. Despite all the complaining that comes from the Tory benches, he is able to do this, not because he has a different Prime Minister (Mr. Trudeau), not because the cabinet has changed its view, but because this is a minority parliament, and a government that wants to stay in power has to decide whether it will go the Tory way or the progressive way in social welfare. The government seems to have decided, at least for a while, which way it had better go.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I have been giving some of the reasons why we have been welcoming this legislation. I might say we are proud of it. After all, we have had a good deal to do with forcing the hand of the government in this matter. May I go on and say that the basic philosophical reason for our support of this legislation is that far from its being the welfare that the hon. member for Hillsborough calls it, it is, be it ever so little, a measure for the redistribution of income.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): True, when you pay out welfare benefits on a means or needs test, it is welfare; but when you pay old age security to every person in Canada who is 65 years of age or over, when you pay family allowances to every family in this country that has children, that is not welfare; it is an attempt to effect some redistribution of income in this country which, to begin with, is so unevenly distributed.

My friends in the Progressive Conservative Party should think a bit about this and not see every payment that is made, especially those payments made on a universal basis, as just welfare. I get the impression that they really do not like it. I wonder just where we would be going if they were sitting on treasury benches instead of sitting on this side.

An hon. Member: Ahead.

Mr. Knowles (Winnipeg North Centre): Some of my friends who have not taken part in this debate say that we would be going ahead, but the spokesman for their party has made the position of that party on this issue very clear. This kind of thing is just welfare to them. They want higher minimum wages and such measures. They want tax concessions to corporations, but they do not call that welfare. When we vote universal concessions to the wealthy through corporation taxes, they do not call that welfare; that is getting the economy rolling.

An hon. Member: Job creating.

Mr. Knowles (Winnipeg North Centre): Job creating, my eye! They have all the clichés. When it comes to a measure that to a very small extent does actually redistribute income, they do not appreciate it. They are going to vote for it—grudgingly. We are not voting for it grudgingly; we are voting for it with both hands because we like the idea of seeking to redistribute the incomes of the people of this country.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): My friend and colleague, the hon. member for Oshawa-Whitby (Mr. Broadbent), when he spoke on September 11 on Bill C-223—which was the bill to provide a family allowance payment of $12 a month for October, November and December—went into this question rather fully. I do not intend to repeat all the statistics that he gave, but I am going to give some of them. I think one set of statistics that my colleague used on that day is very telling. The latest figures show that the income the people of Canada have for disposable purposes breaks down this way: the bottom 20 per cent of the population has 7 per cent of the income, the next 20 per cent has 13 per cent of the income, the next 20 per cent has 18 per cent of the income, and the fourth 20 per cent has 23 per cent of the income. However, the top 20 per cent has 39 per cent of the income.

● (2050)

I agree with my hon. friend for Hillsborough that it is a scandal that there are 4½ million people in Canada living under conditions of poverty, according to all estimates which have been made about poverty in this country. That is a particularly serious scandal when one realizes that those 4½ million people include 1.7 million children. That is one of the reasons legislation of this kind is so good. It tries to do something for children.

Those statistics, which encompass millions of people, I think are highlighted by the percentages I have repeated, which were given to us on September 11 by the hon. member for Oshawa-Whitby. These percentages highlight the fact that, whereas 20 per cent of the people at the top get 39 per cent of the national income, the 20 per cent at the bottom get only 7 per cent. Actually, the 60 per cent at the bottom end of the scale get only 38 per cent of our total income, whereas the 20 per cent at the top get more than the bottom 60 per cent; they get 39 per cent of the income of this country. Do not tell me that there is no need to effect the redistribution of income in this country. Do not tell me that it is good enough if we keep chasing some of the other ministers who are responsible for other economic matters. We must take further steps along the lines we are taking today, and that we have taken in the course of this session, to achieve greater equality of income among the people of this country.

I know that some of my friends to my right who like to attack us as being a social security party and as being concerned about these things usually like to throw in the question, "Where is the money to come from?" The basic problem is the problem of how we are to distribute the wealth we are able to produce. No doubt my friend from Témiscamingue (Mr. Caouette), if he turns up tonight to make a speech, will probably indulge in his usual bit of humour about our wanting to make the poor richer and the rich poorer, and that we will all end up the poorer.

The fact of the matter is that as conditions develop in the world, and as shortages and problems arise from the fact that the resources of this planet are not limitless, we will need to take a more comprehensive approach toward establishing equality. This bill does not do it—good heavens, no! The minor redistribution that it will effect really will not touch the problem. But it goes in the right direction, and I commend the minister for being the member of a minority government so that he has been able to bring it in. I am sorry that the hon. member for Hillsborough only sees this measure as so much welfare.

We are dealing, as I say, with one of the most important economic problems that faces us, that of the redistribution of income. I am glad that in less than 12 months since the election of October 30, 1972, we have achieved a fair amount in terms of the old age pension, family allowances, veterans pensions and allowances, the pensions of retired public servants, retired members of the armed forces, retired members of the RCMP, and of various other groups. There is no doubt in my mind that had the election gone the other way, returning a majority of the government party, we would not have achieved these things. We welcome them. We commend the minister. We say to him, "Do not be so impressed by the statement of the hon. member for Hillsborough that you run out of things to do." There is still a great deal to do in this whole area as, indeed, he spelled out in the orange paper which he tabled in the House on April 18.

That orange paper of April 18 laid down a number of high-sounding principles with which I agree, although I felt there was a lot of sound in some of those statements. In particular, the paper made reference to the guaranteed income. I call on the Minister of National Health and Welfare to get over the notion that that is something which will take four or five years to bring into effect. I agree with him that that measure, together with the various other things he is bringing forward, is part of a total package. But I urge him to put some fire under his cabinet colleagues and to work day and night on this matter. I say that because we really will not have achieved the kind of thing toward which he is working in old age security and family allowances until we have a guaranteed annual income for all our people.

I suppose, Mr. Speaker, that I have spent more time than I usually do when speaking on government measures, in pointing out those things that are good. However, you would not expect me not to find something wrong with this piece of legislation. The first point I want to make—and in speaking on this area that needs correction I agree with the hon. member for Hillsborough—has to do with the provision for increases in family allowances in relation to increases in the cost of living.

It is not many years ago that we did not have the escalation of any pensions. We finally got started in this area with the Canada Pension Plan. We began with a 2 per cent escalation for that plan and we finally amended the provisions of various other plans. Now we have established, with respect to many plans, that the escalation of pensions must match the actual percentage increase in the cost of living. However, we still have not done this for the

retired employees of Canadian National Railways, and we will deal with that in another debate. We still have not done it for retired employees of CBC, the Bank of Canada, and of a number of other government emanations.

However, with respect to government pension plans that are of general application, the principle has now been accepted that there must be an automatic increase, as spelled out in the statute, to equal percentage increase in the cost of living. In most cases that increase takes place annually, but with respect to the old age security pension and the guaranteed income supplement that increase now takes place on a quarterly basis.

You would think that that battle having been won, that principle having been accepted, the minister would write the same principle into this bill. But no, he has not done that. He has come forward with this bill which, under the provisions of clause 13, gives to the governor in council the right to propose increases related to the cost of living and then to submit any such proposal to the House for its approval. However, unless the governor in council takes action, nothing will happen.

I know—at least I suspect—why the government does not want to make provision for automatic cost of living increases in this legislation. It is afraid there might be occasions, especially if it were done on a quarterly basis, when it would have to pay a 2 per cent increase. Two per cent of $20 is 40 cents. Remembering a certain 42 cent increase, the government, I can imagine, does not wish to have legislation on the books that will increase family allowances by a few dimes at a time.

I suggest, Mr. Speaker, that this can be avoided by a clause in the legislation which would provide for increases in terms of a full dollar. In other words, I will accept that the first increase should be $1 and the next increase another $1. I will go a step further and say that it would hardly be fair to require a family allowances recipient to wait every time for the full dollar because there could be a wait of many months during which time the recipient would be behind in benefits. I suggest, therefore, and I will certainly propose this as strongly as I can in committee, that when the cost of living has risen to the point where there should be an increase of 50 cents, the increase should be $1. Then, to carry this on, when the point has been reached at which the increase should be $1.50, the allowance should be increased by the full $2.

In other words, I am suggesting that the increase should be not less than $1, and to make up for the time lag the increase should be granted in advance, more or less halfway through the period, so that as the cost of living rises people who are drawing these benefits would receive some of their increase in advance, to make up for what they have missed in the weeks or months which have gone by.

The hon. member for Hillsborough came all out in favour of an automatic provision in the act. I support him in that. Perhaps we could do this with some other kind of formula. I have spelled ours out to make it clear that we are not talking without having thought the matter through. However, I very strongly support the idea that the country should know from the legislation what is going to happen. It should not be left to the governor in council.

[Mr. Knowles (Winnipeg North Centre).]

• (2100)

Another comment I wish to make is that it seems fairly clear that this minister has a winsome way, not only in the House, when he is Dr. Jekyll, but he has done fairly well at getting co-operation from his counterparts in the provinces. The reports we get on the conferences he has held with the provincial health and welfare ministers sound very good. Because he has that effective working relationship with his counterparts in the provinces, I urge him to prevail upon them to make sure these increases in family allowances are not going to take the place of welfare and are not going to be subtracted from welfare payments being made in the provinces. I say in all of the provinces, and I say that advisedly.

I also urge the minister to work a little faster than I thought he was prepared to do when I asked him a question this afternoon with regard to bringing in a bill with respect to the Canada Assistance Plan. I agree we are dealing with a total package. The provinces, especially those that have universalized some of their services like payments to nursing homes, and so on, are going to suffer serious losses if there is an undue delay in amending the Canada Assistance Plan so that the federal government can pay 50 per cent, even where such programs are not needs tested. I realize a formula has to be worked out, but I submit this is terribly important to the provinces. In view of the good relationship this minister has established with them, I urge him to get the bill to amend the Canada Assistance Plan into this House so that we can pass it before we rise in December, whatever date that may be.

The other comment I wish to make is that I welcome the remarks the minister made this afternoon about the changes he is now in a position to make to the Canada Pension Plan. I welcome very warmly the removal of the 2 per cent ceiling on annual escalation so that all benefits under the Canada Pension Plan each January will go up by the full percentage increase in the cost of living.

Although the minister did not say it today, he has said outside the House there will be a catch-up factor. Those who have been receiving these benefits since 1967 will get an increase that will make up for the fact they only received 2 per cent for certain years, with the result some will get 10 or 11 per cent and some will get as much as 20 per cent. That is good. Let us get that bill in soon so we can deal with it.

I also welcome the announcement that the YMPE—yearly maximum pension earnings—level is to be raised. Contributors will be permitted to pay in a slight bit more per year. The pension that Canadians will draw at the end can grow to the point where by 1980 it can be in the order of $3,000 a year, instead of $1,200 or $1,300 as it is at the present time.

I also welcome the removal of the work or earnings from employment test between the ages of 65 and 70. I am sorry to hear the minister will have to bring in two bills. I was hoping all these things would be brought in before January. I also hope one or the other of those bills will do something about removing discrimination as between men and women to the extent it still exists in the Canada Pension Plan. I know that is apart from this bill, but it was part of the minister's speech. Like him and the hon. member for Hillsborough, I agree that our social policy is

one total unit and we have to look at all of these things together. I again commend the minister, as a member of a minority government, in being in a position to bring in legislation which at least moves in the direction of redistributing income. As he knows, we shall warmly and strongly support this bill.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, we are truly happy to be able to speak tonight about family allowances and particularly about the distribution of our wealth. As the hon. member for Winnipeg North Centre (Mr. Knowles) said a while ago, it is very important that the wealth of Canadians be distributed logically and justly. At the present time, Mr. Speaker, there are many flaws in the distribution of our resources.

We were very pleased with the speech made this afternoon by the Minister of National Health and Welfare (Mr. Lalonde), who has made some important concessions. We admire this, but I wish to say immediately that these concessions do not go far enough because the cost of living has increased in a much greater proportion than the family allowances.

• (2110)

With this approach the excess wealth of Canadians will still not be distributed more evenly. The hon. minister's offer is better than nothing. We will support this bill but we want more because Canadians are producing more and more and can give more and more.

One of the reasons why I suggest that family allowances are not logically adjusted to the cost of living is that they have been hardly increased since their establishment in 1944-1945. And yet, in the other areas of the economy everything has multiplied by five, six or ten. It is in the name of simple justice and of the most elementary economic balance that we want family allowances to be increased.

To adjust them to the correct economic reality, family allowances should at least amount to $1 a day per child. Since there are about eight million children under 18 in Canada, monthly family allowances amounting to $30 would cost only about $300 million a month or nearly $30 billion a year. However, $210 million as compared with $30 billion are not more than a drop of water in the ocean. When we produce yearly $114 billion but consume only $60 billion we can say that the balance is $54 billion which certainly could be used to guarantee a logical revenue corresponding to the cost of living and the facts of life and give Canadian citizens the right to live.

This is what we are asking on behalf of all Canadian citizens and on behalf of all the 264 members of Parliament who have undertaken to administer the country in the best interest of all citizens.

In every family, we know it by experience, the youngest children always get the most attention. Everyone does his share. We must do likewise in Parliament: We must begin by taking care of the youngest Canadian citizens and guarantee them at least their individual vital right, knowing that if the young have everything they need, the adults will get by more easily in our society, a just society in a Canada united, as the Prime Minister (Mr. Trudeau) says, by the right to live. All citizens will be more strongly united at every other level of the community.

Let us establish once for all a basic standard of living for each Canadian citizen, for every child of 18, regardless of the salary or income of his father or mother, because it is his personal vital right. The child is entitled to it even before he is entitled to employment, capital or even education. The right to live is the first and the most sacred of all rights.

Let us assume now, Mr. Speaker, that we admit that we must increase family allowances, this must be done without any increase in taxes or in the cost of living. This must be done without lowering the purchasing power of other Canadians. This is the most important thing, Mr. Speaker. And we will introduce motions designed to make such a claim in the future. Moreover, Mr. Speaker, in order to increase the purchasing power of one segment of the population, we must decrease the purchasing power of the other. We must not take some income from a few citizens to transfer it onto other ones.

We know that in 1972, as I said earlier, national production amounted to $114 billion and that capitalization was $48 billion; we must determine whether we do not capitalize too much. I am sure that we capitalize too much and that we could use part of this capital to pay a guaranteed income to Canadian citizens because they need it, and this, Mr. Speaker, would be done without increasing taxes or the cost of living.

It is therefore possible to increase the purchasing power of children, without decreasing or reducing the purchasing power or other Canadians. Under this formula, Mr. Speaker, allowances will be increased, but they will be taxable. He who will be unhappy enough to earn between $6,000 and $10,000 a year will not get any family allowances; he will give more than he gets because his earnings will be a little higher than others. In our economic world where salaries vary between $7,000 and $25,000, everybody needs money and adjusts the expenditures of his family to his income. Therefore, if someone earns $25,000, he spends almost $25,000. Some people do save money but not many, Mr. Speaker, and they do not save that much. They must earn still more than that to be able to save. So, Mr. Speaker, this bill ought to provide also that tax exemptions be at least $5,000 for couples and $3,000 for single persons. If we give allowances such as the minister is proposing now and if we leave incomes subject to taxation as they are now, many citizens will not benefit much from family allowances. They will have to incur payments and that will not put the required purchasing power in the hands of taxpayers.

Purchasing power is best placed economically in the hands of the families, those who consume. Aged people are small consumers, but it is the families that consume most. They require reasonable tax exemptions in a system where the cost of living keeps increasing, where it is so high that tax exemptions are illogical. If we do not set tax exemptions at reasonable rates, family allowances that are being proposed will not bear fruit.

Mr. Speaker, what must be explained in a more detailed way is the way of governing and above all of taxing used by our governments, especially since the end of World War II.

• (2120)

A new tax system then came into effect to promote increased capital profits for large corporations. Those methods at first certainly promoted production but on the long run, mainly because of increased capital profit commodities, that method became harmful, and the whole economy of this country is suffering from that and contributes to throw out of balance consumption and capitalization on a progressive production. That method contributes to destroy the national economic balance between the purchasing power of the people and the power to capitalize of large corporations, which is detrimental to all small individual and family businesses, to all economic activities of decentralized areas, of small or rural towns.

I already quoted figures in that connection; it would be needless to repeat them today. But now, Mr. Speaker, I want to look into the problem fully and seriously with the ministers concerned and their officials. The important thing is that there be no further postponement of the passage of this urgent piece of legislation providing for increased family allowances for all Canadian children under 18. I want rather to use the time at my disposal to move officially later on a motion to increase family allowances to $30 a month and setting out the way to pay them without causing tax increases, increases in prices or in the cost of living for any citizen of this country and the way to thus restore the national economic balance between individuals, families and corporations, between incomes, expenditures and profits, between taxes and reserves, between needs, costs and prices, between employers, employees and dependents, between production, consumption and capitalization at the national level and in the standard mechanisms of our regular monetary, economic and political systems.

We can, Mr. Speaker, make great changes. We can give much greater satisfaction to the people of this country. We can give them welfare within the framework of the present system because this system is sound. Mr. Speaker, it is only a matter of amending a few acts and regulations in order to allow the distribution to each citizen of a guaranteed income in a country which can produce aplenty. We have capitalized $48 billion in 1973 with 50 per cent of our work force, while the unemployed remained inactive. If the taxpayers were given enough purchasing power, we would witness all sorts of new developments and the disappearance of unemployment. We would see production increase, not only by $114 billion, but maybe between $175 and $180 billion, or even $200 billion, if we put everybody to work.

Because of credit restrictions and because too little is given too late, Mr. Speaker, our people are at their wit's end. They are always deprived of everything, they cannot undertake anything for lack of financial backing; on the other hand, when money is available, interest rates are prohibitive at 8, 10, 12 per cent, or even more. Under such conditions, how can our economy develop? In the system, we now use to develop our economy, it is necessary to increase tremendously the private and public debts. This cannot go on that way and taxpayers are more and more aware that when they receive $1 from the government, they give $6.

[Mr. Latulippe.]

There must be an economic rebalancing and the best means for achieving this is to give Canadian children an adequate purchasing power based on the present facts and realities of our economy; this way, Mr. Speaker, we will be able to tell the people that we have done something. We will be able to tell the Canadian people, as well as the old political parties: We increased family allowances. But the old parties will not tell the Canadian people that by complicity, they let the cost of living increase and that they took billions of dollars out of the tapayers' pockets because of this increase in the cost of living. They will say, just as Mr. Bourassa does in the province of Quebec: We have not increased taxes for three years.

However, the cost of living has nearly tripled, which brings the government billions of dollars. I would say that governments are partly responsible for the increase in the cost of living because it equals an indirect tax which annoys taxpayers.

But the taxpayers will be more and more aware of this situation. Moreover we have to know where the money will come from and the Minister of National Health and Welfare clearly said that he had not found a magic wand and that money did not grow on trees.

Considering the overall statistics of our national economy, in 1973, it is easy to see that that would simply mean to collect the necessary billions of dollars to boost the purchasing power of all dependent citizens, out of current taxation and undue profits realized by large millionnaire and billionnaire corporations capitalized in the form of excessive profits, depreciations or reserves either provided or hidden, that are not taxed by our governments at the present time, in accordance with privileges or exemptions detrimental to our national economy as a whole aand especially to those individuals who must pay more income tax in relation to their income, so as to offset the cost of such privileges granted to corporations.

To show the importance of such income tax disparities between individuals and large corporations I will give the following explanation which is quite close to reality. Nowadays, for every $5 tax collected from individuals, the government collects only one dollar from corporation in relation to their income. So as to balance things out nationaly between individuals and corporations, between labour and capital, a flat amount of $3 would need to be collected from each individual. Hence the government would still collect $6 but the individual would see his tax reduced by 20 to 40 per cent. Corporations would not pay at a higher rate than individuals and everything would be in order and evened out to the satisfaction of all taxpayers throughout Canada.

This would be a way of finding the necessary capital in order to place in the hands of the taxpayers the economic component the nation needs to keep its balance.

• (2130)

Another even more effective means would be to cash part of the excess yield or overproduction, which would allow a balanced distribution of the purchasing power among the taxpayers, especially those who need it most.

I know very well that it is very difficult for all of you to accept immediately this program which, even much simplified, requires long explanations. Everything should be

demonstrated with tables, and this is what I intend to do in the future.

Once again, this will have to be done sometime or other, and the sooner the better, because the more we go ahead with our present methods of managing and planning our national economy, the more we remain in poverty, unemployment and inflation. And it is not by keeping the same administrative methods that we will correct this imbalance. It is absolutely necessary to change something and it would be best to change nothing in the structures, but only to improve and rectify the ratio between income and taxation, individuals and corporations and later on we could go further.

As a matter of fact, the problem is complex, but it doesn't mean that it is insoluble and that it must be neglected. On the contrary we should face it. People, especially the administrators of the country are equal to the challenge. There are almost 23 million citizens of various languages, races, colours, and religions. They don't have all the same level of education nor the same social status as in the rest of the world. There are 3.6 billion citizens in the world who are all equals irrespective of their racial, religious, language, colour, nationality, social status, age and sex difference. We have all been created with the same needs. We all need a decent home and the present system doesn't allow the citizens and the families to have a decent home. We need three square meals a day, and this is not possible under the present system. Mr. Speaker, it is our duty to restore the economic balance in order that this could be possible, since the country produces enough goods. If we had let western farmers produce goods and paid them to do so, if we had given them a compensated discount on the prices and built new warehouses, if we had filled up these warehouses, we could now help the hungry populations in Europe which need bread.

Canada has no more wheat to sell because we have prevented farmers from producing. We are doing the same thing in eastern Canada by setting quotas; almost 70 per cent of the farms in my riding have been abandoned. We are now short of some products, we have to import some and we let prices grow; we import butter, milk, all kinds of products, and prices go up. Whose fault is it, Mr. Speaker? We cannot blame the children, who do not have the money to buy what they need at prohibitive prices. Many families, Mr. Speaker, can no longer get the necessary meat because of excessive prices. If we had let farmers produce, meat would perhaps be cheaper. All this is the fault of the government and of those who have supported it. Fortunately, Mr. Speaker, the sun is shining for everyone, and air is not dispensed by the Canadian government, because the 264 ministers and members elected by the ten million Canadian electors for the maintenance of national stability among the 23 million Canadian citizens making up the population would be deprived of it.

Mr. Speaker, I would have many things to say, but I will merely point out, Mr. Speaker, that the Canadian people must establish some balance among families and companies among inflation, unemployment and poverty. This is how we must create that balance in the present structure of our economic, political, capitalist, conventional Canadian mechanisms, taking into consideration the huge national production of 1973 and 1974. We do forget that fact, Mr. Speaker; allowances are granted on the basis of the revenue and on the basis of the production which could be distributed.

Such should be the basis of our financial distribution in order to balance our deficit ridden system. It must be based on the goods which can possibly and necessarily be produced. We could make a fair distribution and thus provide more happiness in our society. There would thus prevail more order and harmony in our society. There might be fewer political parties because new ones would emerge from the inefficiency of the old parties which would not have adapted to the realities of the time and would not have given the population what it is entitled to. Mr. Speaker, this is why we see so much dissatisfaction. This is why so many people are dissatisfied because of what is done. When we see what is produced, all that it is possible to have and impossible for the greater number to obtain, then Mr. Speaker, revolution is at hand.

In the province of Quebec a revolution is coming. During provincial elections, we have never seen people go so far and shake the "columns" of national and provincial institutions. We are overthrowing everything and if we do not take the possible logical means to bring about an equitable distribution of the riches we will soon witness a terrible revolution because it is already boiling in Quebec. I do not know if it is the same elsewhere but it is frightful in Quebec. Go to Quebec and see for yourself. In the next few days it will be frightful in the province of Quebec.

To conclude, Mr. Speaker, I urge the minister to review the bill once again and try to make it even more generous so that Canadians can enjoy the result of the work of earlier generations and do not have enormous debts to pay. And the more we progress in our country, the more we become indebted and the worse off the citizens are. There are techniques to stop indebtment. There are also means to allow the distribution of wealth and to make available to all Canadians all the services and technical means available to us. If science is so advanced, its purpose is to serve humanity, not to punish it. At the present time, the more science advances, the more humanity feels crushed by the burden of finance which takes control of the developments as they occur.

[*English*]

Mr. S. Victor Railton (Welland): Mr. Speaker, I am very glad to participate in this debate. These are very important measures which will benefit a very large segment of the population. I believe the minister presented these measures in a very eloquent and sensible manner. The hon. member for Hillsborough (Mr. Macquarrie) gave us his usual, very appropriate comments. The hon. member for Winnipeg North Centre (Mr. Knowles) gave his very well considered opinions about social security in general and this bill in particular. I am always glad to hear from him.

This bill contains another point, that is, there are some innovations in it. It provides for flexibility from province to province. This, in reality, is a rather new interpretation of our constitutional regulations. During the past few months we have seen unfold most of the social security programs of this country. We have had the pleasure in this House of increasing old age pensions, increasing veterans'

pensions and escalating them to the consumer price index. There are a great many forms of social assistance in addition to those. We look after the widows, the unemployed, the disabled and the injured. We have the Canada Pension Plan and the Canada Assistance Plan. We have an enlightened National Housing Act and projected changes in the structure and operation of Central Mortgage and Housing Corporation.

Finally we come to one of the most important aspects of social assistance, namely, this bill which attacks the problem of assistance to poorer families in which there are children. Most working people can afford one or two children; any more than that requires almost a middle-class income. It is estimated that in 1972 the cost of raising a child was $700 or $800 annually at least. There are many variations in income in Canada. The minimum wage varies from province to province; it can start at $1.15 an hour and go up to $2 an hour. In one year's time, this means over $2,000 to somewhat less than $5,000. This is a big swing, but even this amount can only be earned by a man who works the whole year, particularly if he is on the minimum wage. In spite of this, in certain areas of Canada there is a huge variation in the amount of work available. Some people who have an annual income are well below the national norm. For instance, British Columbia is probably the only province where the minimum wage is somewhere near the lowest level of the poverty line.

● (2140)

As has a certain small minority in the House, I began to work many years ago during the depression in a farming community. People there could not afford new clothes, they could not afford new farm machinery, they could not pay doctors' bills and they could not give anything to the church; but they lived very well, at least so far as food on the table was concerned. So far as I was concerned, I could not afford to buy a practice in a bigger town, so I owed the bank for my car, for my house and for my practice. However, my kitchen and my cellar were full of meat and vegetables which I was glad to take in payment of my bills.

In 1933 when I moved into town, the effects of the depression were still very strong. Many fine young people were roaming from town to town, riding the rods. They could not get work in plants and had to live on a pitiful welfare allowance and depend on their neighbours' charity. I well remember a person in Port Colborne who tried to do his best to pay the town's welfare expenses. He had a heart like a washtub and always added a few dollars for large families. The situation at that time was deplorable and demoralizing.

Old age pensions were brought in many years ago. It was the first attempt at social security apart from the Workmen's Compensation Board. Most of our social services started to blossom after the Second World War. The family allowances program which was started in 1945 was adjusted in 1949 and again amended upward in 1957. To look after children aged 16 and 17, however, we had to add youth allowances. These were brought in in 1964, and of course families did not receive them unless the children attended school.

[Mr. Railton.]

A few years ago you will remember that the Senate Committee on Poverty brought home many new things to most of us. It seems almost unacceptable in this fair Canada of ours when we hear it said that one-quarter of our population lives in poverty. The old truism still exists, that the rich grow richer and the poor grow poorer. It is just as true in Canada as it is anywhere in the world. Alongside this poverty group there is a large, middle-income group of average working people and professionals whose wages and salaries range from $6,000 up to $50,000 or $100,000 a year. Then there is a small group of very wealthy people. This group seems to be growing in number every day. It seems to be the thing to do in the modern world, to amass wealth. I suppose this is nothing new. The average workingman can afford many material goods. The list of expenses of the workingman include the house, the car, sometimes two to a family, coloured television, a snowmobile, a cottage, leisure activities, travel, pension at 60, and money in the bank.

I regret to say that many working people are not too sympathetic toward the unfortunate 25 per cent of the working poor and the group that is unable to work. However, in spite of all these things Canada's economy is buoyant. The gross national product has risen and so have wages. In spite of inflation, the high unemployment rate and increasing food prices, the middle-income group gets along moderately well. On the other hand, the poor find it increasingly difficult to raise their families with any semblance of decency and dignity.

There are other factors which must be acknowledged. Canada has a great many areas where regional disparities exist. These include the Maritimes, the north and the Prairies which lack industry and have seasonal work difficulties. Wealth has gravitated to Montreal, Toronto and the surrounding countryside. Industries are concentrated in Ontario and Quebec. Only recently have Alberta and British Columbia become wealthier provinces in company with the two I have mentioned. Sometimes unknown factors have caused all this. I believe it is a natural evolution. But, thank goodness, the picture is constantly changing. However, it is the duty of the federal government to work out schemes to try to equalize incomes and erase, so far as possible, economic inequalities.

There have been rumours of unemployment insurance abuses. However, these have been shown to be very small in number. Most people in the "have" bracket worry about increasing taxes. However, the government collects its revenue partly from personal income taxes. This makes up 40 per cent of the total revenue. The next largest source of revenue seems to come from corporate taxes. The remainder comes from sales, excise tax and Customs duties, and of course they bring in smaller amounts. In the working paper on social security, the minister promised a new approach which would take place over a period of time and would be within the existing levels of taxation.

The continued economic growth of Canada has greatly increased the revenue from personal income taxes, corporate and other taxes. The reduction of personal income tax would not do much to help the poverty group. It would put more money into the pockets of the wealthy. The poor pay practically no taxes. This is the big argument in favour of

making family allowance payments taxable even though the payments are increased.

Obviously, family allowance benefits will be reduced as family incomes increase. Following the April working paper on social security, federal-provincial conferences have been held. The most recent one was held in the first two weeks of this month. It is interesting to note that all the provinces agree on the broad principle that the minister presented. This means that many different governments agree, not only Liberal but NDP and Conservative as well. It was particularly acceptable to one or two provinces because the federal government has allowed for the differences in provinces and for planned flexibility. Ottawa has insisted mainly on the minimum allowance for every child being $12 and on the average payment for every child being $20. It is interesting to note that Ontario would pay the greatest amount to the fund, and Quebec would be next in line because of their large population. It is estimated that in 1972 the cost was over $600 million. The cost will be tripled in 1974, but because of increasing taxes there will be a reduction of $400,000 in the cost.

● (2150)

One should comment on the situation in Quebec. Many provinces criticized the family allowance program as a means of subsidizing Quebec's large families. This is completely untrue. The birthrate in all provinces has declined from 26.1 to 16.8 per 1,000, and Quebec's rate is now 14.8 per thousand; it has the second lowest birthrate in Canada. This, in turn, is due to increased government and private interest in family counselling and the growing determination of parents to limit families so that their children may enjoy a decent standard of living.

One might mention the fact that there is no correlation between the payment of family allowances and the birthrate. In the United States they pay no family allowances and their birthrate has declined, the same as that of Canada and the other 14 industrial nations who do pay family allowances. It is interesting to note that 40 to 50 countries, including those behind the iron curtain, pay some form of family allowance. Sometimes they are what we have in Canada, that is, universal payments, but in some countries they are oriented to an employment plan.

To summarize, all the provinces of Canada have social security programs which are correlated with the federal program. The recent federal-provincial conference has shown unanimous approval for the proposal of the Minister of National Health and Welfare (Mr. Lalonde). The new family allowance plan will improve the lot of over 350,000 families or, in other words, it will materially assist seven million young Canadians. It will serve to spread prosperity downwards to the poverty segment and will even up the differences in economically depressed areas of Canada. I find it quite evident that this new legislation is non-partisan, is enlightened and should continue to keep Canada's social security program near the forefront of the nations of the world.

In closing, I should like to say that the minister has shown that we can afford the plan. In addition, he emphasizes that we cannot refuse ordinary humane treatment to those families which cannot achieve a decent standard of living. The universality feature will help to remove any trace of stigma to a poor but proud family. Thank God we have many poor and proud families who are very worthwhile people in Canada. In my opinion, the minister should be congratulated on his vision, and I would ask all members of this House to support the legislation which he has so ably presented in Bill C-211.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I am happy to have been given the opportunity to speak on Bill C-211 which finally, after three years of deliberation, has come about. Hopefully, by January 1, 1974, Canadians in our great nation will finally get the advantage of the social security program which they certainly deserve.

I want to relate my few words to the problem of poverty in our country, Mr. Speaker. If I can be forgiven for becoming a little insular in referring to the province of Newfoundland, I think it is high time the five million or so poverty-stricken Canadians who exist in this great nation—a good proportion of those unfortunately reside in my province—were given the advantage of the increases in family allowances on January 1 to an average of $20 a month.

The Chairman of our caucus committee on family allowances and social security, the hon. member for Hillsborough (Mr. Macquarrie), indicated in his adequate and most inimitable manner the feelings of our party regarding Bill C-211. While I did not have the pleasure of listening to all of his speech, I did hear him say it was the duty and the wish of our party and our leader to support this bill, and that without further delay it should be referred to committee so that we can deal in detail with many of the inequities which still exist and the bill can come back for further passage and we can assure the mothers of our country who are living in poverty-stricken conditions that they will be granted the increases they certainly deserve.

I wonder if I can prevail upon you to call it ten o'clock, Mr. Speaker.

* * *

BUSINESS OF THE HOUSE

Mr. Baker: Mr. Speaker, before we get into the adjournment matters which are now coming forward, I see the government House leader coming in and I wonder if he could tell us whether it is the intention of the government to proceed tomorrow with the matter that is presently before the House.

Mr. MacEachen: Yes, Mr. Speaker, we will continue with this item tomorrow.

Mr. Baker: In the event that this item is finished some time during tomorrow for the purpose of second reading, could the government House leader inform us what item of business will be called next?

Mr. MacEachen: Mr. Speaker, I was hoping that I would meet with the other House leaders tomorrow and review what item it might be appropriate to call in any interim period before we begin the capital punishment debate.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

VETERANS AFFAIRS—DISABILITY PENSIONS—ACTION TO ELIMINATE BACKLOG OF APPLICATIONS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, after five years, to get up twice in a row in this House is something to make all hon. members and the House leaders wonder. However, in the seven minutes which I am allotted I want to refer to a question that I directed to the Minister of Veterans Affairs (Mr. MacDonald) on June 29 last. I might say that I think the "late show" needs some form of revision.

Mr. Speaker, on June 29 I asked the minister for an indication of the progress with regard to the backlog of applications to the pension commission for disability pensions. This is an item which is of grave concern to many veterans who were given some hope in the fact that as a result of the Woods committee report they were able to reapply, even though they were turned down previously. This was of particular concern to those veterans of World War I who are now at an average age of over 80 years. The minister replied at that time, as is usual for him and his colleagues, that progress is being made. He indicated that production for the six months prior to my question had increased by some 75 per cent over the same period of the previous year, and that the average number of decisions written was 316 for each month in 1971, 464 for each month in 1972, and 762 in 1973. I am sure that will be part of his answer. This, to me, is an excellent record and I can say, as a result of subsequent answers from the chairman of the Pension Commission to my requests on follow-up, that I am convinced the Pension Commission and the commissioners are working beyond the call of duty to clean up the backlog.

● (2200)

May I refer to a progress report that I received at the end of September from the chairman of the Pension Commission. He said that in 1971, from the time of the amendments to the pension act, the commission received an average of 1,006 pension applications a month. In 1972 they received an average of 738 a month, and in 1973 they were receiving an average of 718 a month. Then there was a decline. Further, and more important as to the number of decisions, in 1971 the commission adjudicated an average of 316 claims a month. In 1972 production was increased on adjudication to 464 a month, and in 1973 it was increased to 827 a month, an average increase of 83 per cent. Further, Mr. Speaker, since the act was amended in March, 1971, some 25,000 applications have been received and some 16,000 adjudicated upon.

The backlog naturally grew after March 30, 1971, and at the end of December, 1972, it reached a peak of 9,591 cases. Although every effort was made, the backlog remains at 8,708 cases still to be dealt with. So here we are, Mr. Speaker, over two years later, and in spite of the dedication of the pension commissioners and even the additional part-time commissioners authorized by the previous minister, the backlog remains at a point that is beyond human endurance.

Further, even allowing for the fact that all members of the Pension Commission are working diligently and with dedication, at the end of this year the backlog will still remain at some 8,000 cases. I repeat, there will be 8,000 cases. About one-third of these claims are about one year old. Despite the fact that priority is given to World War I veterans, as well as their widows, and that the same priority basis is given to urgent medical or social needs, there will still be a backlog of 8,000 cases. Many of those veterans are in the over 80 age group.

What bothers me, Mr. Speaker, is that in spite of the pledge of our governments over the years, the Department of Veterans Affairs has shown a complacency and apathy in giving other than lip service to the problem at hand. Surely, with all the resources of the present government, we can overcome this backlog so that we can fulfil our obligation to veterans who feel they should be entitled to disability pensions.

All members of the Standing Committee on Veterans Affairs were of the opinion, after the report of the Woods commission, that applicants reapplying would be given more meaningful consideration as a result of the benefit of the doubt clause, because any consideration has to be in the mind of the adjudicators. The Woods recommendation was, of course, that a man was entitled to the presumption that the disability existed at enlistment unless it showed up at the time or within three months thereafter. The only argument permitted was where it was indicated that, on the advice of a physician not connected with CPC or DVA, the condition was of pre-enlistment origin.

To debate this issue properly would take more time than has been allocated to me. However, I ask the minister to make sure that some human consideration is given to this matter as a first priority, and that every means be explored to overcome the backlog of applications. The only way that this can be done, I suggest, is by decentralizing the activities of the Pension Commission, with more authority being given to district officials, so that many older veterans will not die in vain, with applications left unattended.

I realize that the minister is dedicated to this cause. Nevertheless, we face the problem in Canada that there is a backlog of some 8,000 cases. We must use all the resources at our command to alleviate the situation and get rid of that backlog so that we will fulfil our obligation. I ask the minister to make a reply which is other than the one I suggested he probably would make.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, it will be recalled that on June 29 I informed the members of this House that the Canadian Pension Commission has been increasing production steadily in the last while, and that in the period from January, 1973, to that date it increased production by 75 per cent over the same period a year before. Members will recall that I said the average number of decisions written was 316 each month in 1971, 464 each month in 1972, and in 1973 up to the end of June it was 762.

I am very pleased to report that the commission has been making excellent progress. In the three months of July, August and September the commission adjudicated upon an additional 2,871 claims. The preparation, training and planning within the commission is now bearing fruit and I am informed that in September almost 1,200 decisions were produced. When members realize that in September, 1972, the comparable number was 483, and in 1971 it was 252, I am sure they will agree that the commission is to be congratulated on its efforts.

The commission is still faced with the problem that applications continue to be received in large numbers, and in the last few months there actually has been a slight increase. Members will recall that the backlog reached a high of about 9,600 cases in December of last year. By the end of September this year it had dropped to 8,700, and there was a decrease in every month this year but one. A continuing decrease is expected.

The problem of dealing with old cases still exists and the greater part of the commission's effort is directed toward reducing this number. In addition, the commission maintains its policy of granting priority to older veterans, that is, veterans of World War I. They realize that the average age of these veterans is close to 80 and they do their utmost to provide decisions on these claims as quickly as possible. Priority is also given to widows and certain individuals whose medical condition requires it. The commission is aware of the magnitude of the problem and in my opinion is doing an excellent job in meeting it.

CANADIAN BROADCASTING CORPORATION—PROVISION OF EDUCATIONAL FILMS TO SCHOOL BOARDS—GOVERNMENT POSITION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, it is disappointing that the minister is not here to answer questions on such an important subject. The subject of the Canadian Broadcasting Corporation providing educational films to school boards and universities throughout Canada is of major importance and one on which I hope the government can throw some light tonight.

There are certain problems with the present Copyright Act. First, it affects the availability of teaching and learning materials, both print and nonprint. Second, it affects the interests of teachers as participants in the production of educational material. Teachers are prohibited by the present act from fully realizing the potential of the technology available to them and to their students. Third, an example of the copyright problem is that the CBC may hire an outside company to produce an educational film; however, the company may restrict showing rights to the CBC alone and retain the copyright to sell to other institutions. In such a case the CBC is unable to authorize any province or school board to reproduce it.

Another example would be the CBC producing an educational film itself and inserting still photographs belonging to another organization. Again, the permission is limited to use by the CBC. Further difficulties arise when the CBC uses a Hollywood produced film. In a case such as this, the screen actors guild and other organizations may have a claim for unauthorized use.

The following are suggestions for amendments to the present act: (1) copying and duplicating should be allowed for, subject to suitable safeguards to protect the legitimate interests of the creator and publisher; (2) in the case of broadcast programs of an educational nature there should be recognition of the need to record them for playback within a limited period. In this situation the tape recording may be used to meet timetabling requirements without royalty payment; (3) transmission of copyright material through closed-circuit television systems should be subject to reasonable royalties and fees in terms of the specific target audience.

• (2210)

School boards and teachers have experienced distress in recent months because of current inadequacy in legislation and failure to reach agreement at the federal level. The Canadian Teachers' Federation has presented a number of briefs in this regard and I believe note should be made of some of the comments which have been made public. One is as follows:

> Since there appears to be widespread expectation that the Copyright Act will be substantially revised in the near future, CTF believes that such a revision should not be long delayed and that it is of the utmost importance that all interested parties should have the opportunity to participate in the revision . . . The brief complains that CBC program materials are being handed over to an American-dominated private company for distribution on a profit-making basis.

Here is a quotation from a statement by Mr. Wendell Sparkes, the CTF president:

> I am pleased to have a strong mandate to secure the full and free use in Canadian schools of educational programs developed with the support of public moneys . . . We will present our views regarding the difficulties being experienced with video taping of school telecasts for viewing at a more convenient time because of the present copyright laws as well as certain contractual arrangements at the CBC.

At this point I believe I should bring to light the objections raised by educationalists that though the CBC can obtain complete distribution rights for schools, its commercial outlet, Visual Education Centre, Inc., charges the full commercial rates. An example of this is the handling of the film on smoking entitled "One Way to Quit," a film which I maintain should be made available to students both in high school and in university. This is only one of many possible examples.

It seems unreasonable that productions financed entirely at the expense of the Canadian public should be sold to schools at full commercial rates. The CBC argues, in support of its position, that school boards do not receive free electricity, free telephone service or free mail service from the federal government. I do not believe this is a valid objection when it comes to providing films for use in our schools.

I am in receipt of a letter from the Secretary of State (Mr. Faulkner) informing me that the majority of CBC programs are not accessible to school boards because non-television educational rights in most programs broadcast by the corporation either cannot be acquired or do not exist. The minister stated:

> This leaves, of course, a number of other programs produced by or for the CBC which may have some value for further use in the classroom. Included among these are the school broadcasts pro-

duced in co-operation with the Council of Ministers of Education and with provincial departments of education. CBC has been giving this program serious study over the past several months. This includes a detailed review of the cost and implications of releasing programs, where possible, for school and other uses, the suitability and adaptability of collective agreements with the talent unions, the possible impact on CBC administration and on the private non-theatrical film production and distribution industries.

The minister further stated:

The CBC is conscious of the desirability of making an early statement on the matter of providing some programs for use in schools.

In closing, let me say this. I feel many newscasts could be made more readily available. At present they can only be shown once. Series about certain countries cannot be reshown. Surely no royalties have to be paid to CBC announcers, or animals appearing in films.

The government and the CBC have had more than a reasonable amount of time in which to provide solutions to these problems. Answers are long overdue. School boards, school trustees, teachers, university administrators and members of parliament in all parties have patiently waited for some action to be taken by the minister. It is the hope of thousands of citizens across this nation that the hon. gentleman will provide a positive and firm commitment tonight with respect to providing educational and other films to our educational institutions.

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): Mr. Speaker, I wish to tell my hon. friend that I understand and share his concern for this important matter, but I would also like to say that our delay in giving an answer is not directly attributable to the Secretary of State Department. As stated in a letter sent to him by the Secretary of State Department which is responsible for the policy of the CTC, it is impossible to grant this request because of the copyrights involved.

I do not want to repeat what my hon. friend said by quoting from the letter which was addressed to him. I would simply like to read the following:

[*English*]

As you may be aware, the CBC, like most other broadcasters, actually owns outright very few of its productions. In nearly every case some other company or individual owns or controls elements in these programs produced by the CBC or acquired by them for broadcast purposes. The copyright to such programs is generally retained by the production company or creative artist—writer or film maker, for example.

However, this leaves a number of other programs produced by or for the CBC that may have some value for further use in the classroom. Included among these are the school broadcasts produced in co-operation with the Council of Ministers of Education and with provincial departments of education. The CBC has been giving this problem serious study over the past several months. This includes a detailed review of the cost and implications of releasing programs, where possible, for school and other use, the suitability and adaptability of collective agreements with talent unions, the possible impact on CBC administration and on the private nontheatrical film production and distribution industries.

[Mr. McKenzie.]

[*Translation*]

Mr. Speaker, I would merely like to say to my hon. friend that I undertake to draw the minister's attention to the representations he made this evening and I hope we will get an answer which is not long in coming. I agree with him that an answer should be given without delay and I shall convey the message to the minister asking him to take quick and effective action.

[*English*]

PUBLIC SERVICE—APPEAL AGAINST DECISION CONDEMNING RED CIRCLING—REQUEST FOR REVIEW OF PRACTICE AND APPROPRIATE LEGISLATION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, on September 18 of this year, as reported at page 6672 of *Hansard*, I asked the President of the Treasury Board (Mr. Drury) whether the government was considering appealing the decision of Professor Abbott in which he condemned the practice of red circling in the well known Morency case. It was asked in the hope that the Government of Canada would see just what hardship this practice has brought about and that the government would at the same time put an end to it once and for all. My hopes were in vain, but in view of this government's record I ought not to have been surprised that it would do nothing in this particular case. In fact, a few days ago an announcement was made that the appeal was being launched. I regret the decision and that action and the attitude toward the public service which is evidenced by it.

I asked the question and I asked for this debate because I know of no practice in the public service that is more contrary to the principle of the merit system. There is no doubt that Professor Abbott's decision is a benchmark on the road to real justice for public servants, and as such it ought to have been allowed to stand. I will make no comment on whether or not the appeal launched by the government has any status in law because of delay, for that may well be a matter of law to be argued before the next tribunal and possibly before the courts. But that consideration ought not to detract from the importance of the decision in the working life of public servants.

● (2220)

Aside from the moral issue involved—and in my submission the balance in respect of the moral issue is on the side of the public servant—it is my contention that the process of red circling is unlawful, and this view is strengthened by the judgment of Professor Abbott. The Public Service Alliance of Canada has argued consistently, with great force, that an employee can be demoted only if it is shown that he is very incompetent or incapable. There is no authority in law for demotion on any other basis.

In this case the employer took the view that it had the unqualified right to classify and reclassify jobs or add or detract from duties, and when reclassification is to a lower level the employer also had the right to place the employee concerned in a holding scale of rates. The employer also took the position that when the salary of a CR-4 reached Mr. Morency's CR-5 salary, the employer had the right to demote Mr. Morency from CR-5 to CR-4 for no reason other than the fact that his position had been reclassified downward as a result of departmental reorganization.

There is no argument that the government or the employer has the right to reclassify. I do not think there is any argument that the government has the right to change the duties assigned to any person if it chooses to do so, at least as the law stands now. However, I want to quote from the brief filed by the PSAC in respect of the position taken by the government as follows:

> What we do not agree with is that an employee can be deprived of any further salary increases because the employer has exercised its right to downgrade the level of the position which he encumbers. If the employer was right, if it can forestall any salary increase simply by reducing the level of positions in the public service, then collective bargaining would be a nullity. If we obtained through arbitration a salary increase for the CR group which was higher than that which the employer wished to pay, all the employer would have to do is reclassify all CR positions downward by one grade and then, rather than gaining any increases in salary, all employees in the group would be red circled and eventually demoted. Just to state that proposition is sufficient. It is obviously ridiculous.

To that I should like to add that it is patently unjust. Then the brief went on to deal with another matter, and it said this:

> Under section 10 of the Employment Act, the law requires that all "appointments to or from within the public service shall be based on selection according to merit, as determined by the commission . . ."

Mr. Speaker, the actions of the government from the beginning of the Morency case flew in the face of the merit principle. The Abbott judgment states that the principle of justice cannot be ignored. The government ought to reconsider its position, admit it has been wrong and avoid further delay through this costly appeal procedure in the face of a good judgment, the cost of the delay and the many public servants affected by the judgment.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I have listened with some interest to the hon. member's rhetoric. I almost said "oratory," but "rhetoric" is a much better term. The hon. gentleman said that red circling is the equivalent of demotion, and that the Public Service Act contemplates a formal procedure for demotion which can be carried out only on the grounds of incompetence or other specific reasons. I would point out that his understanding of the process known as red circling must be imperfect if he attributes any method of demotion to red circling. In fact he has said—and I quote from the brief of his informant—that the government has and must continue to have the right to reassign duties and reclassify jobs, not people, in the public service. This it does.

In the process of reorganization, or reclassification and of the reassignment of duties there will be occasions in which the nature of the duties of a man or woman has changed, perhaps in the sense of becoming less onerous and less responsible, in which case that particular job will carry a lower classification on review than it did previously when the duties were different. When this happens, rather than impose a financial penalty on the public servant, provision is made that he will continue at his existing salary for his old classification or his or her old grade and will continue to get the normal annual increases provided for that salary range. However, he or she will not get the negotiated changes for the old classification which is no longer appropriate, but there will be no loss or diminution of salary, and in this sense no demotion. The job has been changed and perhaps it has been downgraded.

The hon. gentleman acknowledged the right of the government to redistribute duties. The civil servant has not been demoted; he continues to enjoy the same salary, and I am glad to say that the concern of the department and of the Public Service Commission has been to endeavour assiduously to find elsewhere appropriate work carrying the man's original classification. It is only in cases where it is not possible to effect a transfer to the original classification, or in some cases where the individual does not wish to move, that the red circling process comes into operation.

Given the right of the government in the execution of its duties to the taxpayers to reorganize departments, to reclassify positions, I consider this, rather than being unjust to be a very fair and very just system to ensure that those who are overtaken by changes in operational functions do not suffer financial penalty.

I should point out in closing that the converse of red circling is green circling. No one complains that when the nature of a job has been changed and its classification is discovered to be too low, there is no hesitancy or unwillingness on the part of either the government or the employee to raise the remuneration for that position.

Mr. Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to be adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.31 p.m.

HOUSE OF COMMONS

Tuesday, October 16, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ENVIRONMENTAL AFFAIRS

STATEMENT BY MINISTER ON CANADIAN POSITION AT INTERNATIONAL CONFERENCE ON CONTROL OF POLLUTION FROM SHIPS

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, as most hon. members know, an international conference aimed at the elimination of pollution from ships is now under way in London, England. I would like, briefly, to outline the stand that Canada is taking at this United Nations sponsored conference and to describe some of the principles we would like to see incorporated in a convention which will be binding on flag states and coastal states alike.

Modern society depends, to an increasing extent, on ocean transport of oil and other cargoes. Mobility is important, but so is the preservation of our marine environment. We must, therefore, see to it that vessels carrying substances which are harmful to marine life or which can reduce the value of ocean-front property must be built and operated in a safe and sensible way.

I am confident, Mr. Speaker, that the world's ocean shipping can meet these requirements without incurring exceptional costs. New ships can be built and operated with a greater margin of safety without adding more than a few percentage points to the over-all cost involved in moving goods from one port to another.

An international convention which will not only preserve mobility on the world's oceans but also protect our marine environment has four major attributes: it must be universal in its application; it must include strict standards for the construction and operation of ships; it must be enforceable; and it must be capable of amendment so as to take into account the latest advances in maritime technology.

Construction standards are very important. Canada supports the resolution, for example, that all tankers built after January 1, 1975, should include provision for segregated ballast and double hulls wherever possible. Hon. members should bear in mind that most of the large oil tankers needed during the rest of this century will be built between now and 1985. Hence our concern about the implementation of new construction standards at the earliest possible date.

We believe that the existing convention dealing with pollution from ships should be expanded to cover all suffocating and toxic substances. It should include light oils as well as heavy oils, "white" oils as well as "black" oils. Our research indicates that the more highly processed petroleum products are often more poisonous than crude oil. This is why we want to see them included in the new rules dealing with pollution from ships.

Our experience with the 1954 convention shows us that exclusive reliance on enforcement by ship owning or flag states simply does not work. If the new convention is to have teeth, it must prevent pollution everywhere. It must prevent violations of the convention wherever they occur. It must enable us to apprehend the offending vessel as soon as it enters the port of any nation which is a signatory to the convention.

This idea is now being referred to as the "port state" concept. Canada is its author. The United States now supports us. We are hopeful that most other countries attending the IMCO Conference in London will endorse its inclusion in the convention as well.

Evidence of a wilful discharge or spill has been hard to collect. We are, therefore, urging that the old "parts per million" stipulation in the 1954 convention be abandoned. In our opinion, it should be replaced by an evidentiary rule whereby the word of a responsible officer will be regarded as sufficient to secure a conviction. Sighting of a sheen of oil on water will be enough. Sworn evidence to this effect will constitute proof of a violation unless probative evidence is presented to the contrary.

A prosecution, following our reasoning, would then take place as soon as the offending vessel entered the port of any signatory country and at any time within three years of the violation having been apprehended anywhere in the world.

We also believe that compulsory arbitration is necessary in order to ensure that all states fulfil their obligations under the new convention, thereby guarding against arbitrary or unjust enforcement actions.

I referred earlier, Mr. Speaker, to the universal application of the convention. It will set a basic standard for all shipping everywhere in the world. This is not to say, however, that two nations or a group of neighbouring nations could not set even higher standards in waters washing their shores. We could set higher standards in the Strait of Juan de Fuca on Canada's west coast, for example. We could do the same in the Bay of Fundy as the result of another joint agreement with the United States.

Incidentally, this provision will also help us to gain international recognition for our Arctic Waters Pollution Prevention Act.

In conclusion, Mr. Speaker, I would like to report that, in respect of most of these matters, we are in general agreement with the United States. Where we differ is in respect of warships, which the United States wishes to have exempted from the convention, and in respect of the

distance seaward in which unilateral or one-nation enforcement of the convention would be operative. The United States, unlike Canada, wants to limit this provision in the convention to the territorial sea, which, in its case, is three miles. We would like to see unilateral provisions extended seaward to include all the waters which fall under the jurisdiction of the coastal state. This would, of course, include our more extensive fisheries zones.

● (1410)

Mr. John Fraser (Vancouver South): Mr. Speaker, in rising to answer the Minister of the Environment I wish to say that as far as the objectives set out by the minister are concerned the government has the unqualified support of the party to which I belong and we wish every success to our delegation at the conference.

We are especially cognizant of the fact that some international control must be exercised over ships plying the high seas as well as coastal waters. For far too long certain states have taken the position that it is somehow an infringement of their right to the high seas to be regulated in any way. I can assure the minister he has the support of this party in pressing as vigorously as possible the Canadian position that warships should not be exempt in any way from the terms of the convention and also that the areas of control contiguous to the coastal states should be allowed to extend beyond the traditional three miles.

There is, however, one aspect which I think it proper that hon. members should consider and which is notable by its absence from the minister's statement. We who come from the west coast have seen recently in Vancouver harbour the results of a relatively minor oil spill and the difficulty, even when supplies and equipment were close at hand, of effectively combatting the consequences of that spill by containment and clean-up. There is nothing in the minister's statement to indicate he is pressing for certain other measures which are also of importance. The first concerns international navigation standards. I ask the minister to consider seriously whether or not we should also be pressing for improvement in this direction. After all, if a ship collides with another it is probable there will be oil spillage no matter how much pains are taken in the construction of the ship.

There is another omission from the minister's statement. He says nothing about pressing for international co-operation in efforts to contain and clean up oil spills. It is one thing to talk about compensation, but compensation brings little comfort if containment and clean up do not take place immediately. In this regard, at least in some situations, international co-operation is necessary.

The minister spoke of wilful discharge. Although it does not seem to be absolutely clear, I hope that wilful discharge on the high seas will be covered by the convention because danger lies as much in that area as in coastal waters.

I repeat that the government delegation has the complete support of this party. I trust account will be taken by its members of the several items I have mentioned as being worthy of consideration.

Lastly, I wish to say that if Canada is to have any moral force in pressing such terms on the conference we must ensure that we are consistent within our own boundaries and in our own coastal waters with respect to the way in which we view and treat the transport of oil by sea. I refer to criticism implying that our position with respect to tankers on the west coast is inconsistent with our lack of position with regard to the passage of tankers on the east coast.

Mr. Frank Howard (Skeena): Mr. Speaker, before the minister left Canada to attend the IMCO conference in London the newspapers were devoid of any reference by him to the position Canada intended to take at that conference. This prompted me, about a week and a half ago, to express the opinion that Canada would take a neutral position at that conference, in other words, that it would have no definite stand to present. That prompted the minister to reply to me in the press in his usual fashion and thus completely confuse the issue. But at least it did result in the minister saying something, and we are pleased that he has today finally got to the stage of taking the Canadian public into his confidence and telling the House what position Canada is trying for at the IMCO conference in London. In respect of those matters that he outlined in his statement today, we wish him and the Canadian delegation well and hope for an international convention of a sufficiently high standard that it will assist Canada in preserving its coasts from oil spills.

There are two ways in which a nation can deal with this problem. One is unilaterally; the other is by way of an agreement or convention, in other words, multilaterally by agreement with several nations. We must never lose sight of the fact that so far as Canada is concerned the protection of our land is the most important and the prime consideration that should always underline the position the Canadian government takes at any conference of this nature.

Oil spills can cause and have caused immeasurable damage to our land and our marine resources as well as to life itself in this land. That is why we must first protect our own interests. If we cannot reach a multilateral agreement, or if the convention that comes out of the conference is not of a sufficiently high standard to preserve and protect Canada's interests, then Canada must be prepared to act unilaterally without regard for what is developed by the conference.

There is ample precedent for taking unilateral action. A few years ago this parliament passed the Arctic Waters Pollution Prevention Act. Incidentally, the minister did not use the correct name for the act in his announcement, but that is par for the course for this minister. This unilateral action has been classified, and we agree, as the finest, most stringent piece of oil pollution prevention legislation anywhere in the world. The act applies to the Arctic and to waters extending 100 nautical miles beyond the Arctic archipelago. I wish it applied to the east and west coasts as well because this would go a great way toward preserving and protecting our land from the difficulties that could arise from further oil spills, whether on the high seas or close to land.

The minister should not wonder about the requirement for unilateral action to extend whatever legislation Canada wants to pass respecting oil pollution control in so far as our territorial seas and fishing zones are concerned. I say to the minister sincerely and directly that the oppor-

tunity rests in our hands as the Parliament of Canada to declare that we will preserve our territorial seas and fishing zones and protect them from pollution.

Any convention arrived at by the IMCO conference will not be of the high standard we would like it to be because it will be the subject of negotiations between some 90 countries that are attending the conference. Each will have a little different view and each country will seek to give a little in order to get a convention that embraces everybody's point of view. As a consequence the standard undoubtedly will not be as high as we in this nation would like to see. There is no question about our jurisdiction to extend to the edge of our fishing zones and territorial seas legislation dealing with oil pollution control. We should be preparing to do that in any event regardless of the conference.

● (1420)

If a convention does come out of this conference it will have no value whatever in regard to the Cherry Point situation in the state of Washington, just 15 miles or so beyond the border of British Columbia. It is in the United States, on its land, and no convention that I can conceive of this conference developing will have any effect whatever with respect to the kind of situation that arose at Cherry Point a couple of years ago. At that time a tanker was at the dock and oil was being pumped from the ship. A coupling broke, resulting in the flooding of beaches in British Columbia with oil. That is something not conceived of in this statement and I do not think it can be dealt with by a convention at the IMCO conference.

I hope a convention is developed and that it is of a sufficiently high standard. However, I think Canada must be prepared to act unilaterally if the standards arrived at in the convention are not high enough for Canada to accept.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to say a few words on the statement of the Minister of the Environment (Mr. Davis).

Our party welcomes his statement; we congratulate him for it. This statement shows the intention of the government to act in a more effective and more appropriate way in the field of tanker construction, in the field of highly commercial maritime transportation and in that of preservation of our environment. We want to congratulate the minister for that.

Mr. Speaker, having said this, I would like to draw his attention on the need for taking a logical and constant attitude; inasmuch as he—and I know he is sincere—defends and will defend the policy that he has announced today, by the same token the government ought to be aware of the importance of preserving the environment on the St. Lawrence. My riding, like those of several of my colleagues, stretches out along the St. Lawrence south shore where maritime transportation is carried out in a very well organized fashion. But properties along the shores are greatly damaged.

A very old government policy concerning retaining walls and riparian land is now applied and it is completelv outmoded, therefore the Quebecker who invested along the St. Lawrence is discouraged. The St. Lawrence constitutes extraordinary resources, although it is polluted at this time and fishing has become impossible. Mr. Speaker, the Public Works Department policy is nevertheless totally inadequate and does not meet the needs as regards construction of retaining walls along shores.

Moreover, the standards on shipping on the St. Lawrence river are also inadequate. Mr. Speaker, government experts feel that when a ship is sailing further than a given distance from the shore, she causes no damage. The government is not assuming the responsibility for damages caused by the tide.

Now, Mr. Speaker, riparian owners are penalized since they cannot use the river for commercial purposes. They are left with nothing to do but watch boats go by and, still worse, they see their properties damaged.

Therefore, I strongly urge the Minister of Environment (Mr. Davis) who seems to be aware of the pollution problems and of the environment protection to make the Minister of Public Works (Mr. Dubé) mindful of it in order to bring standards up to date, to revise the protection policy applying to the two shores along the St. Lawrence and to really develop an unparalleled wealth in Canada, namely the St. Lawrence, and finally to prevent Canadians from being penalized by sea transport and to allow them to benefit from it.

Mr. Lawrence: There is also Lake Ontario.

* * *

[*English*]

BUSINESS OF THE HOUSE

PROVISION FOR DEBATE ON ARAB-ISRAELI WAR

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, as we all recall, yesterday there was a desire expressed to have a debate on the Middle East situation. In the meantime, consultations have been held among the parties. If it is agreed generally by the House, we would recommend that a special order be made to debate the Middle East situation beginning at eight o'clock tonight under a motion to adjourn the House. The arrangement suggested is that the lead-off speaker for each party be allowed 20 minutes and that subsequent speakers be allowed 15 minutes, with the terminal time for the debate being 10.30 p.m. That is the agreement that has been reached as I understood the discussions, Mr. Speaker.

Mr. Bell: Mr. Speaker, we are satisfied that the initiative of the hon. member for Saint-Hyacinthe (Mr. Wagner) yesterday has brought about this special debate tonight and we agree to the terms of debate as suggested.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the terms suggested are terms with which we agree.

[*Translation*]

Mr. Fortin: Mr. Speaker, we subscribed to the unanimous agreement to a special debate on the problems of the Middle East, and our party is ready to participate actively in it.

The Senate

[*English*]

Mr. Speaker: The House has heard the suggestion made by the President of the Privy Council. Is it agreed and so ordered?

Some hon. Members: Agreed.

* * *

BROADCASTING

ADVERTISING ON CHILDREN'S PROGRAMS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to move a motion under Standing Order 43. I do so because of the failure of the Canadian Radio-Television Commission to implement the recommendations of the Standing Committee on Broadcasting, Films and Assistance to the Arts, as concurred in by the House of Commons on July 24, 1973, in connection with the examination of the subject matter of Bill C-22, an act to amend the Broadcasting Act, advertising on children's programs, and in view of the commission's position as outlined in a public statement dated October 16, 1973. Therefore I move, seconded by the hon. member for Cochrane (Mr. Stewart), the chairman of the broadcasting committee:

That the public announcement by the CRTC dated October 16, 1973, be referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Speaker: The House has heard the motion proposed by the hon. member for St. John's East. This motion requires the unanimous consent of the House. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

THE SENATE

PROPOSED ABOLITION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek unanimous consent of the House to move the following motion, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That this House favours abolition of the Senate in place of its recent continued use as a depository for Liberal Party faithfuls.

Mr. Speaker: This is not the first time the hon. member has proposed a motion about which the Chair has had serious doubts. I would hope the House would not feel that this motion should be put at this time under the terms of Standing Order 43.

[Mr. Fortin.]

[*Translation*]

REGIONAL ECONOMIC EXPANSION

QUEBEC—DESIGNATION OF EASTERN TOWNSHIPS AS SPECIAL AREA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I rise under Standing Order 43 to seek unanimous consent of the House to discuss a very urgent matter.

In view of the extreme slowness in the economic development of the Eastern Townships, in Quebec, in view of the fact that in some parts of the Eastern Townships there is a decline in the economy instead of progress, and in view of the fact that some cities like Drummondville, Sherbrooke, Victoriaville and Granby among others do not receive the necessary encouragement from the federal government, I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That this House consider the economic situation in the Eastern Townships area in order to design it as a special area.

Mr. Speaker: The House has heard the hon. member's motion. This motion, put forward under the terms of Standing Order 43, requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity; therefore the motion cannot be put.

● (1430)

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

UNEMPLOYMENT RATE INCREASE—REQUEST FOR NEW BUDGET

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance. Now that it is clear that we have the worst employment rate, seasonally adjusted—

Mr. Lewis: You mean unemployment rate.

Mr. Stanfield: —the worst rate of unemployment ever associated with a year to year jump of 8½ per cent in the cost of living, is the Minister of Finance now prepared to reconsider the answer he gave yesterday and present a budget to the House?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker. While the actual unemployment rate in September of 4.6 per cent was virtually unchanged since last month, I say frankly to the House that the seasonally adjusted figures are startling, disconcerting and very difficult to reconcile with the very strong expansion of the economy.

Some hon. Members: Oh, oh!

Mr. Stanfield: Is the Minister of Finance now prepared to concede that there has been in recent months, and particularly during the past month, an upward trend in the seasonally adjusted rate of unemployment, and despite the confusion he has expressed this afternoon what does he propose to do about this?

Mr. Turner (Ottawa-Carleton): All the evidence indicates—and I think members of parliament from all sides of the House returning from their constituencies will bear this out—that the economy is currently operating at nearly full or full capacity. The factors limiting growth are the now widespread shortages of materials and many types of equipment in many parts of the country, and shortages of skilled and unskilled workers in many industries and many regions. I think the House is entitled to look at the fact that over the first nine months of this year there has been an increase in new jobs involving the employment of 417,000 men and women, which is the strongest increase in employment in the history of this country.

Mr. Stanfield: I thought the minister would go through that old song and dance about the strong rate of growth in the early part of the year.

Mr. Hees: And the land is strong—don't forget that.

Some hon. Members: Oh, oh!

Mr. Stanfield: Would the minister concede now that there is an upward trend in the seasonally adjusted rate of unemployment in Canada today and in recent months, and do his economic indicators forecast to him that this is going to change, that the trend will be downward to, say, about 5 per cent by the end of the year? Is this what the minister is telling us or, on the other hand, is he simply indicating to us that he does not know what to do in the present circumstances?

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): The indicators still are that the real growth in this country will be 7 per cent, as I indicated to the House on February 19, that this will produce a very strong growth in jobs, that the figures published today indicate that unemployment is highly concentrated among young people.

Mr. Hees: You don't care much about that.

Mr. Turner (Ottawa-Carleton): In seasonally adjusted terms, the movement of young people out of the labour force back into schools is something that we have to look into very seriously. In raw, unadjusted terms, the unemployment for men in this country over 25 is 2.9 per cent and for women 3.4 per cent.

UNEMPLOYMENT RATE INCREASE—REQUEST THAT FUNDS FOR WINTER CAPITAL PROJECTS BE INCREASED

Mr. David Lewis (York South): Mr. Speaker, whatever other indicators the Minister of Finance may console himself with—

Mr. Diefenbaker: You will still be voting for him.

Mr. Lewis: —the fact is that the unemployment rate has gone up. Since the rate has been going up and in view of the danger that unemployment may reach an even higher level during the winter months, will the minister act to increase the funds for winter capital projects so that there may actually be more work created through making available to provinces and municipalities the necessary amounts of money to carry out these works?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have said to the House that the underlying strength of the economy, as we see it, is there, that there is already in play $100 million in LIP projects and there is still available under the three year winter capital works projects program an amount still unexhausted of $275 million. I said to the hon. gentleman that the strength of the economy is there and that it is absorbing new workers into the labour force at a record rate. I want to say also to him that I take no consolation from the seasonally adjusted figures published this morning. I said they were startling and disconcerting, and I know what they mean in human terms.

Some hon. Members: Oh, oh!

Mr. Lewis: Arising out of the minister's answer, may I try to put the question this way. In view of the fact the information he has given us clearly underlines that private industrial expansion is not producing the jobs necessary to absorb the unemployed, probably because of modern automation and computerization, and in view of the fact that jobs can only be created through investment by governments at the federal, provincial and municipal levels, may I ask him whether he will, in a budget or in some other way, increase the amounts spent by governments in creating jobs, the only way in which jobs can be created?

Mr. Turner (Ottawa-Carleton): Of course, direct governmental intervention is always under review. I have said to the House and to the hon. gentleman that the evidence seems to be apparent right across the country that there is a widespread shortage of labour in many regions and in many industries, both skilled and unskilled. But, as I say, we are always reviewing direct government intervention in the economy.

UNEMPLOYMENT RATE INCREASE—EFFICACY OF MANPOWER CENTRES IN PLACING PEOPLE IN JOBS

Mr. David Lewis (York South): I have another supplementary question, Mr. Speaker. The minister's answer to my second question brings me directly to a supplementary which I want to address, with your permission, Sir, to the Minister of Manpower and Immigration. In view of the results of a survey made by the Ontario Department of Labour and other information showing that only about 11.5 per cent of those who find jobs find them through the manpower centres, and in view also of the information that a very small proportion of available jobs is registered with the manpower centres, which may explain the inability to match available jobs with unemployed people, may I ask the minister what steps he is going to take to make his department effective so that the Canadian unemployed

may get some benefit from the hundreds of millions of dollars spent on the Canadian Manpower Centres?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I would dispute the figure of 11 per cent noted by the hon. member. Off the top of my head, Mr. Speaker, I believe about 30 per cent go through Canada Manpower. That is not to say that, as the minister responsible, I am satisfied with the performance. In fact, we are now moving into what I consider a breakthrough by establishing, based on the pilot project in Ottawa-Hull and the pilot project in Hamilton, the results of which are very encouraging, job information centres across the country which I think will give the country a far more effective program. I share the hon. member's view that there is still much to be done.

● (1440)

[*Translation*]

Mr. Speaker: Does the hon. member for Richmond wish to ask a supplementary?

Mr. Beaudoin: No, Mr. Speaker.

Mr. Speaker: I shall recognize the hon. member in a moment after having heard a few other supplementaries on this subject.

[*English*]

UNEMPLOYMENT RATE INCREASE—GOVERNMENT INTENTION RESPECTING INTRODUCTION OF PRODUCTION INCENTIVES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. As neither inflation nor unemployment will be improved until national production is materially increased, is it the intention of the government to introduce in the near future production incentives aimed at inducing the additional production that is necessary and, if so, when may we expect to have these production incentives introduced?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I read with great interest the hon. gentleman's speech that he made on the west coast.

Mr. Nielsen: You might learn something.

Mr. Turner (Ottawa-Carleton): I always learn something from the hon. member. I would like to remind him that as a result of the corporate tax measures passed by the House investment intentions by business in equipment, materials and plant has risen 19 per cent over last year, which indicates a tremendous increase in productive capacity.

Mr. Hees: Mr. Speaker, as the minister obviously did not make any attempt to answer my question I might ask him this: is it the intention of the government to require the country to put up with the same policies the government has introduced in the past, which have landed the country in the horrible economic mess it is in today?

[Mr. Lewis.]

Mr. Speaker: Order. A question asked in those terms is irregular. The Chair will recognize the hon. member for Richmond and then return to the hon. member for St. John's East and others who have supplementaries on this subject.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

QUEBEC—NEGOTIATION OF NEW PLAN TO REPLACE DESIGNATED AREAS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to direct a question to the Minister of Regional Economic Expansion, but in his absence I should like to get an answer, if possible, from the Minister of Finance.

I have already asked the Minister of Regional Economic Expansion if he thought that the Sherbrooke area should be considered a designated area. He replied that there would no longer be designated areas in the future and that, with his counterpart or the Minister of Finance in Quebec, he was thinking of developing a new format. I would like to know if this format has been developed and when it will be announced to replace the special zones.

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I understand that there is a certain excitement concerning the designation of Sherbrooke as a special area. Under the circumstances, it seems that everybody is talking about it in the Sherbrooke area. I merely wish to say to the hon. member that the definition of special areas will be an issue greatly discussed in the future between the federal government and the various provincial governments. If an answer was to be given in the near future, it would come from the provincial government following some consultation with the federal government.

* * *

[*English*]

THE CANADIAN ECONOMY

EMPLOYMENT—POSITION OF UNEMPLOYMENT INSURANCE FUND COMPARED WITH 1972

Mr. James A. McGrath (St. John's East): Mr. Speaker, my supplementary question is directed to the Minister of Manpower and Immigration. If the employment situation in Canada has improved to the extent that the Minister of Finance claims, may I ask the Minister of Manpower and Immigration if he can explain to the House why the unemployment insurance fund is worse off now than it was in 1972?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will be making a statement on this in more detail at a later time, but I would point out to the hon. member that there are many forces at work which are involved in that situation, not the least of which is the maturation of the maternity benefits and the special benefits, the fact that the act itself calls for an increase in the eligible income, and the fact that the average weekly

benefit has gone up by virtue of that from $62 to $68 a week—

Mr. Hees: Don't forget the weather.

Mr. Andras: We can use the weather if you want.

Mr. Speaker: Order, please. May we have order, please. Hon. members will note that there are a number of members seeking to ask supplementaries on this subject. I am not sure if this is what hon. members want because, if it were so, we could spend most of the question period on this important matter. The hon. member for St. John's East has a further supplementary and he will be recognized for that purpose.

Mr. McGrath: May I ask the minister what immediate steps he is taking to protect the unemployment insurance fund and to beef up the fund?

Mr. Andras: As I say, Mr. Speaker, I will be making a more detailed presentation to the House at some reasonably close date, but the fact of the matter is that I have already indicated publicly and in the House that a major re-organization of the Unemployment Insurance Commission operation is under way. Those details are available to hon. members.

UNEMPLOYMENT RATE INCREASE—DEPARTMENTAL ESTIMATE FOR BALANCE OF YEAR

Mr. James Gillies (Don Valley): Mr. Speaker, I wish to direct a question to the Minister of Finance. Given the fact that the labour force has declined in size and we have had a seasonal increase in unemployment, given the fact that the growth in the economy recorded so far this year was in the first quarter, and given the fact that obviously in making economic policy we have to look to the future, can the minister tell us what prediction or estimate of unemployment the Department of Finance is operating on for the balance of this year?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we are operating on a prediction of a real growth of 7 per cent and of 300,000 new jobs, as I said in my budget speech, and that will probably be well exceeded.

Mr. Gillies: Mr. Speaker, the point of the question is that all the growth in the Canadian economy that the Minister of Finance is talking about now took place in the first quarter of the year. The second quarter figures showed no growth at all. Surely if we are going to have a decline in unemployment we should have action—

Mr. Speaker: Order, please. Perhaps the hon. member would now like to ask a question so that we may proceed.

Mr. Gillies: Thank you very much, Mr. Speaker. My question is simply this: given the forecast that the Minister of Finance has made of inflation for next year with his indexing figure, what forecast of unemployment is the Department of Finance operating on in making decisions with respect to fiscal and monetary policies for the balance of this year?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I have never made a prediction, in this House or elsewhere, of unemployment figures. I have not done so either inside or outside the House because of the variables in the strength of the economy, the movement of the labour force, the participation rate, those entering and leaving the labour force.

UNEMPLOYMENT RATE INCREASE—SUGGESTED ABOLITION OF CORPORATE TAX CUTS AND TRANSFER OF REDUCTIONS TO INDIVIDUALS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary question is directed to the Minister of Finance. In view of the fact that the corporate tax cut incentives obviously have not lowered the unemployment rate, can the minister say whether or not he is considering terminating them and using that half a billion dollars for tax cuts for ordinary citizens, thus stimulating their purchasing power, or providing the money to Crown corporations to invest in labour-intensive industries?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think the hon. gentleman ought to recall that the purpose of the corporate tax cuts was to strengthen and expand the productive capacity of the economy and to increase, in the medium and long-term factors, the ability of the Canadian economy to compete abroad. He also ought to recall the figure I gave the House earlier, that the strength of the economy is measured in 417,000 new jobs for men and women brought into the labour force this year.

Mr. Nystrom: Mr. Speaker, in view of the fact that in the House today the minister referred to the great industrial corporations and the expansion of their production and so on but did not refer to how many jobs the corporate tax cuts have created, can he say definitely how many jobs those tax cuts have created?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I would hope, by the time I bring in an interim report to the House on the effect of the corporate tax reductions at the end of March, that there will be far better information available than we have now.

UNEMPLOYMENT RATE INCREASE—REQUEST FOR NEW BUDGET

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, in view of the fact that the Minister of Finance is startled and disconcerted by today's unemployment rate but not startled and disconcerted enough to take the House into his confidence and tell us on what figures the government's expansion plans are based, leaving aside the unemployment figures, could he tell us, in respect of the inflationary rate from which we are all suffering, how he juggles the figure of 6.6 per cent as contained in the tax credit index today—

Mr. Speaker: Order. I am not sure that a question asked in these terms is in order. Perhaps the hon. member might like to rephrase his question.

Mr. Lawrence: My question is simply this, and it goes back to the first question asked today: will the minister please reconsider his adamant stand not to introduce a budget, in view of the soaring inflation and unemployment rate in Canada today? It is as simple as that.

● (1450)

[*Translation*]

UNEMPLOYMENT RATE INCREASE—UTILIZATION OF SPECIAL INVESTMENT PROGRAM BY QUEBEC MUNICIPALITIES—PROVINCIAL CO-OPERATION

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance who announced several months ago a special investment program for municipalities to assist in development and creation of new jobs.

Can he say whether he received many applications from the province of Quebec in view of the fact that it is one of the hardest hit provinces in Canada as far as unemployment is concerned? If so, did that province co-operate with the federal government in the allotment of those investment funds?

Hon. John N. Turner (Minister of Finance): Yes, Mr. Speaker, there is a lot of co-operation and co-ordination between the province of Quebec and the federal government.

As far as specific figures go, Mr. Speaker, I would like to get them and send them to the hon. member.

UNEMPLOYMENT RATE INCREASE—ACCEPTANCE OF CERTAIN LEVEL BY GOVERNMENT IN LIGHT OF ECONOMIC EXPANSION

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I wish to direct a question to the Minister of Finance.

I would like to know if he will continue to go along with the Governor of the Bank of Canada that economic expansion is largely responsible for unemployment, inflation, and that a certain level of unemployment is acceptable to the government. I want to know if a rate of 6 per cent at the national level and 8 per cent in the province of Quebec is acceptable to the government at this moment.

[*English*]

Hon. John N. Turner (Minister of Finance): Mr. Speaker, neither the rate of price increases nor the rate of unemployment is satisfactory to the government.

Mr. Lawrence: Then what are you doing about it?

Mr. Speaker: The hon. member for Central Nova.

[*Translation*]

Mr. Grafftey: Mr. Speaker, I wish to direct a supplementary question—

[*English*]

Mr. Speaker: Order, please. Perhaps we might allow the hon. member for Brome-Missisquoi to ask a supplementary question, after which I will recognize the hon. member for Central Nova and then the hon. member for Saskatoon-Biggar.

[Mr. Speaker.]

[*Translation*]

CONSULTATION WITH QUEBEC ON WINTER WORKS PROJECTS TO RELIEVE UNEMPLOYMENT

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I wish to direct a supplementary question to the hon. Minister of Finance.

In view of the seriousness of the present situation, will the hon. Minister of Finance contact without delay the government of the province of Quebec to prepare definite projects to improve the situation in that province during the winter months, because of the 8 per cent unemployment rate existing in Quebec at the present time?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am in contact fairly regularly with my provincial counterpart and other ministers of the provincial government. Should any acute problems arise, there would doubtless be immediate contacts.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

POLICY OF GOVERNMENT RESPECTING TAILORING OF FINANCE AND TRANSPORTATION POLICIES TO ASSIST DEVELOPMENT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, may I direct a question to the Acting Prime Minister in the absence of the minister responsible for DREE. In view of the steady rise of what one might call the discomfort index in the poorer regions of Canada, will the Acting Prime Minister indicate whether it is government policy now at last to tailor policies on finance and transportation, for example, to assist rather than to act in a counter-productive fashion in regional development?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I have not been aware of any inconsistency in the policies of the government on this score. They are all directed to improving conditions in all parts of the country, particularly, of course, where growth has not been as rapid as it has been in the centre of the country.

Mr. MacKay: Mr. Speaker, may I direct a supplementary question to the Minister of Finance. In view of his earlier answer which indicated that in his opinion unemployment is concentrated mainly among the unemployed, is he now prepared to indicate that he will voluntarily make some adaptations in his policy to complement the policies of the Minister of Regional Economic Expansion?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will want to read that question very carefully in *Hansard*. I want to tell the hon. member, however, of the very close co-operation and co-ordination between myself and my colleague.

GRAIN

FEED GRAIN—ESTABLISHMENT OF PRICES BASED ON OFF-BOARD SURVEY

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to direct a question to the minister in charge of the Wheat Board arising out of his statement in the House on September 14. The minister stated at that time that monitoring of off-board prices for feed grain on the Prairies would be carried out by Agriculture Canada under the authority of the Agricultural Products Board and the results would then be supplied to the Wheat Board and to the Canadian Livestock Feed Board for their use in determining sale prices to purchasers. Will the minister inform the House whether the survey has been completed and if, as a result, grain prices have been established by the Canadian Wheat Board?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, a second such survey has taken place. The first survey was used to test the techniques which were being applied. The Wheat Board is in the final stages of determining the price basis upon which sales of grain will be made to users of grain throughout Canada.

Mr. Gleave: Can the minister inform the House if the present prices at which feed wheat and feed barley are being sold to feeders and feed mills in eastern and western Canada are based on the monitored prices as described in the statement of September 14, and will he tell us what those prices are for utility wheat and feed barley?

Mr. Lang: Mr. Speaker, the prices in effect at the moment continue to be the so-called corn competitive prices established by the Canadian Wheat Board in line with its past practices. As I indicated in my previous answer, the first price based on off-board prices is in the final stages of being determined and will be put into effect as soon as the mechanics for that placing into effect are available.

Mr. Gleave: Mr. Speaker—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Saskatoon-Biggar for a last supplementary, then the hon. member for Lisgar who has a supplementary, and then the Leader of the Opposition.

Mr. Gleave: Mr. Speaker, may I ask the minister a further supplementary question. I must assume that off-board prices are not the base, as he said. Is grain being sold within Wheat Board designated areas at non-board grain prices in western Canada as well as in eastern Canada and British Columbia?

Mr. Lang: Mr. Speaker, the Wheat Board is continuing its practice of using its Thunder Bay price base for the sale of grain into eastern Canada and western Canada. That practice, which is long established, is continuing.

WHEAT AND BARLEY—POSSIBILITY OF INCREASE IN INITIAL PRICES

Mr. Jack Murta (Lisgar): Mr. Speaker, may I direct a supplementary question to the minister responsible for the Wheat Board. Since the Wheat Board has stated that it expects the final payment for wheat will be $4.92 and it is now paying an initial price of $2.25, may I ask the minister whether the government is going to increase the initial price for all grades of wheat and barley delivered to the Wheat Board and, if so, when does it intend to do so?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, consideration is not being given to a further change in the initial prices, which were changed, I should remind hon. members, on July 31, having been originally set for the year in March. However, there is provision in the Wheat Board Act for the Canadian Wheat Board at some point to recommend that an interim payment be made. There is significant pressure from farmers on the board to withhold such recommendation until January 1 so that any such payment may fall into the new tax year rather than the present tax year.

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THE CANADIAN ECONOMY

UNEMPLOYMENT RATE INCREASE—REQUEST FOR STATEMENT ON POSSIBLE GOVERNMENT ACTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct a question to the Minister of Finance who has conceded that he is startled by the upward movement in the seasonally adjusted unemployment rate, particularly this month and in recent months as well. He has refused to present a budget. Will he give the House the assurance that he proposes to do something about this? Can he assure the House that at the beginning of next week he will present the House with a statement incorporating some positive measures that he intends to take to offset this upward trend in unemployment inasmuch as he had all along expected unemployment to fall off during the year as a result of his budget measures?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, in absolute terms unemployment is down over a point since this time last year. In terms of new jobs this reveals an economy expanding at close to capacity. I want to say to the hon. gentleman that if the indicators were to change in such a way as to justify further expansionary measures, of course I would consider them. At the moment the economy is expanding at a close to capacity rate.

Mr. Stanfield: Mr. Speaker, since the minister will give me no assurance regarding the statement for which I have asked, will he give us a statement showing how he has managed to accomplish achieving a rate of inflation of 8½ per cent associated with a seasonally adjusted rate of unemployment of 6 per cent?

Oral Questions

MANPOWER

ALLEGED AWARDING OF CONTRACTS TO TWO TORONTO PRIVATE PLACEMENT COMPANIES TO HIRE EMPLOYEES FOR FEDERAL GOVERNMENT

Mr. A. D. Hales (Wellington): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In view of the high unemployment rate and in view of the fact that the federal Department of Supply and Services recently awarded two contracts to two private placement companies in Toronto to hire employees for the federal government, may I ask the minister why it was necessary to spend taxpayers' dollars on such a venture and, second, why these people were not sought through the manpower offices which come under his direction?

● (1500)

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will take note of the hon. member's representations and look into them. I would be surprised to find that the facts are exactly as stated, but I will dig into them.

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[*Translation*]

THE CANADIAN ECONOMY

QUEBEC—POSSIBILITY OF CONFERENCE WITH PROVINCIAL GOVERNMENT ON PROSPECTS

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I have a question for the Minister of Finance. In view of the recent unemployment figures, particularly affecting the maritime provinces and Quebec, is the government prepared, following the Quebec election, to hold a Quebec-Ottawa conference on Quebec economic outlook and more precisely on the future of young people on the labour market?

Hon. John N. Turner (Minister of Finance): I will take into consideration the hon. member's representation. I must say that I am in almost constant communication with my Quebec counterpart and that we have projected a federal-provincial meeting for early next year.

Mr. Wagner: Mr. Speaker, a supplementary. At the time of the federal-provincial conference after October 29, would the government be prepared to have the opposition parties, both federal and provincial and the intermediate bodies directly involved, participating in this conference?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, one of the difficulties is that we have never been able to obtain the provincial governments' consent.

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[*English*]

EXTERNAL AFFAIRS

POSSIBLE CHANGE IN POLICY ON FOREIGN AID—GOVERNMENT POSITION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Finance. Yesterday the minister indicated he had pledged on behalf of Canada some $274.5 million to the World Bank Development Fund. In view of the fact the total of Canada's cash foreign aid was some $475 million last year, will the minister or his colleague, the Secretary of State for External Affairs, indicate if there is a shift in the policy of Canada with regard to foreign aid and the concentration will now be more on a general fund rather than Canada deciding for itself which individual countries it will assist?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, this amount of $274.5 million for the replenishment of the International Development Association under the World Bank is payable over three years. Our proportion is 6.1 per cent of the total replenishment of $4.5 billion. Our contribution over the past three years was 6.26 per cent, so there is virtually no change in our contribution.

Mr. Lambert (Edmonton West): Is there a change of policy so that a greater proportion of Canada's foreign aid will be concentrated toward a general agency such as the World Bank Development Fund rather than Canada dealing with countries individually on a one-to-one basis?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, possibly I might be given an opportunity to comment on this question. For a number of years Canada has had a policy of increasing the proportion of its aid to international organizations with a target in mind of about 25 per cent. The decision that was made in Nairobi on the contribution to the IDA was in line with that target.

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TRANSPORT

THUNDER BAY—EFFECT ON EMPLOYMENT OF SLOW MOVEMENT OF GRAIN CARS—GOVERNMENT ACTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is to the Minister of Transport. It has to do with the fact that the Thunder Bay area reports a low movement of grain to elevators there. There are 5,000 cars arriving weekly whereas the elevators could easily handle 9,000 cars. As a result of the reduction in the number that could be handled there have been layoffs. In view of the fact the season for shipment out of Thunder Bay continues only through November and part of December, will the minister at once get in touch with the railway companies and impress on them the necessity of supplying the necessary cars so there will be full employment at Thunder Bay and at the same time western wheat will be moving to market?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will immediately inquire into this situation and see whether something can be done at this time. I recognize it is late in the season and that we should do our utmost to have full employment and ship the grain.

Mr. Diefenbaker: In order that we will have full information, will the minister get in touch with the Minister of Manpower and Immigration who received full information

from the Thunder Bay and District Labour Council last week? If there is a little communication, it may help.

Mr. Speaker: The hon. member for Skeena.

Mr. Andras: Mr. Speaker, I rise on a question of privilege. I wish to assure the right hon. member that that communique has been conveyed to the minister responsible for the Wheat Board, the Minister of Justice—

Mr. Speaker: Order, please.

Mr. Diefenbaker: Mr. Speaker, it was impossible to hear what the Minister of Manpower and Immigration was saying.

Mr. Speaker: May we have order, please.

Mr. Diefenbaker: No one would want to miss such words of wisdom.

Mr. Speaker: Order, please.

SHORTAGE OF BOXCARS FOR SHIPMENT OF BRITISH COLUMBIA LUMBER

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a supplementary question to the Minister of Transport with regard to the allocation of boxcars. Is the minister aware of the situation in north central British Columbia where there is a shortage of approximately 2,000 boxcars for lumber shipment, the result of which is increasing unemployment in sawmills and the logging section of the industry, all because CNR is unable to supply the required number of boxcars to move the lumber out of that area.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the situation is the same for the British Columbia Railway which is owned by the British Columbia government. Because of the strike there are shortages everywhere. Attempts are being made to supply as many boxcars as possible. There is a shortage at the present time. There is no doubt about it.

Mr. Speaker: Order, please. I bring to the attention of hon. members that there are just three or four minutes before the end of the question period. The hon. member for Skeena might ask one supplementary, after which I will recognize the hon. member for Rimouski and try to have two or three other questions before the end of the question period.

Mr. Howard: Is the minister aware the British Columbia Railway took action earlier this spring to acquire a number of boxcars and CN has been sitting on its ass doing nothing?

[*Translation*]

HOUSING

AGREEMENT WITH QUEBEC ON USE OF NATIONAL HOUSING ACT PROGRAMS

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is directed to the Minister of State responsible for housing.

Following the adoption of Bill C-133 and in view of the fact that winter time is closing in and that the municipalities have projects to be implemented, can the minister tell the House whether the negotiations with the Quebec government are completed? If so, is the minister prepared to make a statement in the House to indicate the contents of this agreement?

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, there is an agreement between the government of Canada, Central Mortgage and Housing Corporation and the province of Quebec for the use of National Housing Act programs within the province of Quebec. That agreement is in operation and is working.

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UNEMPLOYMENT INSURANCE

POSSIBLE EFFECT OF BENEFITS ON INCENTIVE TO WORK

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I wish to direct a question to the Minister of Finance. in view of the fact the average weekly benefits paid by the Unemployment Insurance Commission have risen by 13 per cent from July, 1972, to July, 1973, and for the same period the consumer price index rose 7.7 per cent, will the minister admit that the UIC scheme is providing a disincentive to work that may affect the figures recently received?

Mr. Speaker: The hon. member for Winnipeg South Centre.

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VETERANS AFFAIRS

DEER LODGE HOSPITAL, WINNIPEG—EFFECT OF DELAY IN REACHING WAGE SETTLEMENT WITH NURSES ON CONDITIONS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Veterans Affairs. Due to the government's ten month delay in settling wage negotiations with the nursing group of the Professional Institute of the Public Service, which is causing serious economic problems for the nursing staff at Deer Lodge Veterans Hospital in Winnipeg, plus low morale, staff shortages and, the most serious aspect of the problem, decreasing nursing attention to our veterans in that hospital, will the minister order an investigation and take corrective action on the deplorable conditions which exist at Deer Lodge?

• (1510)

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): First and foremost, the question is not entirely relevant. As far as negotiations with the nurses are concerned, this matter is being looked into.

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EXTERNAL AFFAIRS

CHILE—POSSIBLE EXTENSION OF CREDIT TO MILITARY GOVERNMENT—ALLEGED DENIAL TO ALLENDE GOVERNMENT

Mr. John Harney (Scarborough West): Mr. Speaker, in the absence of the Minister of Industry, Trade and Commerce I direct my question to the Acting Prime Minister. The government of Canada, through the Export Development Corporation, cut off credit to Chile in October, 1972. Is it now the intention of the government to favour the present military government of Chile by renewing credit in concert with United States policy at this time?

Hon. Mitchell Sharp (Acting Prime Minister): The information upon which the hon. gentleman bases his question is quite inaccurate. During the period of the Allende government the Export Credit Corporation and other Canadian agencies extended very large credits.

[*Later:*]

Mr. Harney: Bearing in mind that in a committee of the House last year there was discussion about the fact that these credits had been cut off, would the minister care to table at a fairly early date the history of these credits and their allocation to Chile as well as the reconsideration which was supposed to take place in April of this year?

Mr. Sharp: Mr. Speaker, maybe I could briefly give the House two or three facts which would help to dispel the sort of misinformation now being spread. For example, in April, 1973, a loan of $5 million was approved for the purchase by Chile of Canadian aircraft and telecommunication equipment.

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MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST FOR EXTENSION OF DEADLINE FOR APPLICATIONS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is to the Minister of Manpower and Immigration. It is based on the fact that two days have now passed since the deadline for the receipt of applications under the LIP program, and the fact that fewer applications have reached the department than was the case last year, the reason being that necessary information was late in going out to citizens in isolated northern communities. Would the minister now consider extending the deadline beyond October 15 in order that more people may be able to submit applications and thus provide employment in those areas to which the program is directed?

[Mr. McKenzie.]

Hon. Robert K. Andras (Minister of Manpower and Immigration): The basis upon which the hon. member has posed his question is really quite incorrect. The number of applications was incorrectly reported publicly. We have received 6,700 applications although the number was reported as being 4,500. We have now received requests to an estimated value of more than $200 million. We are extremely pleased by the calibre of the projects submitted. Having said that, if I found a constituency which, for some reason, had not been able to get under the wire I would consider what might be done, but there will be no general extension beyond the deadline date.

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CAPE BRETON DEVELOPMENT CORPORATION

ALLEGED DISCREPANCY IN EVIDENCE PLACED BEFORE COURT AND PARLIAMENTARY COMMITTEE

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of Justice. It is one he undertook to answer before the recess when I raised it earlier. Has the hon. gentleman had an opportunity to study the discrepancy between the evidence placed before the court by the Cape Breton Development Corporation and the evidence placed before a parliamentary committee in order to ascertain whether Tom Kent was in contempt of parliament or in contempt of court?

Hon. Otto E. Lang (Minister of Justice): I have had a report on the matter which leads me to believe that there is no such element present.

Mr. MacInnis (Cape Breton-East Richmond): On a point of order, Mr. Speaker, the fact is that the evidence before the court shows that the Cape Breton Development Corporation made one claim before the court and has since put in writing the exact opposite point of view and has given that same evidence before a committee. How can the minister say there is no discrepancy when he himself has the opportunity to read the written and oral evidence given by the Cape Breton Development Corporation?

Mr. Lang: On that question or point of order, the answer is that the legal opinion I am receiving and the legal opinion I accept is different from the legal advice I am getting from the hon. member opposite.

Mr. MacInnis (Cape Breton-East Richmond): On a further point of order—

Mr. Speaker: Order, please. That was hardly a point of order. Perhaps the hon. member might be recognized for the purpose of asking a supplementary question, after which I will call orders of the day.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a point of order to say to the Minister of Justice that I have not been asking for a legal opinion. I have been asking him to examine evidence placed before the court and placed before a parliamentary committee so that he himself could see the discrepancy in that evidence and give a ruling whether Tom Kent is in contempt of court or in contempt of parliament. It has got to be one or

the other. There is no denying it. I might add, Mr. Speaker, that nobody knows this better than the Chair itself.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES, ACT, 1973

MEASURES TO PROVIDE FOR PAYMENT OF FAMILY AND SPECIAL ALLOWANCES

The House resumed, from Monday, October 15, consideration of the motion of Mr. Lalonde that Bill C-211, to provide for the payment of family allowances in respect of children to supplement the income of Canadian families and for the payment of special allowances to provide for the care and maintenance of other children, and to amend the Income Tax Act in consequence thereof, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, last night at ten o'clock I made a start on my comments concerning Bill C-211 to raise family allowances. It is not my intention to take up much time today since it is the wish of my party that second reading should be expedited, thus enabling us to get the bill into committee.

It is obvious that a great majority of members of the House are in favour of this measure. One might say that anyone who is not in favour is not aware of the extent of poverty in our country or of the need to direct financial assistance to growing children in all segments of our society. It is obvious, too—

Mr. Speaker: Order. I apologize to the hon. member but I should like to bring it to the attention of all hon. members that it is difficult for the speaker who has the floor to make himself heard above the conversations which are taking place. I suggest that if members must conduct conversations they should do so behind the curtain or in the lobbies.

Mr. Marshall: Thank you, Mr. Speaker. It is obvious, too, that all ten provinces support the bill. I hope that with the co-operation of all parties at the committee stage, including the minister, we can make the few changes which appear necessary and pass the bill in its final stages so that its benefits can become available in January of next year, as is the objective of the legislation.

The official spokesman for our party, the hon. member for Hillsborough (Mr. Macquarrie) indicated yesterday that this was the position of our party and I am sure members of all parties share this attitude. I, therefore, hope that after almost four years of intermittent debate on this subject, and after the introduction of three other bills dealing with this issue, we have finally resolved our differences and can direct the results of the legislation to those to whom its benefits are aimed.

Hundreds of thousands of mothers in our country are waiting anxiously for this bill to be passed. It is unfortunate that as a result of four years of debate on this topic, as well as two poor bills, Bills C-170 and C-274, which left doubts in my mind, at least, as to the capability of the Department of National Health and Welfare, there should be skepticism in the minds of many of our citizens concerning the government's sincerity. I am sure many thousands of poor Canadian families will not credit the government with sincere intentions in connection with Bill C-223, increasing the allowance to $12, until the cheques are actually in their hands on October 20. The same applies, I believe, to the increases afforded under Bill C-211, with which we are dealing today. I trust that by taking a conscientious attitude to the bill before us we can regain some respect in the eyes of that segment of our society which desperately needs financial assistance in order to cope with inflation, and inflation which we cannot seem to control.

It is fine for the economic experts to keep saying that this is not the direction governments should be taking in fighting inflation. They have all the answers by expounding words of wisdom with their mouths, but they do not know or feel what it is like to have a hungry stomach, and they are evidently not aware of some of the suffering that exists amongst our five million poverty stricken citizens. They evidently do not know that at this very moment many thousands of our children are restricted in their ability to learn because they go to school hungry. They evidently do not know or do not care that thousands of our children are undernourished, and will grow up underdeveloped and therefore unhealthy.

● (1520)

Almost every day we hear about increases in the cost of health care and the inability of provinces to cope with medical care costs. But surely someone has to realize that the reason that more and more people are in need of medical attention in their adult years is that more concentration of our efforts was not directed towards the development of our youth with proper nourishment, so that in future years they would grow up to be healthy and physically fit citizens. Because governments have failed to do this over the years, since we have not been able to provide employment to all our citizens, since we have not been able to provide programs for those who are restricted in their ability to provide for themselves, and since we have not been able to provide that quality of life for all our citizens which everyone proclaims, how can we blame the poverty stricken or their children for the condition in which they find themselves in our supposedly wealthy and healthy nation?

Again today in the House during the question period much mention was made of the government's inability either to control inflation or to deal with unemployment. This disease has been going on for years because of this government's inability to cope with these problems. But while we still look for the answers to these problems, do we continue to allow the poor children of our country to wait and grow up undernourished, uneducated and not able to cope with society? No, Mr. Speaker. Until we who represent some 22 million Canadians can overcome these problems, it is our duty to provide social measures and

give financial assistance where necessary. There is no doubt in my mind, then, Mr. Speaker, that the family allowances program and the benefits derived by all children of our country on a universal basis will be of the utmost benefit to Canada as a nation. We have the wealth, and it is our duty to distribute this wealth to those who need assistance.

We are directing reasonable benefits to our senior citizens, and we are directing reasonable benefits to other disadvantaged citizens of our country, such as our worthy veterans, through disability pensions and war veterans allowances. We are now slowly getting to the stage where we can provide a sensible means of making annual increases to these pensions to cope with rising costs as they occur.

Probably I shall be taken to task by some who may quarrel with my use of the word "reasonable", but I am sure that this is no time to be political or to bandy around figures for the sake of political advantage. I also hope that, through consultation with the provinces when discussing the orange paper on social security, we will come up with a program for a guaranteed income for those Canadians whom we must help, and one that provides proper, built-in work incentives for those who are willing to work and who have the initiative to provide for themselves and their children.

I hope that the minister, as he indicated to the hon. member for Winnipeg North Centre (Mr. Knowles) yesterday was the case, is making progress with the provinces in regard to the Canada Assistance Plan and the need for the provinces to increase social assistance which is also directed to disadvantaged children and poverty stricken families.

In regard to cost of living increases, since these pertain to the bill before us and were mentioned in detail by some hon. members yesterday, I may say I am a bit concerned over the fact that under the provisions of clause 13 the Governor in Council is given the right to propose these increases. I feel this right should be included in the bill, as it exists in pension legislation. I agree with the hon. member for Winnipeg North Centre, and also with the hon. member for Hillsborough, that the percentage increase in the annual cost of living adjustment should not be less than $1. Surely, an automatic provision in this regard can be included in the bill.

I have no quarrel either with the provision of the bill giving the provinces the right to vary the benefits according to size of family and the age of children. With ten provinces probably coming up with ten different schemes I hope not too many administrative difficulties will be caused, to the disadvantage of those to whom the benefits are directed. However, this question can be dealt with at the committee stage.

I am concerned, too, that the minister has discussed with the provinces, along with proposed improvements under the Canada Assistance Plan, the proposition that no province reduce social assistance benefits as a result of increases in the family allowances afforded under this bill. I say that such action would considerably reduce the effectiveness of the bill, particularly in light of uncontrollable cost of living increases, and I ask the minister to give details of these discussions at the next opportunity.

[Mr. Marshall.]

I did indicate, Mr. Speaker, that it was not my intention to belabour the bill in view of the interest of our party in getting the bill to committee. May I simply repeat what I said when we were debating Bill C-223, that we agree with the bill and think it is a good one. I hope we will get on with the job and finally give to those Canadians who derive benefits from the bill that quality of life that will help them in the future.

Mr. John Harney (Scarborough West): Mr. Speaker, yesterday we heard two very fine orations. Perhaps I should say three, because I should like to include in that catalogue the speech of the hon. member for Hillsborough (Mr. Macquarrie). But certainly we had one very detailed and sober presentation from the Minister of National Health and Welfare (Mr. Lalonde), and a very unusual, but nevertheless intriguing, address by the hon. member for Winnipeg North Centre (Mr. Knowles). I say unusual in that it was so complimentary. He praised the minister to a certain point, justifiably so, for the excellence of the program and for the way in which the bill had been presented to the House by the minister.

I should like to advise the minister that the words spoken by the hon. member for Winnipeg North Centre ought perhaps to be taken with a little grain of salt. We all know that the hon. member for Winnipeg North Centre has a background in divinity, and I could not help but recall while he was speaking the words of Paul, which I believe were—"Kill your enemy with kindness and so heap coals of fire upon his head". So there is a warning. I do not intend to heap any coals of fire on anyone's head. In fact, I shall continue the compliments given to the minister. I think that he did this House and the country a service in the way that he presented the bill, particularly the way he went around blowing up some old canards.

[*Translation*]

As the French song more or less goes: ... de sorte que le beau chasseur qui s'en allait chassant, visa le noir et tua le noir.

[*English*]

One particular canard that I was glad to see blown up was the ancient one that higher family allowances would simply entail an increase in the birth rate. I do not know why anybody would not be aware in 1973 of the facts that the minister outlined so capably yesterday. It has been proven for a considerable number of years that about the only significant factor which tends to reduce the birth rates of various nations is the increase in the per capita gross national product of those nations. It appears that human beings behave very humanly Mr. Speaker and that when they are assured of security they can plan for their future; they can plan for their families and the maintenance of those families. Indeed, it is in those countries which have a very low per capita GNP, where people are underprivileged in the extreme, where they cannot look to their old age with security that they tend to see children as an economic value and breed accordingly. This has not been the case in Canada for a good number of years. I was glad to see this canard blown up but I was very saddened this morning to see how the news of the minister's address appeared in the newspapers. The only headline which I

saw in the morning paper was this: "Higher family allowances not primarily to help Quebec, Lalonde says".

● (1530)

It is very sad that at this time in our history a minister should feel it necessary to attack this particular old tale. He did demolish the myth and he did it very capably by saying that the birth rate in the province of Quebec was indeed the second lowest of all the provinces in the country, but I think it is sad that he should feel it necessary to do this. It is very sad because should it be the case that one area of our country, because of economic, social and cultural conditions and traditions should have a higher birth rate, we in this House should not be niggardly to the point of enunciating that welfare benefits or social insurance programs are designed to satisfy particularly the needs of that region or that province.

While the minister was out hunting and choosing his canards, Mr. Speaker, I wish that he had attacked another one as well. As a matter of fact he fed the canard rather than shot at it. It was this one: That in the new proposed program, even though there was a considerable amount of flexibility, even though the provinces and the federal government did come to see eye to eye on the way that these programs could be made more flexible, even though they had been a long time coming to this point and how glad we all were that they had, even in spite of all this we, the members of this House, were handed back a little bauble. It was that the federal government would be present still in the cheques issued for family allowances. What does it matter Mr. Speaker? Surely, we do not think that Canadians are going to be influenced in their loyalty to the country by the fact that the cheques say "Government of Canada" rather than Gouvernement du Québec, Government of Newfoundland, Prince Edward Island or whatever. Let us get rid of this canard. He has disposed of one already and there are others in the bill waiting to be hunted.

As a final compliment, Mr. Speaker, I should like to commend the minister and the government on his and their return to the policies of the late Right Hon. Lester B. Pearson and the late Right Hon. William Lyon Mackenzie King.

Some hon. Members: Hear, hear!

Mr. Harney: For a while last year it looked very much as though the principle of universality in social insurance programs and redistribution programs was to be thrown overboard. The FISP program was a denial of this principle of universality, a denial of the principle to underscore the belief held by many people in this country that programs such as family allowance programs were not welfare but a very necessary aspect of social justice in this country. I am very glad, as are all members of my party, to see this return by the present government to the beliefs and principles of the Pearson government and also the return even further back and, as significant, to the principles and policies of the King government of 1945.

We are now beginning to approach the level of payments under the family allowance plan that existed in 1945. The minister gave us the figures. In 1945 the basic payment was $5 per month per child and now, after a leap to $12, we are going to a level of $20. That sounds pretty impressive but I should like to put it in perspective.

In 1945, $5 was worth much more than $20 is now—considerably more. I will give a couple of concrete examples to underline this point, Mr. Speaker. One is a personal recollection. I remember as a teenager being at the dinner table in a friend's house and his mother said to his father, "Well dear, we have just received the family allowance cheque for our four children". He said, "Oh well, what is that worth?" After opening the envelope and seeing the sum of $20 he said "Well, at the very least it will pay the rent." That was true because their rent then was some $23 per month. On a street in Quebec City you could rent a three bedroom house for $23 per month in 1945. I should like to know what size of family you would need to pay the rent today Mr. Speaker. Even at $20 a month each you would have to be pretty prolific to be able to cover the monthly rent.

Let us put it in real terms. I am sure if you look at the dollar value in 1945 and the dollar value now that the increase from $5 to $20 is, nevertheless, considerable. This increase takes account to a certain degree of the devaluation in our dollar; the fact that it buys less today than it did then. But it overlooks one extremely important factor—that what the people are facing today is not simply a rising pattern in the cost of living but an excruciating increase in the cost of the necessities of life, food and shelter particularly. If you compare the cost of food today, the cost of shelter, the cost of clothing and the cost of basic transportation, these costs that the ordinary people of our country find so very difficult to meet, with the cost of those items in 1945, you will find that the proportion is much more than four to one. So, let us not praise ourselves too much. We will not have done very much when we pass this bill to bring the payments to an average of $20 a month. Before we cover ourselves with too much glory, let us consider the plight of the ordinary family in the face of the economy of today and how things have materially changed for them between 1945 and now. It is a slight return to the days of Mackenzie King but not a return that goes far enough.

Mr. Speaker, there was one element in the proposal which alarmed me somewhat, an element which is not so much contained in the bill as in the agreement which may or may not exist between the federal government and the provincial governments. I do not know for sure, and I believe such is the case for most members of this House, how the provincial governments will handle this increase in family allowances in relation to the social benefits that they pay to welfare recipients. Judging from the reaction of the relevant minister in the Ontario legislature yesterday when he announced that Ontario would apply an average of $20 per month across the board, and not try to pro rate it in any way among other recipients, it would appear that the provincial government there is going to take account of the increase in the family allowance in order to adjust, likely reduce, benefits paid now to various welfare claimants.

● (1540)

I am sorry at this stage to have to correct my hon. friend and mentor, the hon. member for Winnipeg North Centre (Mr. Knowles). Yesterday, in castigation of the hon.

member for Hillsborough (Mr. Macquarrie), he said that this program is not a welfare program. Well, it now appears that when it comes to welfare recipients the family allowance program is considered as a welfare program, at least in Ontario, and this may be the case in several other provinces in this country. In dealing with Ontario, at least we are dealing with one very significant proportion of the population of this country. So, it would appear there is the very real possibility that the people who need the help the most under this program will get the least. Why should this be?

Well, it appears there is a concern among those people who are considered the experts in respect of social benefits and social welfare to the effect that the working poor should receive at least as much or more income as the people on social welfare. At first this might appear to be a very legitimate concern, but let me tell you, Mr. Speaker, that is not a concern that goes far enough. Of course, we will all agree that people who work, no matter how low their income may be, should either equal or surpass in income the people on social benefits. But that is not the only concern we should have. I, for one, do not want to be drawn into an argument as to whether the working poor are more deserving than the people on social welfare. The kind of argument I want to become involved in is whether the working poor and the people on social welfare both receive their due share of the national income. If we let ourselves become involved in this kind of niggly little debate—not niggly but niggardly debate—in which we wonder whether the persons on social benefits are receiving more than the working poor, then I suggest we will lose sight of the main or stated intention behind this bill.

The stated intention should be fairly obvious. It is that this is a program designed to help redistribute income in this country. It is very obvious to the minister and many other observers of the Canadian economic scene that there are people who receive much more than their fair share of the national income and others who receive much less. It is very obvious to practically everyone in this House that we cannot let the private enterprise system run by itself. We need something called welfare or social insurance programs to get rid of the worst deprivations of the private enterprise system. The figures are startling to anyone. Yesterday the hon. member for Winnipeg North Centre quoted figures cited by the hon. member for Oshawa-Whitby (Mr. Broadbent) which indicate how staggering the difference is in the incomes received by the various sectors of our population.

For example, the hon. member for Winnipeg North Centre stated that the first quintile, the bottom 20 per cent, of income workers in this country in 1971 in terms of family income received 3.6 per cent of the national income and that the fifth quintile, the top 20 per cent, received 43 per cent of the national income. These are staggering figures indeed. They become even more depressing if we look at the figures for income distribution through the years. Rather than see the situation improve we see it deteriorate. It is 3.6 per cent now for the bottom fifth of the population in income terms. It was 4.4 per cent in 1965, 4.2 per cent in 1967 and is now 3.6 per cent. On the other hand, the top fifth which now receives 43.3 per cent has progressed from a figure of 41.5 per cent in 1965 to 42 per cent in 1967, to 42.6 per cent in 1969 and 43.3 per cent now.

[Mr. Harney.]

So, in spite of all the mythology to the effect that too much money is being spent by government on social programs, social insurance programs, old age pensions, what is called generically welfare by some of the members to my right, in spite of all this, the fact still remains that the distribution of income in Canada is not moving toward equality but is moving toward greater and greater inequality. That is why I must ask myself if the present program proposed by the minister will change this trend. Sure, there will be a distribution, but will it be in the right direction? I say that if the provinces are to be allowed to adjust downwards social welfare benefits, whether they do that by taking into account the fact that families will be receiving $20 per child and will therefore reduce the benefit themselves or whether they calculate this new $20 per month per child as a form of income for a family, then we will not alter this trend toward greater and greater inequality in distribution of income in this country.

I know the minister would probably say the figures are accurate because they are from Statistics Canada. We all have reason to believe in Statistics Canada. He could also add that these figures do not take into account the programs which have been initiated in the past number of years or the fact that now there is considerably more public housing in certain sectors of the country, that this is a way of alleviating the condition in which some people find themselves and that there are medicare programs across the country as well as hospitalization programs. I see the minister nodding. He has made suggestions to this effect before. The people who comprise what might be called the professional welfare community in the country would agree with him.

Let us get back to the real world and consider some other points. In many provinces although there is medicare and hospitalization people must pay for this. In the province of Ontario, where I live, the combined medicare and hospitalization premium is staggering. Many a worker who thinks this premium is paid for by his company does not realize that this is simply part of his pay. It is part of his pay that is negotiated in the contract he gets from his employer. Another factor ought to be considered in this real world we are looking at. Many of the programs that have been instituted and implemented in the past 20 years are in a sense stop-gap programs. They have been implemented and improved because the costs felt by our citizens in those areas were becoming unbearable.

● (1550)

Let me cite, for example, hospitalization. The costs of hospitalization have gone up enormously, and so has the need for hospitalization because the way of life of Canadian citizens now is totally different from the way they lived a generation or two ago. So what in effect is happening is that in spite of the fact that these programs have been initiated and improved, the real situation of the deprived, of the poor in this country, in relation to their fellow citizens has not changed.

The reason there are so many people in my riding living in Ontario housing is that there is no more housing being produced for them by the private housing industry. While 40, 50 or 60 years ago the housing industry in the city of Toronto was able to produce good, solid, durable, decent, clean housing for the working people of that city, it is no

longer able to do so. So where private enterprise chooses not to go, the state, under its welfare approach, has to go. So we built housing for these people, inadequate as it may be. We have to build housing for them. So their real condition in relation to their fellow citizens has not changed for the better; indeed, it has probably changed for the worse. They are in the same market place except that in the market place those who used to be able to muscle them out before can muscle them out to an even greater degree now because they simply have more money to spend.

A few days ago there was the beginning of a debate in the press of this country when it was revealed that wage earners had not only failed to advance their position over the past year but had been able to do less than hold their own against rising prices. Immediately after that, information was produced to negate the statement. We were told that the total disposable income in this country, after taxes have been taken into consideration, and after the rate of inflation has been deducted, has gone up by 6.2 per cent. Was that not good news, we were asked. Of course, it was good news but the logic of the situation must stare us in the face. If the wage earners as a class have not moved ahead but have slipped backward, and if we as a total group of Canadians have moved ahead by 6.2 per cent in real disposable income, then it means that certain groups in this country have gone ahead by much more than 6.2 per cent.

So, here we go again. We are not moving toward a state of better and more fair distribution of income but quite the opposite. This is why I urge the minister not to buy the kind of policy which entails an argument as to whether the working poor are getting as much as people on social benefits. Let us forget that argument; it is not an important one. Let us ask ourselves whether both of these groups are getting their fair share of the national pie and, at the very least, let us not get involved in a program which will allow the provinces to effectively dispose of the increase in family allowances in such a way that people who are both in the working poor group and welfare recipient group are not to benefit in any significant way.

The distribution of income in our country, as I have been stating, is obviously not good. It is alarmingly bad. But some of us are probably inclined to take comfort from the fact that we are not as badly off here in Canada as others are in other areas of the world. For example, there is an editorial in the *Globe and Mail* of Thursday, September 27, which is signalled by the usual archness of *Globe and Mail* editorials, which deals with upgrading foreign aid. It reads in part:

> The past 10 years of economic development have in fact left 800 million people relatively worse off than they were before. The upper 40 per cent of the population of developing countries typically gets 75 per cent of the national income, while the lowest 20 per cent gets 5 per cent.

I am sure that many of us reading this editorial would have shaken our heads in dismay. What a sad state of affairs! In the developing countries, 40 per cent of the population gets 75 per cent of the national income, leaving 25 per cent to be distributed with generosity and largesse to the remaining 60 per cent. I am sure that on looking at these figures we took some comfort from the fact that such was not the situation in Canada. I am sorry to have to report to you, Mr. Speaker, that these are the facts in Canada; indeed, they are exactly so in Canada. If you consider the income received by individuals who are earning the income of the top 40 per cent, you will find that they get, according to the 1971 figures, 75.2 per cent of the national income. So here we are lecturing the developing countries about their unequal distribution of income, whereas the situation in our country is exactly the same as the one which we condemn in developing countries. In terms of the distribution of income, we are a developing country. We have an extremely long way to go. I know I have quoted figures that only go back over the past few years. I could go as far back as 1951 and demonstrate that the situation then was pretty much the same, except for one year or two when the situation really became disastrous, and that was in 1960 and 1961. Those were the infamous years when there was no real gain, as a matter of fact, a loss in total income for Canadians, years in which there was inflation as well. So I do not think it is a matter of singling out which party did what when. The record has not been good.

Again, I must refer to the province of Ontario to try to discover why our record has been so bad. From the beginning of this confederation and before, we have always had an extremely niggardly outlook regarding the poor. In the old days they used to be called, not the poor or the unemployable welfare recipients, but the sturdy beggars; this was the term used. We used to ask ourselves: what shall we do with the sturdy beggars in our society, people who beg but are strong enough to work? We have always been so concerned with the little dollars and cents that may go to the wrong person who may not be totally deserving, these people who, according to certain people in our society, actually populate vast areas of our cities. These people are always to be seen on a Saturday afternoon on the back stoop with a case of beer, doing nothing else but watching television. We have always been so concerned with this that we have failed to tackle the main problem which is that we have an extremely unjust society and there is nothing that has happened in the past three or four years to indicate that it will become just.

I am suggesting this afternoon that unless measures are taken to provide for the adequate distribution of family allowances there will be no change of any significance in terms of the distribution of income in our society. This program is one which I will support in principle. I certainly hope to correct it in detail, but I will support it in principle because it can be a step towards greater social and economic equality in this country. But I would like to remind the minister that this is a step, and only a very small step.

● (1600)

If the governments of this country, the federal government and the provincial governments, were really concerned with the working poor they would do something about the minimum wage. Why should it be that a man who works needs to have some kind of supplement from the state for his income? I know such proposals are entailed in the discussions that are going on at the federal-provincial level, and that somehow a way will be found to supplement the incomes of the working poor. There are great numbers of working poor in this country. In my city

of Toronto, the working poor vastly outnumber the people on welfare. It is a matter of choice for them. They would rather receive less than go on welfare. They would rather work and earn their own way. It is a natural, human desire. So there are now proposals in the wind which will have the effect of supplementing the incomes of the working poor.

We will figure out how much they get from their employers. We will find out how much they need in order to survive, and then we will supplement their incomes. But call it what we will, it will be another form of welfare. It will not be welfare for the employee; it will be welfare for the employer. Rather than having to carry the burden, what the employer is going to do is hand the can over to the government and, while he is at it, complain about high taxes.

We should never get involved in such programs. This is the worst kind of thinking which has come out of the administration of President Nixon in the United States. I remember seeing the U.S. President proposing his new welfare package two or three years ago. I remember a lot of people nodding and saying, "Yes, we should do more to help people who are working because they deserve it, whereas people who don't work and receive social benefits should be viewed rather sternly. We should build incentives into the system so that we can give the chap who is working an extra number of dollars a month."

But Mr. Speaker, what we will be doing with that is subsidizing the cheap rate employer. The governments of this country will have to tax more in order to do that, and as they tax more the attack on government activity, on government participation in the welfare and well-being of our population, will be given more and more support. I do not buy that idea at all.

If we want to help the man who is working, let us do something about the minimum wage. It is disgraceful in most sectors of this country. At the very least, Mr. Speaker, the minimum wage should be sufficient to bring a man and his family above the poverty threshold. And while we are at it, I do not want to hear the old canard that if we raise the minimum wage some industries will have to close down. I say that if they are going to live on the backs of their workers, then let them close down. We do not need the goods and services that they produce. However, if we do need them, let us to be ready to pay more directly through the market place for these goods and services.

There are other ways of seeing to it that income is more fairly distributed in this country. I am sure the minister has the figures. I am sure if he goes back to the 1920's, the 30's, 40's and 50's and watches the progress in the distribution of income he will find that the only time in which there was a significant shift in the distribution of income in Canada was the period between 1935 and 1944. Why was that? Yes, there was an increase in transfer payments. I will grant you that. There was a considerable increase in them around that time. But more important than that, this was the period when there was a vast and significant increase in the amount of union organization in Canada. When the CIO moved into Ontario in particular, there was a very real shift in the way that the goods and services that we produced were distributed among our people. We owe that not to government activity but to the activity of the people themselves, who organized to take what was their due.

In this society and under this type of government, I do not think the poor or the working poor can ever hope to be granted their just due. Their only hope is to organize themselves to take it. Power is never granted; it is only taken. Many people in this society are beginning to realize that. One of my colleagues points out that this is what the Minister of Transport (Mr. Marchand) says. In fact, he said it the other day. I am quite sure he understands it. He may not pay much attention to it now, but he certainly understands it.

If the government were really interested in doing something about the distribution of income, the Minister of National Health and Welfare (Mr. Lalonde) would cosy up to the Minister of Labour (Mr. Munro) one day and say, "Look, my honourable colleague, this is a real problem here in Canada. Lots of people are not getting enough, and the reason they are not getting enough is that they are working for lousy pay. One of the reasons they are working for lousy pay is not because they are working for the railroads and we ordered them back to work for lousy pay, but because they are working in all kinds of industries which are not only not organized, not unionized, but cannot be organized and unionized for two reasons. One reason is our laws. We make it almost impossible for these people to get organized. The second reason is that the costs of organization are so enormous the union movement cannot carry them."

Let us not forget, Mr. Speaker, that the union movement, which is supposed to be rolling in money, has to carry out all further organization of workers out of the dues it receives from those it has already organized, and in many cases these are people who do not earn all that much. "So couldn't you," he could suggest to his colleague, the Minister of Labour, "think of redesigning your department so that rather than having a Department of Labour which really only polices the industrial situation in our society,—it just sees to it that there are no outbreaks, riots or great crises—have a positively oriented Department of Labour like the Department of Industry, Trade and Commerce, which goes out to help businessmen, or at least tries to help them? That department takes businessmen over to Europe to look for new contracts and new business. It holds seminars for businessmen. It goes further than that. We have many programs in this country to aid small businesses. They may not be terribly effective but at least they try. And we have lots of programs to aid big business—"

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

Some hon. Members: Continue.

Mr. Deputy Speaker: He may continue if there is unanimous consent of the House. Is this agreed?

Some hon. Members: Agreed.

Mr. Harney: Thank you, Mr. Speaker. Colleagues to my right who wish to speak today suggest that I take another two minutes. The parallel, the analogy was not finished. In the same way the Department of Agriculture tries to help

the farmers. Provincial departments send out Ag. Reps. I know because I used to train Ag. Reps. They try to help the farmers grow better crops and find better markets. Couldn't we have a Department of Labour that actually goes out to try to help working people, that tells them what their rights are under Canadian law, that tells them what unions are available for them, and yes, even helps in the process of organizing? I am not suggesting that it help in bargaining. We can leave that up to the unions for they are capable there. This proposal could bring about a very significant shift in the distribution of income in this country. That would be something real.

In the meantime, Mr. Speaker, because the minister has given us an indication that he is moving, that he is willing to take this one small step, I will go along with him. Members of my party will go along with him. We will help him not to falter as he takes this step, but we will expect him to keep in stride.

● (1610)

[*Translation*]

Mr. Roméo LeBlanc (Westmorland-Kent): Mr. Speaker, there might be a good number of reasons to support Bill C-211. It could be of course to gain a political advantage but I think we should support it mainly because we established its beneficial effects for lower income families, that is to say the majority of my constituents and a good number of citizens in my province of New Brunswick.

You only have to visit the small fishing plants along the Northumberland Strait to understand why the housewives who work there are waiting for the increase proposed by the Minister of National Health and Welfare (Mr. Lalonde). They often get only the provincial minimum wages, or $1.50 an hour and often their husband does not do any better. However, the real needs are not lower in these regions. Those housewives describe what it costs to dress the teenagers who are going to school, particularly to regional schools. To those of us who lived through days when clothes had to be mended and when patches stood in testimony of mothers' skill and family poverty, no need to recall that things like television have on the youth a levelling effect and that there are no more really remote or isolated regions. Country and small town teenagers want to live like the people they see on television and want to follow the fashion and for that, they make a strong pressure on their family.

But if they wish to be like others, country and small town teenagers have few opportunities to get casual income. There are not many opportunities for newspaper boys, work in the corners store or babysitting. In other words, all the burden is on parents who desperately want to give their children the education they did not get themselves.

If I insist on the needs of teenagers it it because this group is often tempted to quit school prematurely to make a few dollars and it is at that age that one is most affected by the feeling of not keeping up with the rest. Instead of the standard $20 a month per child formula chosen by the province of New Brunswick, I would have preferred a formula that would put greater emphasis on teenagers and their parents.

Family Allowances

Mr. Speaker, the increase in family allowances contained in this bill was quite rightly biased in favor of low income families. They will thus receive substantial increases, roughly $114 net after taxes annually for every child in the province of New Brunswick, over $27 million a year for that province alone. Even if it is taxable, the greater majority of citizens in that province will keep nearly all the increase contained in this bill. I for one fully endorse the principle of giving more to those who need it most and I am glad to see that principle set out under the Income Tax Act. The Minister of National Health and Welfare stated in his speech yesterday that such a way of distributing family allowances represents a step in the direction of more equitable regional distribution of income. It seems to me that within an area that distribution will benefit those who live away from large centers, who do not want to move in those centers and who are prepared to make certain sacrifices to continue and live in their towns. If it is true that large amounts were spent on regional development it is also true that those monies were spent mainly in growth centers better equipped to draw the maximum out of them.

Some people see family allowances as a sort of supplement to a minimum vital income. Mr. Speaker, it must be hoped that in a great number of cases families will use those monies as a supplement that will also allow to improve the quality of life whether it is by improving the quality of food by going to the dentist, by paying for musical lessons and even by allowing the boys to attend hockey schools. All these things are considered as normal in more wealthy regions but they are often a luxury in disadvantaged areas.

[*English*]

One can hope, Mr. Speaker, that provincial authorities which provide only a strict minimum of services in schools and community life will not use this increase in family allowances to reduce or to slow down the progress in the improvement of services. The fall-out in taxation terms from this increase which, for example, in New Brunswick should result in an increase of 4.4 million dollars, would be well invested if it were reserved for improvement in dental care for children, in education for better nutrition, in kindergartens and in greater allowances for teenagers. Some provinces, including, I believe, Alberta, Quebec and Prince Edward Island, have already indicated clearly that they would favour increasing allowances for teenagers to beyond $20.

I also wish to say that I support the minister's statement that family allowances will continue to be sent by the federal government directly to families. If we are to have unity in this country it is important that citizens understand where their tax dollar is spent, and by whom. In fact, when I was in my riding last Friday I read with interest in the New Brunswick newspapers that "the provincial government has decided to distribute $20 a month—a child—under the federally financed family allowances program." The Saint John *Telegraph Journal* carried the headline, "New Brunswick plans to pay $20 a child allowance". One might say that the author of the headline had not read the story, or had not realized that three paragraphs below, the newspaper honestly reports that the federal government pays the whole amount of the

family allowance. However, my experience with newspapers leads me to believe that the headline is important, and not the third paragraph. Nevertheless, one might say that the implication is left that it is the provincial government, which did not tax, which is spending.

Speaking as one who represents an area where income is low, where opportunities for employment are still limited and where school and health services are still modest, I rejoice that Bill C-211 is before this House and I congratulate the minister for bringing it forward.

[*Translation*]

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, in intervening in this debate on second reading, I look around me and notice that benches are empty; I can conclude, with the help of experience, that the quality of the bill seems to be inversely proportional to the number of hon. members present to hear its merits praised or its shortcomings criticized.

I think that the government leader was perhaps right when he suggested at the last conference of Commonwealth parliamentarians that it would be a good thing for democracy to have television cameras installed in the House of Commons to inform the Canadian people of the behaviour of hon. members.

Mr. Speaker, we have an excellent bill before us, about which we already talked intelligently and wisely. My colleague from Hillsborough (Mr. Macquarrie), we know it, with a deep and very accurate understanding of the problems of Canadian society, could express in an exquisite language the attitude of the official opposition towards this bill.

I shall only have to recall some words of the hon. member for Hillsborough, and notably those which are recorded on page 6871 of *Hansard* where he really puts again in its context the bill we are to pass and where he indicates why, if in some respects this bill appears relevant, it is insufficient and it should be completed by other bills within the scope of a much more general scheme.

The hon. member for Hillsborough said, for instance, and I quote:

> Why are these ministers so silent, so supine, so superlatively recumbent in face of the cost of living volcano that is shaking Canada's economic structure to its very roots? Is nothing forthcoming to strengthen the economy of this country and to halt the advance of grievous inflation? Certainly the minister, despite his best intentions—and he is not always at his best—cannot cope with this problem. We cannot welfare ourselves into a sound economic society. We cannot capsulize palliatives enough to overcome the economic agony of the Dominion of Canada.

On the other hand, I noticed with surprise and with some dismay, the words of the knowledgeable, respectable and venerable hon. member for Winnipeg North Centre (Mr. Knowles). I noticed from what he said that the lust for power and the present coalition singularly transformed the unpretentious and humble man he was. He now shows, it seems to me, at least in his language, a certain conceitedness. It is with a smile that all members heard him taking credit for this measure. For the enlightenment of my colleagues, I will now quote the following sentence from the speech of the member for Winnipeg North Centre, that we find on page 6881 of *Hansard*:

[Mr. LeBlanc (Westmorland-Kent).]

● (1620)

> If some of my friends in various parts of the House think that I am being too generous in welcoming this legislation, it must be obvious that the reason we welcome it is that we know we are responsible for it.

Mr. Speaker, I hope that by taking all the credit for this legislation, the distinguished member of the New Democratic Party will also be willing, a little later, to share the responsibility for some weaknesses that may appear in government policy, and as we approach another event in 1974, I hope that the member for Winnipeg North Centre will share the anxiety of the government with which he wants to share the credit today.

Mr. Speaker, we would also be tempted to take a little of the credit for this good measure and to say that if we can do justice at last to Canadian families, it is due to the official opposition. Should we refer to the last election campaign, should it be told once more, we would realize that during the various debates and the various television broadcasts, we too had said that the government should be much more comprehensive and much more generous towards Canadian families, and relying on the respect for this family value, conscious of the burden already born by family heads on account of the raising cost of living, we had undertaken to increase substantially family allowances in co-operation with the provinces and to provide for their escalation on the cost of living if necessary.

Of course, when we spoke about it in October 1972, we were told, in particular by the hon. member for Langelier who was then minister of Regional Economic Expansion (Mr. Marchand), that these were silly and unconsidered promises, a thing completely unbelievable. Today, we are pleased to see that the Liberal cabinet makes due apology, realizes that our claims were justified, and as a result of the Official Opposition's claims, and with the co-operation of the provinces, they introduce Bill C-211, a very positive and relevant bill.

Are we not right, Mr. Speaker—and I wish to make a short digression at this point—to ask ourselves questions and wonder why during the last election campaing our Liberal friends have let the people believe that a reform of the family allowances Plan as suggested by us would be but silly promises? Mr. Speaker, it is because of such a change in attitude by political parties and men that the people are growing restless with public life, and it is because of such slights against truth, logic, earnestness and consistency that young people especially are disgusted with politics. It is because of such refusals from outgoing governments, as the refusal during election campaigns to discuss seriously bills that others may suggest, that one of the most striking features of democracy—electoral campaigns—is losing more and more its real significance. Moreover, hon. members will remember the presentation of the budget on February 19. They will remember that at the time the government did not yet believe in the increased needs of the families. In Quebec as elsewhere the people better understand today how we were justified, in the official opposition, for denying our confidence to this government on the occasion of the Speech from the Throne and also of the budget debate.

This required the pressure from the provincial governments which by definition are certainly closer to the

citizens and, on another standpoint, the sharp increase in the cost of living. This required the perseverance and aggressiveness of my party. It also required, from the Liberals who are whispering during my speech, the fear of losing power or, and this amounts to the same thing, the fear of breaking this almost anachronic "flirt" they are entertaining since October 30 last with the NDP. All this was required for the Liberals to change their mind and to introduce this bill. The long delays, the government's hesitations, the discussions—

Mr. Guay (Levis): The discussions—

Mr. Wagner: —the discussions, yes, as the hon. member for Lévis (Mr. Guay) just stated, the demagogic and never-ending discussions about amending the family allowances were so many factors which seemed to occupy much of the time of fathers and mothers. This has not been a waste of time since finally the House is studying a bill aimed at improving the present living conditions and which will better take into account the family needs.

Bill C-211, which does not originate with the Liberal party, will be a Canadian government's bill which will be passed by the Canadian Parliament—

An hon. Member: Thanks to the Liberals!

Mr. Wagner: —representing all Canadian parties. The credit will not solely be taken by the Liberal members, as now suggested by a member. This bill is incorporated in an integrated social policy eagerly sought by all and now seriously initiated.

The formulation of the bill now under consideration indicates for once—and it is the exception which proves the general rule—a flexibility of the central government regarding its provincial counterparts. Henceforth, may it be likewise in every field, whether the energy policy is concerned, whether it is some concerted action against that calamity called unemployment or again an effective fight—which is still awaited—against the most important current problem, that is inflation.

The federal-provincial agreement which has been concluded in that respect must not however lull us at the federal level concerning the deep yearnings of the provincial governments, especially the determination of several premiers to take part in the elaboration of socio-economic measures dealing directly with their priorities. We should not think for example, that Quebec, having accepted Bill C-211, has forgotten the spirit of its interventions in Victoria in June 1971.

● (1630)

To believe it would be to bury one's head in the sand and sooner or later be in danger of being bitterly disappointed. Besides, have we not heard lately the outgoing premier of Quebec decide to reopen the Victoria file, if he were given the opportunity, and I hope that the federal government will eagerly welcome his desire.

Mr. Speaker, on another level, being universal and taxable the allowances plainly seem to be intended to serve first the families that need it most. However, let us not believe that the bill amounts to a decisive stroke in the great challenge of the fight against poverty. We know, for example, that according to Statistics Canada, in 1969 already the average debts of the family in Canada was $4161; if necessary we shall read again the 1973 message of the bishops of Canada on our social inequities. We will remember it and will have to notice that the continued increase in the cost of living, unfortunately left without any serious solution from the present government, affects all social classes but more seriously those at the lower echelons in our society.

Basically, the increases provided by Bill C-211 do nothing more than correct the social injustice suffered by low and average income families as a result of inflation which, it seems, benefits the richest people in our consumer society. Besides, Canadians remain sceptical about the socio-economic initiatives of the present government. A Gallup poll published last June—my friends need not worry, I am not referring to the Gallup poll showing the rising popularity of the Progressive Conservative party and the lowering of the popularity of the Liberal party, but to the Gallup poll showing that most Canadians foresee that prices will rise quicker than family income. In fact, 85 per cent of the Canadians then interviewed foresaw that, in 1974, prices would rise much more quickly than family incomes. At that rate, Mr. Speaker, because of its inertia against inflation, this government seems willing to admit that they are absolutely right.

Therefore, Bill C-211, despite the value of its structure, despite also the new gross gains that it will bring to families, does not even deal with the problems of the struggle against poverty, the shocking increase in food, clothing and housing prices. Of course—I will admit it readily—the legislation could not solve everything at once, and at least it does constitute a concrete measure to remedy, partly at least, the inadequacy of the net income of needier families. So, Bill C-211 is a limited measure aiming at changing the situation imposed on the family. The area of family policy is much greater and more complex, especially at a time when an ever growing number of women are forced, for lack of money, to get back on the labour market. Let us note here that one third of all Quebec women at work have children under 10. Together with the provinces, if not through their initiative, since this is their responsibility under the constitution, we shall have to tackle the definition and development of a genuine family policy. Among other sources, Quebec family organizations and especially the Richelieu-Yamaska Family Council, whose headquarters are in Saint-Hyacinthe, have already introduced very appropriate recommendations for the establishment of a real family policy. Suffice it to mention here the need for more and fuller medical services in poor neighbourhoods and in outlying areas, the need for assistance services for married couples and families, the urgent need for a wider distribution of family planning information, easy access for all to family recreational activities, especially since the whole question of the urgency of a family housing policy is closely related to federal responsibility. On this last point, the failure of the present government to take action concerning the present interest rates is seriously affecting low or medium income families.

Mr. Speaker, those are some of the things that we should all keep in mind if we really want to solve the true

problems of the Canadian family. As Mr. Philippe Garigue once said—and I should like to conclude with these words—the fact remains that the real purpose of a family policy, and therefore of an integrated family allowance policy, is not only the promotion of the family but, through the family, the development of a better human society more in keeping with the goals of man.

An hon. Member: The just society.

● (1640)

Mr. Marcel Roy (Laval): Mr. Speaker, changing one's mind may be better than changing parties, but the question is this: The hon. member for Saint-Hyacinthe said that provincial governments were closer to the people; I wonder if he knows that federal policies benefit the people from the cradle until the last old age security pension cheque, that some are related to housing and others are designed to pay 50 per cent of the entire cost of welfare programs. Therefore, I should like to know if he was aware of the federal government's contributions, which is in closer contact with the people, even more than provincial governments.

Mr. Wagner: Mr. Speaker, I recognize that I was aware of this, but I should like to point out to the hon. member that municipal governments are normally closer to their people than provincial governments, which in turn are closer to the people than the federal government and that accordingly, the outgoing governments, both at the federal level and in the province of Quebec, are very far from the people under their jurisdiction.

[*English*]

Mr. Hugh Poulin (Ottawa Centre): Mr. Speaker, rising as I do having heard the hon. member for Saint-Hyacinthe (Mr. Wagner), and having read in *Hansard* the speech given yesterday by the hon. member for Winnipeg North Centre (Mr. Knowles), it seems to me that these two speeches embody the thinking of each of their respective parties. It seems that both parties are attempting to take credit for this bill; in fact, both are claiming paternity of the new baby bonus. I think I can say to the minister, through you, Mr. Speaker, that this indicates the most excellent quality of the bill and of its provisions for Canadians and Canadian families.

It is interesting to note that when the government prepared its Speech from the Throne it made provision for the increases that we now see in this bill. Let there be no doubt that this was a Liberal policy brought forth by this Liberal government, consistent with the original plan in the Speech from the Throne, and that it follows Liberal thought going back many years, from the inception of family allowances in 1944 to the increases that we see today.

The bill provides initially that there shall be paid out of a consolidated revenue fund for each month a family allowance of $20 or such greater amount as may be determined from time to time. Further, there is a provision in clause 13 to take into account changes in consumer price levels occurring after the commencement of this legislation. This is but another of the constructive, and I say positive, measures being taken by this government to ensure greater security for Canadians.

[Mr. Wagner.]

The central theme of this government's philosophy is both respect for the individual and for individual freedom. Recent government policy has largely been oriented towards providing the conditions, economic and social, for realizing this aspect, not in some theoretical framework, but in everyday life, for as many people as possible. This is not an easy task. The views of the young, the old, the rich, the poor, the labour unionist, the consumer, the retailer, or any of the multiplicity of groups which comprise Canadian society, all have the right to be heard. All have demands which frequently are conflicting. One of modern government's crucial roles is to determine to what extent the state can meet these various demands, given available resources and the existing values within society, without creating severe conflict.

I believe that Canadians expect to provide for their own needs through their own efforts and that they expect others to do the same. We believe that each of us should contribute, to the extent of our individual ability, to the support and well-being of our own families and to be of assistance to those who cannot help themselves.

We also believe that we have a responsibility to help our fellow Canadians. As the Minister of National Health and Welfare (Mr. Lalonde) stated in his speech yesterday, the provisions incorporated in this bill will supplement the income of Canadian families and improve their capacity to meet the cost of raising children. The bill will provide three and a half million Canadian families, most of whom are on low or middle income, with a net additional disposable income of $840 million. The family unit is still, and I trust will remain, the cornerstone of Canadian society. It is the family unit which bears the greatest burden brought on by the high cost of living and the increased pressures of inflation. In addition to the long range effects of aiding the integrity of the family unit, the provisions of this bill increasing family allowances will immediately provide much needed assistance to families on low or middle incomes to meet the increased cost of food, clothing and shelter.

This is but another example of the measures continually being taken by this government, as outlined in the Speech from the Throne, to provide for the needs of Canadians. Basic old age pensions have been increased by 15 per cent. With guaranteed income supplements, single persons will receive a maximum of $170 and couples will receive $325. War veterans allowances have been increased by 13 to 15 per cent. Disabled war veterans allowances were increased by 25 per cent. The government has ensured that Canadians continue to maintain adequate incomes by providing for increases in these programs to reflect changes in the cost of living.

Mr. Deputy Speaker: The hon. member is being distracted perhaps by conversations in the chamber. I ask that the hon. member be accorded the usual courtesy.

Mr. Poulin: Thank you, Mr. Speaker. In addition, personal income tax rates will be adjusted commencing in 1974 to reflect the cost of living changes. Since January of this year the government has taken necessary and decisive action to protect families with regard to the most basic and essential items of life, that is, food, clothing and shelter. Many of these actions have been taken even

though they involved tough decisions and brought about some criticism. This was expected and anticipated at the time the decisions were taken.

If we in this country are to have adequate shelter from the weather, we must be assured of an adequate supply of heating fuels at a reasonable price. For without fuel, in this climate we indeed have no adequate shelter. The actions taken by the Minister of Energy, Mines and Resources (Mr. Macdonald) to effect the continued supply of heating oils to Canadians at a fair price was the right decision for Canada and for Canadians, and was taken notwithstanding the fact that it could be anticipated that it would be subject to much criticism from some areas within our country. These steps were taken to ensure that all Canadians could heat their homes and could afford to pay for such heat. We all know that rising prices are a world wide problem and that every Canadian, to some degree or another, has felt the adverse effects of this trend.

• (1650)

Similar to the steps taken to ensure adequate heating fuels, this government has taken measures to reduce the cost of basic foods and to help maintain the stability of supply and prices. These steps include the payment of a subsidy of $1.25 per bushel of wheat consumed by Canadians and to guarantee a payment of five cents per quart on milk to the provinces where marketing boards will agree to maintain or reduce the cost of milk for at least one year. On September 4, when speaking of measures to deal with costs of living, the Prime Minister (Mr. Trudeau) stated: "In present world conditions the most urgent task of the government is to ensure that those who are least able to defend themselves against the effects of inflation are protected. This has been a fundamental objective of the government."

The increases proposed by this bill, Mr. Speaker, which will effectively triple family allowances will be welcomed I am sure by most Canadians. They will, in the words of the Prime Minister, assist those who cannot so easily assist themselves. The provisions of this bill will enable parents to better provide the necessities of life for themselves and their children. By providing more economic stability for the family unit, we will strengthen that unit, the cornerstone of our society and help to keep families together. Since the inception of family allowances in 1945, mothers across Canada and in this community have awaited the arrival of the family allowance cheque and have used it wisely to benefit their children and their families.

The additional funds being provided by this bill will enable these same mothers to provide even more for the welfare, education and health of their children. This parliament, by the adoption of this bill, has a great opportunity to provide much needed economic assistance through increases in family allowances, to solidify and strengthen the family unit in Canada and help provide for the needs of the young.

I trust all members will support the immediate benefits and long-range objectives of this exemplary piece of legislation.

Some hon. Members: Hear, hear!

Family Allowances

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, following the speech delivered by the Minister of National Health and Welfare (Mr. Lalonde), I am very happy to take part in this debate which is of vital importance for the well-being and the survival of Canadian families.

In referring to statistics published in March 1973, I say that the country had the following number of children: 3,863,678 under 10 years, 2,781,580 between 10 and 15 and 513,710 aged 16 and 17. The cost of family allowances in September 1973 was for the first group about $23,180,000; for the second group, $22,252,000, and for the third group, $5,147,000. The total cost reached $50,571,808.

With the increase, the allowance being $12 per child, the costs for October will be as follows: For the first group, $46 million, for the second, $33 million and for the third, $6 million, for a grand total of $85,907,616, which is an increase of $35,335,808.

This is undoubtedly a wonderful increase, Mr. Speaker, but I do not think it meets the needs now arising from the higher cost of living. Considering our bountiful production, I wish to point out quite frankly to the minister that he should have been and could be perhaps more generous towards our fine Canadian families.

If the government is really aware of the needs of Canadian families and of the will to supplement immigration by encouraging couples to carry on and by providing them with a purchasing power to that effect, we, the Social Credit, are advocating the payment of the following allowances: For the children of the first group mentioned earlier, $30 a month, for the second, $60 and for the third, $90. The estimated cost would be about $115,910,340 for the first group, $166,894,800 for the second and $46,233,900 for the third, a total of about $329 million.

It should be noted that the amounts of $30, $60 and $90 represent $1, $2 and $3 a day respectively. It must be considered that up to the age of 9 or 10 the child stays with his parents and goes to school close to home. But from that age on he often has to go relatively far from home and in doing that he must bring his noon meal with him. Then his meals, his leisure time and his sports cost more. Too often it is difficult for the mother to balance the budget with the present allowance even though they were increased to $12 as of October 1 last.

If a comparison is made with the amounts paid by the government to foster homes and orphanages for children of the same age the difference is enormous with what the mother gets for the same work she must do for her own children at home.

According to the statistics for the beginning of November there are presently in Canada 7,238,968 children between the ages of 0 and 17. Children represent nearly one third of the total population in Canada. Normally they depend on the father who, unfortunately, too often gets little more than a single man's salary with which he must feed his family.

If one bothers to do a little arithmetic one finds that it is not exaggerated to take roughly 3 per cent of our national production and give it to roughly 33 per cent of the population. Let us loosen up when it comes to giving to those whose mission will be to increase our vigorous

population and let us give this nation the possibility to bloom and give this country many, true Canadians. At this rate, a calamity is threatening to put our genuine Canadians definitely in a state of minority mainly because of the low birthrate. It is really discouraging to realize that, from 1950 to 1972, that is to say over a 22 year period, the birthrate for Quebec has fallen from 30.3 per cent to 15.2 per cent per 1,000 habitants. Presently, the birthrate, mainly in Quebec—

[*English*]

Mr. Deputy Speaker: Order, please. Perhaps the hon. member will not mind if I interrupt his speech at this point. It being five o'clock, pursuant to special order made earlier this day, it is my duty to interrupt proceedings now before the House. Debate on the motion for second reading of the bill will be resumed at the next sitting. I would also remind hon. members that there will be no late show tonight.

It being five o'clock, the House will now proceed to the consideration of private member's business as listed on today's order paper, namely, public bills, private bills and notices of motions.

Mr. Reid: Mr. Speaker, on a point of order.

Mr. Deputy Speaker: The hon. Parliamentary Secretary to the President of the Privy Council (Mr. Reid) on a point of order.

Mr. Reid: Mr. Speaker, I think there would be agreement to take Order No. 6 standing in the name of the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds).

Mr. Deputy Speaker: Is the suggestion by the hon. parliamentary secretary agreed to that we proceed to discussion of Bill C-39?

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

● (1700)

[*English*]

HARBOUR COMMISSIONS ACT

AMENDMENT TO PROVIDE FOR MUNICIPAL REPRESENTATION ON COMMISSIONS

Mr. John Reynolds (Burnaby-Richmond-Delta) moved that Bill C-39, to amend the Harbour Commissions Act, be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, the purpose of this bill is to provide for the election of capable and qualified people to positions on the Harbour Commissions by electors of the local municipalities involved. I wish to begin by saying this bill is in no way intended to be disparaging of the people who are already appointed as harbour commissioners in the area. In most cases they are doing a good job. They are doing the job the people want done in the area. I would also have nothing against this bill being amended in the committee to allow some appointments to the board if the government thought it necessary.

I believe the important point in respect of this bill is the input by the people of the community. I do not intend to take very long, Mr. Speaker. In fact I am just about finished. I know what the people of my area want. They want some elected officials on the Harbour Commission. Therefore, I intend to make a short speech. The last time I did so someone on the other side suggested that there must not have been very much I could have said. The people in my area decided to support this principle not only by electing me but by electing people on my left and around me who support this principle. I suggest to government members that instead of spending the 55 minutes remaining in talking out this bill they should send it to the committee to ensure that we arrive at a better method of selecting harbour commissions than we have now.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I should like to support what the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) has just said. I have an odd reservation about the bill but I think it is most important that this bill be referred to the committee. There has already been an attempt in this house by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) to accomplish a similar objective. In that instance this House saw fit to allow that bill to go to the committee. I think at that time members made a very wise decision because this enabled the issue to be raised again.

The issue is that under the present Harbour Commissions Act the people who live in the area of the harbours concerned are disgusted and disturbed about the way in which the organization of harbours is proceeding. The most active groups, such as the environmental groups, are not being consulted in respect of the way in which the harbours are being developed. A committee must have a look at the way in which harbours are being developed. The most important function of a harbour can be recreation for the citizens of the community. The reason I am pleased to support my hon. friend's bill is that this would give an opportunity to the people in the community to run for office.

I said that I had a reservation about the bill. The suggested new section 5(1) provides that all members of the commission be elected, although the hon. member did indicate in his remarks that he would be amenable to some amendment in this regard. I think we need a combination of elected and appointed members. The hon. member for Fraser Valley West (Mr. Rose) has a private member's bill which has received first reading. This bill provides for the appointment of members to the Harbour Commissions.

One of the interested groups is the environmental group. Another is fisheries and a third represents the people involved in sport. More than the commercial aspect of a river and harbour is involved. Therefore, I am very pleased to support this bill. I am hopeful that the government will have second thoughts about talking it out. As my friend has said I assure you, Mr. Speaker, that the people of this area do not want this bill talked out. They want it discussed during this session.

Another reason for supporting this bill is the chaotic way in which our harbour facilities have been developed on the Pacific coast. What we really have is a good old-fashioned free enterprise system. I shall not tell you how the free enterprise competitive system is failing in this

area. Each community is competing with each other for harbour facilities. There is a completely irrational development of facilities. There has been no general study of the needs. The community which happens to have the most effective appointed commission receives the largest amount of investment and development in many cases. This situation arises for unnecessary reasons.

I suggest what we need first is a rationalization in respect of port studies on the Pacific coast. This is something we have not had until now. My hon. friend's bill will raise this issue again. Second, we must have input from the environmental groups and from groups interested in recreation on the river. So, I am very pleased to rise in support of the bill. I would urge my friends across the aisle not to talk out this bill because to do so would be a disservice to the people of my community and all communities which have harbours in the province of British Columbia.

Mr. Joseph-Phillippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I should like to say, first of all, that the remarks of the hon. member who presented the bill could have far-reaching effects. When we discussed the bill introduced by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), as I said in this House on April 13, 1973, I felt that if we were to start enacting legislation in respect of each harbour commission across this country possibly we would not be granting a particular favour to anyone. I suggested that we should have national legislation dealing with all harbour commissions rather than do it on a piece-meal basis.

At that time I mentioned that we were open for suggestions from members of this House. So far there has been very little reaction other than this bill. Canada's major multipurpose harbours are under the general supervision of the Ministry of Transport. I should like to name some of these harbours. They include Belleville, Fraser River, Hamilton, Lakehead, Nanaimo, North Fraser, Oshawa, Port Alberni, Toronto and Windsor. In addition, there is a historic commission, 1912, which exists at Winnipeg-St. Boniface for river control.

I believe we ought not to forget all those smaller areas I have mentioned. Traditionally each commission had its own individual act of incorporation—Toronto, Hamilton and North Fraser for example—dating from the 1911-1913 period. But in 1964 Parliament passed the Harbour Commissions Act. A great number of difficulties related to the individual acts. The 1964 act provides uniform controls. This is really what I referred to at the beginning of my comments. It provides uniform control over such matters as revenues, expenditures, borrowing and financial matters in general. It also encourages active participation and local initiative in port promotion and development planning. To date, five commissions have been re-incorporated under this standard act, these being Fraser River, Lakehead, Nanaimo, Oshawa and Windsor.

As a general statement, the commissioners are responsible for the development, administration, promotion operation and maintenance of the harbour, and for maintaining a close liaison with the Ministry of Transport and with regional and local interests which they serve. The commissioners are local residents, prominent businessmen interested in local harbour affairs and the development of the port. Are we then saying that those who are presently serving on the harbour commissions are not qualified as the hon. member who presented the bill is suggesting? Their appointment is considered to be more in the nature of a director of a corporation and as such may be paid an honorarium from the harbour revenues in an amount approved by the governor in council.

•(1710)

Opposition to this bill falls into several categories and degrees of importance, the most serious of which is the effect on the control over the harbour and its functions by the federal government, in particular the Ministry of Transport. The 1964 act authorizes commissions to purchase lands, to construct and operate wharves and other harbour works. The commissioners administer federal harbour lands, wharves and other facilities which have been transferred to them by order in council, together with any municipal or provincial harbour lands transferred to their control. The commissions also have various monetary powers, expropriation rights and other related powers with degrees of control exercised by the governor in council.

The federal government has a vested interest in the harbours administered by the 1964 act, and this interest has been entrusted to the commissioners. Because the federal government has a statutory responsibility for navigation and shipping and the harbours and ports designed to service the marine transportation industry, it is felt that the powers and authority to appoint federal representatives cannot be abdicated.

A harbour commission is formed if certain basic requirements are met, these being, first, local initiative to promote the harbour; second, local willingness to contribute harbour front property; third, significant interests for long term development, and fourth, sufficient harbour revenues to support a separate administration.

If these conditions are met, a change from direct Ministry of Transport administration under the government Harbours and Piers Act and the Canada Shipping Act to administration by a harbour commission may be considered. Commissions are established, therefore, to carry out a function which otherwise would be carried out directly by the Ministry of Transport, and thus there is a delegation of authority by the ministry. Accordingly, federal appointees on a harbour commission are considered to be necessary components of the administrative function of a harbour commission, and under no circumstances should this federal element be deleted. This is the point that should be stressed most strongly in rejecting Bill C-39.

An argument against Bill C-39 can also be formulated on the basis of the federal interest in transportation. The marine administration of the Ministry of Transport is obligated to provide safe and efficient facilities and services in support of water-borne commerce and marine operations. In view of this goal, the federal government has provided a wide variety of ports and harbours, main line channels and canals, navigation aids, ice-breaking services, and the like. These facilities and services are, of course, utilized by ships of all nations. The five harbours which are administered under the 1964 Harbour Commissions Act are no exception.

This line of argument leads into a discussion of the twofold interest or responsibility of a harbour commission. As previously stated, commissions are formed on the basis of a great deal of local initiative and interest to promote the port to the benefit of the local community and its environs. The commissioners have the mandate to develop the local port potential to the maximum economic and social benefit of their community. That is the reasoning behind the appointment as commissioners of prominent local citizens who have a sincere interest in the total well-being of the port as a whole. It is felt that the appointment method best serves the community in that a careful selection of candidates can be made in view of the importance of the position of the harbour commission in the local community.

I just noted what was mentioned by the hon. member who presented this bill, and I might say that if he had his way I think the effect would be just the opposite from what he wishes. I think that the appointment of the commissioners should be the responsibility of the department under the 1964 act.

This local interest, although very important, is only one aspect of the function of a harbour commission. The second major interest of the commission is related to the fact that the harbours which are administered by the 1964 act are component parts of the national and international transportation system. The ports provide a vital land-water interface in the transport and transshipment of goods, people and services.

Mr. Reynolds: Mr. Speaker, I rise on a point of order. I wonder if the hon. member could tell us—and I am not quite sure I understood what he was saying—whether he feels that the people in the area could not elect better people as commissioners than his government or any government could appoint. Is that what he is saying?

Mr. Guay (St. Boniface): I did not understand the point made by the hon. member. Is he asking me a question regarding my view of the matter? If so, I would like him to repeat his question.

Mr. Reynolds: My point of order does not relate to the hon. member's view but his statement. He referred to my remarks. I am wondering—

The Acting Speaker (Mr. Laniel): Order, please. The hon. member should address himself to the Chair. The hon. member is asking the parliamentary secretary a question regarding certain remarks. The parliamentary secretary is entitled to reply if he wishes, or he may complete his speech.

Mr. Guay (St. Boniface): May I accept that suggestion immediately, and upon concluding my statement I will be glad to answer the hon. member's question.

Because the British North America Act of 1867 placed navigation and shipping under the exclusive jurisdiction of the federal authority, the federal interest is an inherent part of harbour administration in Canada. This historic direction is carried out by the appointed commissioners and it is felt that commissioners elected by the municipality may not evidence this philosophy in their administration of the port, and thus the election of commissioners may not be in the best interest of Canada as a whole.

The national interest in port development and administration goes beyond the constitutional jurisdiction of shipping and navigation. The federal government, through various assistance programs, is involved in the economic development of various agencies and industries which use the port facilities. In view of the dependence of many of these industries on the port facilities in Canada, it is felt that the appointed commissioners function as a guiding control in the development of the port as a service function for these industries. The development of the total port hinterland in terms of the national economy is viewed as being an important function of harbour commissions, and in light of this it is felt that commissioners appointed by the governor in council and the municipalities involved best serve this purpose.

Bill C-39 calls for the election of capable and qualified people as commissioners, and a third line of argument may be built around this proposal. It is on this matter that the hon. member was questioning me, I believe. It is felt that on the whole, the commissioners who have been appointed in the past, both by federal and municipal authorities, have been dedicated to their task and have conscientiously carried out their port development and promotion policies with the best interest of the total industry in mind. It is felt that the appointed commissioners have not allowed their personal biases to influence their decision making process. We feel and fear that under certain, albeit hypothetical, conditions the situation could arise whereby elected commissioners could be influenced greatly by local pressure groups, and their decisions regarding port administration might not be made with all due regard to the real function of the port.

● (1720)

It has been our experience that local groups, concerned for example about ecology and pollution, can raise a strong lobby in the media and create a very biased public opinion with regard to port operations and administration. This has been very graphically evident in Hamilton, for example, where land fill operations and land exchanges between the commission and the local steel companies have developed into major public issues because of the actions of extreme lobbyists.

If Bill C-39 were to be passed it is possible that a concerned but extreme group of citizens could put forward a slate of candidates who would only be concerned with one segment of the port, or one problem associated with the port, to the subjugation of the over-all local and national interest. It is entirely possible that the elected commissioners could be wholly composed of fishermen, or stevedores or environmentalists and, as a result, the work of the harbour commission might possibly reflect their very strong personal biases and not the over-all concept of port development. We feel that the views of the various concerned or action groups which exist today must be given their fair voice and hearing, but that these people are not the ones to administer harbour commissions. It is felt that the appointed commissioners appreciate their responsibility to the larger community served by the port and that the appointment method should be continued.

A practical problem can be exemplified by the situation of the Fraser River Harbour Commission. The physical boundaries of this commission encompass five federal electoral districts including Burnaby-Richmond-Delta, Surrey-White Rock, New Westminster, Fraser Valley East and Fraser Valley West; and nine municipalities including Richmond, Delta, Surrey, New Westminster, Coquitlam, Pitt Meadows, Maple Ridge, Langley and the city of Port Coquitlam. To campaign effectively through nine municipalities is no easy task and the question arises: could justice be done in the election campaign of potential harbour commissioners? At present the appointment of two commissioners by agreement of the nine municipalities is working quite satisfactorily in the local interest.

On the business side, the harbour commissioners conform by legislation and policy to the whole concept of paid operation on a businesslike, self-sufficient financial basis. It is most essential therefore that businessmen of proven successful experience be appointed to the positions thus ensuring, in so far as possible, conformity with the national transportation policy.

The proposed bill should also be considered in the light of the work currently being conducted by the National Ports Council. The council is composed of the members of the National Harbours Board, the chairmen of the ten local port authorities of the National Harbours Board ports, the chairmen of the ten harbour commissions, the senior officials of the Ministry of Transport responsible for harbours and ports, and representatives of each provincial government and of certain other federal government departments. The council was set up to advise the Minister of Transport on matters relating to the improvement of port and harbour economies and structures and related maritime matters.

The first meeting of the council was held in September, 1972, and a second meeting was held in March, 1973. At that time, one of the major items under discussion related to ways and means of creating an instrument which would permit Canada's ports and harbours to function harmoniously within one structure. It was felt that possibly this could be achieved by bringing together all of the larger ports under a new single national network, under a new act that would encompass the best features of the National Harbours Board Act and the Harbour Commissions Act without disturbing the operation or administration of the existing harbour commissions. It was recommended that a review of the organization of Canada's ports and harbours should be undertaken, and in response the minister announced such a review some time ago.

The third meeting of the National Ports Council was held on October 10 of this year. At that meeting position papers were submitted by the harbour commissions and by the National Harbours Board local port authorities setting forth their views on a format for a harbour administration structure for Canada at the local, regional and national levels. Provincial representatives have also been asked to submit their views, and it is our intention to seek a melding of the various views into the position which was announced last spring after the second meeting.

What I have been saying, Mr. Speaker, is intended as a basic statement in opposition to the bill. There is other material which could be made available and that might be useful to answer other questions which hon. members may have. The ports and harbours of Canada comprise 25 large multi-purpose ports, some 300 smaller ports, and several hundred wharves on the east coast, the Great Lakes, the west coast, in the Arctic, and on interior lakes and rivers.

The administration of Canadian ports is generally under the Ministry of Transport's marine transportation administration which I mentioned a while ago, and which was formed in 1970. Canada's harbours are subdivided into National Harbours Board ports, harbour commissions, public harbours, and government wharves. The governing legislation in this field comprises the following acts: the Canada Shipping Act, Part XII, the Government Harbours and Piers Act, the Harbour Commissions Act 1964, the individual harbour commissioners acts for the harbours of Toronto, Hamilton, Belleville, Winnipeg and St. Boniface, North Fraser and Port Alberni, the National Harbours Board Act 1936, the St. Lawrence Seaway Authority Act and the Navigable Waters Protection Act. To outline each of these would take some time, and it is not my intention to do so at present.

Mr. Speaker: Order. I regret I have to interrupt the hon. member, but his time has expired. He can continue only with the unanimous agreement of the House.

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Speaker: Is the House ready for the question?

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the harbour commission system of harbour administration has prevailed in Canada in various forms dating from the pre-Confederation period. Existing acts of incorporation go back to 1911, but several new commissions have been incorporated within the past ten years. Traditionally each commission had its own individual act of incorporation, but in 1964 parliament passed the standard Harbour Commissions Act under which commissions may be established by order in council. Five commissions have been re-incorporated under this standard act and it is anticipated that others will follow in due course, thus leading to greater uniformity in the governing legislation.

• (1730)

A harbour commission operates through a set of bylaws made by the commissioners under the authority of their act and approved by the governor in council. These bylaws replace the harbour and wharf regulations which formerly applied when harbours were administered directly by the department. The bylaws vary according to the particular needs of the harbour, but basically they are designed to control traffic, to establish a schedule of rates and charges and to provide generally for the management of the harbour.

A harbour commission constitutes a largely autonomous body subject only to general guidance through the ministry of transport. A commission is free to engage staff as required to carry out the purposes of its act, but the new act of 1964 gives the minister of transport the right to approve the salary of the chief executive officer. Generally, their acts authorize commissions to purchase lands and to construct and operate wharves and other harbour

works. They administer federal harbour lands, wharves, etc., transferred by order in council, together with any municipal harbour lands transferred to their control and management. They also have borrowing and other financial authority, expropriation rights and other related powers, with degrees of control exercised by the governor in council.

A harbour commission does not receive financial grants from the federal government. It is expected to operate out of revenues, though assistance may be given by the government in the form of cost-sharing arrangements for harbour works. The commission's share of costs is provided from its available funds or, if necessary, by means of federal loans or authorized chartered bank loans on which the commission pays full interest and amortization. As a harbour commission develops, it is expected to assume progressively more responsibility for capital works. None of the commissions in Canada are yet completely financially independent.

Under the act of 1964, after providing for operating costs, interest and depreciation, a commission may maintain funded reserves as approved by the Minister of Transport, with any remaining surplus payable to the Receiver General. The still existing acts of the 1910-1914 period provide for the payment of surplus funds to the municipality. In actual practice such surplus funds do not materialize. Harbour commissions are required to give an annual report of their operations to the minister, or governor in council, and various other controls are specified in their respective statutes. The 1964 act includes uniform provisions for such important matters as financial reporting and auditing by the minister.

In all cases, the appointment of harbour commissioners is made by the federal government and by the local municipality, and in all but two existing cases involving historical considerations, Toronto and Winnipeg, the majority of the members is appointed by the federal authority. Under the standard act of 1964, harbour commissions may be established by proclamation of the governor in council. The proclamation defines the harbour limits, states the corporate name and fixes the number of commissioners, not less than three and not more than five, with a majority being appointed by the federal authority and the remaining member or members appointed by the local municipal council.

Commissioners are appointed for terms not exceeding three years and may be reappointed for further terms. They may not be elected officials of other levels of government, for example the provincial legislature or municipal councils, and are not paid a salary. The commissioners are local residents and are usually prominent businessmen interested in local harbour affairs and development of the port. They elect their own chairman and hold regular meetings as may be necessary to deal with policy and planning matters and other major items, leaving the day to day harbour operations to the chief executive officer and other commission staff.

There are now five commissions operating under the standard act of 1964, namely Fraser River, Nanaimo, Lakehead, Oshawa and Windsor. The following ports were incorporated and come under harbour commissions: Toronto, Ontario, incorporated in 1911; Hamilton, Ontario, incorporated in 1912; Fraser River, British Columbia, formerly New Westminster, incorporated in 1913; North Fraser, B.C., incorporated in 1913; Port Alberni, B.C., incorporated in 1947; Belleville, Ontario, incorporated in 1952; Windsor, Ontario, incorporated in 1957; Lakehead, Ontario, including Port Arthur and Fort William, incorporated in 1958; Nanaimo, B.C., incorporated in 1960; Oshawa, Ontario, incorporated in 1960; and Winnipeg-St. Boniface, Manitoba, incorporated in 1912.

At the present time Canadian harbours are administered pursuant to a variety of legislation and policies, and to ensure a comprehensive system designed to more fully meet modern requirements it is expected that some change in the law will be required as well as changes in administrative procedures. In recent years the administration of Canadian ports and harbours has been under close study. In May, 1971, the then minister of transport announced a new Canadian port policy providing for greater local participation in management at National Harbours Board ports through new, local port authorities. This was in keeping with the cabinet committee decision of March 24, 1971. The new policy also provided for the establishment of a ports and harbours planning committee to review all major harbour development proposals and for the establishment of a national ports council with membership on a nationwide basis acting as an over-all advisory body.

The new ports and harbours planning committee was established as part of the Canadian marine transportation administration of the ministry of transport. The committee was set up by cabinet to review all major development proposals in National Harbours Board and harbour commission ports as well as at public harbours and government wharves. This important committee has been functioning since 1972 and several federal departments are represented, including the ministry of transport, the National Harbours Board and the Department of Public Works. Recognizing the increasing importance of environmental and urban planning considerations in the planning and development of Canada's ports, representatives of the Department of the Environment and the ministry of state for urban affairs are also participating actively in the work of the planning committee.

The council is composed of members of the National Harbours Board, the chairman of the ten local port authorities of the National Harbours Board ports, harbour commissions, the senior officials of the ministry of transport responsible for harbours and ports, and representatives of each provincial government and other federal government departments. The council was set up to advise the Minister of Transport on matters relating to the improvement of port and harbour economies and structures and related maritime matters.

The first meeting of the newly-established ports council was held in September, 1972, and the second session, a two-day meeting in Ottawa, was held in March, 1973. At that time one of the major items under discussion related to ways and means of creating an instrument which would permit Canada's ports and harbours to function harmoniously within one structure. Possibly this could be achieved by bringing together all the larger ports in a new, single national network under a new act that would encompass the best features of the National Harbours Board Act and

the Harbour Commissions Act, without disturbing the operation or administration of the existing harbour commissions. On the recommendation of the National Ports Council, a review of the organization of Canada's ports and harbours will be undertaken.

At its last meeting, the council also considered the question of competition between ports, particularly vis-à-vis Canadian and United States ports, and some time was also devoted to the problems arising out of the evaluation of tankers and bulk carrier vessels of increasing size which the majority of the traditional, multipurpose ports in the world are unable to handle. It was recognized that the challenges facing Canada to develop deep water port facilities at suitable sites are complex and will require farsighted planning to meet our country's future needs.

The third meeting of the National Ports Council was held on October 10. At that meeting, position papers were submitted by the harbour commissions and by the National Harbours Board local port authorities setting forth their views on a format for a harbours administration structure for Canada at the local, regional and national levels. Provincial representatives have been asked to submit their views also, and it is our intention to seek a melting of the various views into the position which was announced last spring after the second meeting.

● (1740)

Mr. S. Victor Railton (Welland): Mr. Speaker, I am very pleased to take part in this discussion on harbours. I live in Port Colborne, a harbour of considerable importance, with many varied and difficult problems to settle. This has given me some insight into harbour problems in general. As a member of the Standing Committee on Transport and Communications I have become even more interested in problems with regard to water transportation.

When this bill was introduced it was suggested that local people should be elected to harbour commissions. On superficial examination this seems to be an excellent idea. Who other than local people who are interested in the growth and smooth working of their port facilities would be better able to look after the interests of a port? However, as I said, this opinion is arrived at only after very superficial examination.

The hon. member for London East (Mr. Turner) presented a very good breakdown of the present method of administering ports and harbours. I think my remarks will be of help to the hon. member who introduced the bill. There are many large harbour commissions which have local interests at heart, such as those in coastal cities and cities such as Toronto and Hamilton on inland waters. They have done a great deal for their local areas. Harbours of that type have not really contravened any of the overall regulations, so there is no reason why they should not continue hand in hand with the federal administration.

The hon. member who introduced the bill expressed fears about pollution of the environment. Naturally, members from British Columbia are worried about oil pollution. Oil pollution is a great menace to water, beaches, fish, fowl and persons who live along the shores. There is also a human danger. The problem of oil pollution could not be settled by a local administrative body. It is international in scope. There must be worldwide conferences on how to handle the problem. Yesterday we had a discussion about territorial waters. This has a large bearing on the oil pollution problem. The Minister of the Environment (Mr. Davis) has spoken about this problem many times in the House. He hails from British Columbia and is familiar with this problem, as well as the problem of sea transportation from Alaska to seattle. I do not think local bodies would have any effect on the question of oil pollution.

There is no reason why we should not have local representation in this regard. As the hon. member for London East pointed out, these bodies have local appointees with no function except to look after the interest of their local area. They have a great deal of time and are not torn by political considerations. They are not political appointments. They are not even representatives of the municipalities or regions. For these reasons I think such appointments are good.

The member who introduced this bill expressed concern worried about small ports. As has already been mentioned, there are hundreds of these. Some are not much more than marinas which have been built by private interests. Private ports of that kind in Ontario involve a great deal of regulation. Just like someone buying land where there is a beautiful beach, in order to create a private, money-making marina type of operation, private ports sometimes become an environmental hazard to residents of the area. The same thing could happen with private marinas. For that reason, a local group would not be sufficient.

Larger harbours which involve fishing, protection from storms, coastal and pleasure craft, should be treated uniformly across Canada. For example, we have had a great deal of discussion in committee about the ports in Newfoundland and other areas in the east. Fishing ports require upkeep. This involves more than could be handled by a local municipality. They have to be under the supervision of the federal government. To pass enough money around to satisfy all local needs would be very difficult. No matter how much they scream, the available money has to be divided equally.

This is the case in Port Colborne, and even in Welland. We have a nine-mile bypass which has been a great boon to shipping. The curving of the narrow channel in the city of Welland was eliminated. If we in Port Colborne and Welland had everything we have asked for, we would be another Montreal or Toronto. Although it would be very desirable from a local standpoint, it is impossible to squeeze that much money out of the government. I say that even though I am a member of this government. I have spent a great time trying to persuade the Department of Transport and the St. Lawrence Seaway Authority to find the money to do what we think should be done to improve our environment and beautify the old canal.

The National Harbours Board is a very worth-while institution. It functions in the area of grain transportation both by rail to port terminals and by transhipment. This must be a federal matter mainly, again, because of the financial aspects involved. However, I invite hon. members to look at the broader aspects of water transportation in this country, forgetting for a moment about the small ports and I do not mean that unkindly.

● (1750)

There are many hundreds of these small ports, and they need help; it is a practical problem. We should realize that Canada has a terrific water transportation system, including the ocean ports in the east and in the west. Improvements are constantly being sought. Efforts are being made to enlarge the port of Churchill which is at present open only for two or three months of the year. The day may come when more ports will be constructed in this region of Hudson Bay and James Bay, perhaps even in the Arctic itself. Those responsible for the planning of our deepwater ports must think nowadays of providing for ships which draw 80 feet or more, compared with 30 feet which we used to consider exceptional. These large vessels are already discharging cargoes of oil and general merchandise in Vancouver and Halifax and shortly, it is thought, it will be possible to bring them right up to Montreal.

Developments are under consideration concerning harbours at Rivière du Loup and Gros Cacouna both by the province of Quebec and by private developers. Anyone familiar with the Welland canal and the canal system in general from Montreal to Thunder Bay and Chicago knows that the seaway is used by ships as large as some of the biggest which ply a purely ocean trade. To facilitate the passage of such ships, the seaway will have to be enlarged—another $500 million or more will have to be spent on it. Increasing importance is being attached to water transportation because it is cheaper. But the attention of the federal government is needed if these tasks are to be done well.

The mover and the seconder of this bill are probably looking for help for the smaller ports. I should like to see every assistance possible given to these small ports in their rehabilitation both for pleasure and for commercial uses. However, the institution of action of this kind would, I think, call for a change in the Canadian Constitution which has made certain provisions respecting the care of both ocean and inland ports. I believe that one of my hon. friends who is to follow me in this debate will make this point in more detail from a legal standpoint.

Some hon. Members: Question.

Mr. J.-J. Blais (Nipissing): Mr. Speaker, at the outset of my remarks I should like to commend the idea which generated the bill now before us. However, I feel that as a private member I have an obligation to address myself to one particular difficulty which, as I see it, this measure presents. As I read the bill, it became evident that it gives rise to a substantial constitutional problem and in my view it is defective on that basis.

Section 91 of the British North America Act provides:

> It shall be lawful for the Queen, by and with the advice and consent of the Senate and House of Commons, to make laws for the peace, order and good government of Canada in relation to all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces; and for greater certainty, but not so as to restrict the generality of the foregoing terms in this section, it is hereby declared that notwithstanding anything in this act the exclusive legislative authority of the Parliament of Canada extends to all matters coming within the classes of subjects next hereinafter enumerated—

A number of subsections are then enumerated. I shall quote three of them:

9. Beacons, buoys, lighthouses and Sable Island.

10. Navigation and shipping.

12. Sea coast and inland fisheries.

It is an understanding of the whole system of government which seems to me lacking among the sponsors of this bill, because evidently the constitution provides that authority over ports and coastal matters is given to the federal government. As everyone knows, the federal government comes to power as the result of an election. There are in the constitution certain provisions with regard to elections at the provincial level as well. At the municipal level there are provisions for elections under statutes created by the provinces. I am sure no one here would wish to restrict or to limit our rights and prerogatives as members of the House, but I suggest that the effect of the bill before would do just that. Its sponsors are saying. in effect. "If we do not have the power to deal with harbours, we must let the public decide on a municipal basis, under electoral provisions set out in provincial legislation, the way in which these harbour commissions are to be appointed."

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Blais: It appears to me that those who support the bill are ignoring the provisions of the constitution. I would even suggest that the bill should not even have been introduced because it is out of order.

The Acting Speaker (Mr. Laniel): Order. The hour for the consideration of private members' business having expired, I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

EXTERNAL AFFAIRS

ARAB-ISRAELI WAR

Mr. Speaker: Pursuant to the special order made earlier this day, Mr. Sharp, seconded by Mr. MacEachen, moves:

That this House do now adjourn.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, ten days ago Egyptian and Syrian troops launched heavily armoured attacks across the ceasefire lines of the Suez Canal and on the Golan Heights into territories occupied by Israel since 1967 and large-scale warfare replaced an uneasy truce in the Middle-East. I speak for the government and I think I speak for all members in this House when I deplore this development. Canadian sympathies go out to the people caught up in this dreadful tragedy. Canadian efforts must be directed to what can be done to stop the fighting and start the process of achieving by peaceful means a just and lasting settlement.

After these ten days of heavy fighting, with great losses in lives, the military outcome is still unclear and indeed

the situation on the ground does not seem to have varied greatly from what it was at the resumption of hostilities. Egyptian forces are established in strength on the east bank of the Suez Canal but their further advance into Sinai is hotly contested by Israeli forces.

On the Golan Heights, Israel has apparently recovered ground yielded initially to Syrian forces but has met strong resistance in its penetration of Syrian territory. What is clear is that the continuing fighting in the air and at sea, as well as on the ground, the steadily mounting casualties on both sides, the resupply of destroyed arms, and finally the growing involvement of civilian populations altogether give a distressing picture unrelieved by clear hopes of a cessation of hostilities.

At a time like this we look to the United Nations. The Secretary General stated in his appeal last week:

I am profoundly concerned with the role of the UN in such circumstances. The primary purpose of our organization is the maintenance of international peace and security. If we fail in that role, the central point of the organization's existence is jeopardized.

With the United Nations Security Council apparently unable to agree on the terms of an appeal for a ceasefire, there is increasing concern that the conflict in the Middle-East may have wider implications for the world at large, and may indeed endanger the whole process of détente which eastern and western governments had laboriously been working at over the past few years and with which Canada has been very much concerned.

I do not intend to dwell on why the fighting resumed at this particular time. The facts are that the truce has been violently broken, a truce which never evolved as was intended toward a settlement in the intervening years since 1967. Immediately at the end of that conflict a long and difficult negotiation, in which Canada actively participated, took place in the Security Council of the United Nations, with the result that resolution 242 was adopted unanimously. Every word of that resolution was negotiated and its delicate balance results from a protracted effort at setting out in the clearest possible terms, acceptable to the greatest possible number of states, the main points which have to be dealt with in order that there may be the beginning of a settlement to the Middle-Eastern conflict which has been with us for 25 years.

I had thought, Mr. Speaker, that I might read into the record the terms of resolution 242, but in order to save time I wonder whether it might be agreed that the text be included in *Hansard* at this point in my speech.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

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

RESOLUTION 242 (1967)
Adopted by the Security Council at its 1382nd meeting, on 22 November, 1967

The Security Council,

Expressing its continuing concern with the grave situation in the Middle-East,

Emphasizing the inadmissibility of the acquisition of territory by war and the need to work for a just and lasting peace in which every state in the area can live in security,

Emphasizing further that all member states in their acceptance of the Charter of the United Nations have undertaken a commitment to act in accordance with article 2 of the charter,

1. *Affirms* that the fulfilment of charter principles requires the establishment of a just and lasting peace in the Middle-East which should include the application of both the following principles:

(i) Withdrawal of Israeli armed forces from territories occupied in the recent conflict;

(ii) Termination of all claims or states of belligerency and respect for and acknowledgement of the sovereignty, territorial integrity and political independence of every state in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force;

2. *Affirms further* the necessity

(a) For guaranteeing freedom of navigation through international waterways in the area;

(b) For achieving a just settlement of the refugee problem;

(c) For guaranteeing the territorial inviolability and political independence of every state in the area, through measures including the establishment of demilitarized zones;

3. *Requests* the Secretary General to designate a special representative to proceed to the Middle-East to establish and maintain contacts with the states concerned in order to promote agreement and assist efforts to achieve a peaceful and accepted settlement in accordance with the provisions and principles in this resolution;

4. *Requests* the Secretary General to report to the Security Council on the progress of the efforts of the special representative as soon as possible.

Mr. Sharp: Canada has supported resolution 242 since its adoption in 1967. Our adherence has been total but strictly limited to the terms of the resolution itself, and we have always refused to add anything to it or subtract anything from it or even to interpret it or draw implications from it that were not immediately apparent from the very wording. Since it is the only text in the whole 25 years of recent Middle-Eastern history that has met with wide acceptance, we still believe that it constitutes the only suitable and available framework for peace.

● (2010)

This peace must come from a settlement negotiated by all the parties involved in the conflict. There is no other way to devise a just and lasting settlement. One implication that can be drawn from the recent resumption of hostilities is that even the greatest powers cannot impose a settlement but, on the contrary, may be drawn into the conflict on opposing sides and thereby endanger their own attempts at opening a dialogue and developing a better climate for the peaceful resolution of other world problems.

When I say that a negotiated settlement on the basis of resolution 242 is the only way finally to resolve the conflict, I am fully aware that since 1967 the two sides have never come together on the means of getting down to negotiations or the discussion of a settlement. While the numerous efforts of intermediaries such as Ambassador Jarring on behalf of the United Nations went on, the positions of the two sides never came quite close enough to open the avenue to negotiations and to the implementation of resolution 242. Therefore, the ceasefire which was to open these avenues finally broke down.

A ceasefire, while undoubtedly necessary at the earliest possible moment, as I said in my statements of October 6 and October 8, will not be enough. A ceasefire should provide the opportunity for the belligerents to discuss such questions as the drawing of border lines or the resettlement of civilian populations displaced by warfare, or indeed any of the other points mentioned in the resolution. Unfortunately, the past 25 years of conflict in the Middle-East prove that without the will to make peace on both sides, a ceasefire is only a temporary expedient between bouts of war and a period in which the two sides rearm and prepare for the next round of fighting.

Canadian policy, as I repeated in the House yesterday, begins from the premise that the State of Israel has a right to exist, just like any other state in the world, and the right to exist behind secure and recognized boundaries. Some of us, Mr. Speaker, have had the privilege of visiting Israel. We had the experience of flying from south to north in a few minutes, seeing the whole of Israel spread out below us. I think we understand the concern for recognized and secure boundaries.

The first states to recognize its boundaries must be its neighbours, those states that share these boundaries with it. It follows that the frontiers of Israel must be negotiated between these neighbour states and Israel in order that they will be accepted by all. A ceasefire which does not open the way for negotiation in that direction will not deal with the basic problems of the area. We understand the grave difficulties but we plead that a start be made on the road to a negotiated settlement.

I have noted with approval the statement of the nine member countries of the European Community, which says:

> This ceasefire, which would make it possible to spare the peoples affected by the war further tragic ordeals, should at the same time pave the way for true negotiation in an appropriate forum, permitting a settlement of the conflict in accordance with all the provisions of resolution 242.

As I have said on previous occasions, Canada remains prepared to play its part in a UN context if there is a useful role for us. We could envisage a contribution to peacekeeping if desired and required by the parties as well as the continuation of peace observation operations. These would, of course, be under the authority of the United Nations for we consider, as I said at New York on September 25, that only under such an authority do these operations stand the best chance of success. Canada has participated in the United Nations Truce Supervision Organization since 1954. While as a result of the current hostilities some of the UNTSO posts in the Suez Canal area have had to be evacuated, I should like to emphasize that UNTSO continues to exist even though it is unable to pursue fully at the present all of its commitments. It is important that it remain intact for future duty.

If the parties to the conflict are prepared to have a peacekeeping force constituted under the authority of the United Nations, we would be prepared to make our contribution. However, I would emphasize that parties to the conflict would first have to agree on the basis of a settlement and terms of reference for such a force for Canada to accept participation in peacekeeping. That is a lesson that our experience, particularly in Indo-China, has taught us. Unless there is a basic agreement by the parties involved, the peacekeeping functions cannot be discharged satisfactorily. We must admit that it is one of the distressing aspects of the situation that parties do not appear likely to agree at this time and it is very discouraging that the Security Council has so far been unable itself to agree on a call for a ceasefire or on any other action.

While the war is going on, others have growing responsibilities and can either prolong hostilities or exert great influence in the direction of peace. The major suppliers of arms to both sides obviously can exert a moderating or stimulating influence. The United States Secretary of State, Dr. Kissinger, in his press conference on Friday, October 12, issued a call for moderation on the part of the Soviet Union, especially in the matter of supplying arms. It is unfortunate that the Soviet Union should have continued supplying arms since this appeal was made, and of course we now have the situation in which the U.S. in its turn has also felt compelled to do so.

Earlier there were encouraging signs that both these powers were concerned that the conflict should not be widened or prolonged although signs now point in another direction. I hope that the great powers are still concerned to use their restraining influence to help bring about a ceasefire followed by negotiations. Otherwise one cannot envisage anything but a continuing conflict with increasing casualties on both sides and with the supplier states finding themselves arraigned in opposite camps as in the worst days of the cold war. It is a bleak prospect indeed that, with replenished supplies at their disposal, both sides should continue the artillery duels, the tank battles, the strafing and bombing by aircraft while casualties mount among the civilian population and the theatre of war tends increasingly to engulf cities away from the main field of battle.

There can be no victory in this atmosphere, but only losers on all sides. In the long term, since a just and lasting settlement is not possible without the agreement of both sides, it is obvious that the way to a settlement is not through a war of attrition which seems to be developing at this time. The longer this is allowed to continue, the more heavy will be the human losses and the material devastation.

Until now, the war has been fought largely in the territories of the Suez Canal and the Golan Heights and the fighting has not seriously affected the major population centres either in Syria, in Egypt or in Israel. But who can forsee what a prolongation of the war will bring? Already there are reports that the bombing of military targets has brought losses to the civilian populations. It would be an even more grievous conflict if ground warfare should bring the contending forces within gunfire of the large cities, as is likely to happen unless an end is put to the fight.

At the beginning of hostilities there were relatively few Canadians in the area and I am happy to report that until now there have been no casualties among the Canadian residents or tourists present. Canadian diplomatic missions in the war area are actively concerned about the safety of Canadian residents and visitors in their areas of responsibility. The embassies maintain records of Canadian residents and endeavour to keep track of visitors to assist in maintaining contact with them in time of trouble.

Contact is normally made by telephone, though telephone facilities sometimes become overloaded.

All international airports in the area, with the exception of Damascus and Cairo, remain open for scheduled flights. As a consequence, no build-up of stranded tourists wishing to return home has developed except in Cairo where on October 10, 1973, approximately 100 Canadian visitors were waiting for transportation from the area. This number is gradually being reduced, as tourists, with embassy assistance, obtain bookings on ships sailing from Alexandria and on buses to Benghazi. Arrangements are now being completed to enable any Canadian tourists who remain from this number, or residents who wish to do so, to leave on a ship which the Americans have chartered. Our embassies in Cairo and Tel Aviv have reported that they are not aware of any injuries to Canadians in their area and that all whom they have been able to contact are safe and well. All Canadians who wished to do so have already left Syria.

● (2020)

The present situation in the Security Council does not encourage us to envisage a Canadian initiative at the UN at this time. This does not mean that we remain inactive. The views of the Canadian government about the road to peace in the Middle-East as I have outlined them here and in previous statements have been conveyed to all the governments concerned. I personally made them known to the ambassadors of Arab countries represented in Ottawa and the Ambassador of Israel, as well as the Ambassador of the Soviet Union.

The Prime Minister (Mr. Trudeau) took the opportunity to speak to Chinese leaders and urge them to use their influence for peace. Our ambassadors abroad have been very active conferring with representatives of foreign governments, and special instructions have been issued to our ambassadors in the Middle-East to present these views to the governments of Israel, Egypt and Syria in particular. We will continue the vigorous activity. At the same time, we are maintaining our long-standing embargo on Canadian arms to parties in the Middle-East conflict.

I return to what I said at the beginning about Canadian sympathies for our fellow human beings who are caught up in this tragic situation. We want to see the citizens of Israel and of all the Arab countries live out their lives in peace and security without constant fear of another war. We want the refugees to have a settled home instead of living out their existence in frustration and plotting. We therefore urge with all the emphasis we can that there be a ceasefire as soon as possible, followed by immediate steps along the path toward a settlement negotiated by the parties to the conflict which is fair and just to all concerned.

[*Translation*]

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, during the first hours of the present parliament, we were deep into the Viet Nam problem; in the first hours of our return in this House, we are deeply involved in the Middle East conflict. We can no more remain indifferent to the conflict opposing Israel and the Arab states than to the tragedy in Viet Nam.

Arab-Israeli War

[*English*]

Mr. Speaker, the situation in the Middle East is one that concerns not only Canadians but all peoples who truly understand the potential that any regionalized international conflict has for spreading its effects across the world. The concern that Canadians share, regardless of where their private sympathies may lie with reference to the principals locked in conflict, makes it essential that this parliament provide the nation with a forum for a discussion and airing of the issues. That is why we called for this debate to take place.

I want to assure the minister that, as my leader indicated in his statement of this afternoon, our party is prepared to support any reasonable efforts on the part of the government to bring about a ceasefire, hopefully related to a continuing round of serious negotiations with reference to the material disputes in the Middle East.

Our purpose in requesting this debate is to ensure that the government has a full reading of the sentiment and concerns of this minority parliament as it prepares what initiatives it can take to deal with this tragic situation. I believe it is fair to say that most Canadians would prefer that our government reflected in a balanced sense our general concern about restoring a lasting peace to the Middle East. Yet I feel compelled to indicate that as a result of the UN observer-reported violations on the party of Egypt and Syria of the 1967 ceasefire lines, and the responsibility this violation must bear for the present crisis, it may be neither appropriate nor possible for Canada to maintain a perfect sense of balance in the present difficulties. Canada was a party to the UN vote that created the State of Israel and must therefore share the commitment expressed by the United Nations that Israel had a right to exist.

Some hon. Members: Hear, hear!

Mr. Wagner: That right must remain the cornerstone of our pursuit of peace and conciliation in the area. I do not believe that there can be any equivocation on this matter. Nevertheless, those who care about Israel's right to exist should understand that that right is strengthened by peace and weakened by war. That is why many friends of Israel have counselled a more conciliatory attitude on her part at times, and that is why many still believe that the ultimate securing of peace and an existence without war will depend on Israel's ability to sue for peace and continue that pursuit regardless of the odds. Perhaps, as friends of Israel, Canadians expect more of her and feel that she can and should take the first and perhaps the longest step if peace is to become a reality.

Yet it becomes clear that there are powers that do not want peace in the Middle-East and are determined to stand in its way at high cost to the region and to the world. If a true peace in the Middle-East results only from a lasting settlement, surely the basis for peace must be the desire not to make war. That is often a product of a carefully maintained military balance. Those interested in peace must of necessity be concerned about that balance and its maintenance.

The decision reached by Egypt and Syria must relate to some sensing on their part that somehow the balance was tipped in their favour. Be that the actual case or not, that

sense could have come only from and at the encouragement of the Soviet Union. That, Sir, is the tragedy within the tragedy of the Middle-East. That the Soviet Union would pursue a policy of upsetting the existing balance of power there, while suing for peace, détente and understanding elsewhere, is incomprehensible and, frankly, puzzling. My party has joined with others in this House in welcoming the growth of détente and east-west understanding. What reasonable man would not? Yet there is a loophole in the détente of the Soviets, a loophole that seems to be wide enough for Arab and Israeli blood to flow quite freely. There are those who would talk about an arms embargo now. Yet to discuss that embargo after the weighing down by the Soviets of the scales on one side has brought about this outbreak seems a little naïve and not all that relevant.

● (2030)

My party takes the view that where previous initiatives have failed—and I refer to the Jarring mission of the U.N. in particular—new efforts should be undertaken. It may be possible that some new aegis for negotiation moderated by middle powers slightly more disinterested than the great powers would have some greater success than previous efforts. In any event, we would hope that it could be offered and that Canada might make that offer with others.

The extent of the present difficulty is really not known. To what extent will the Soviets continue their build-up? Will they supplement their technical advisers and other assistance with more damning participation? How far will our neighbour to the south be forced to go in order to maintain the balance? These are haunting questions that are being answered bit by bit as more and more die on both sides in the Middle-East.

There is one question that we as parliamentarians and human beings must answer, and answer quickly. Do we believe that Arab and Israeli blood is cheaper than our own? Are we prepared to say that Arabs and Israelis can continue to fight their battles without interference? Is this to be the approach that we can condone? I suggest that no one in this chamber wants any part of that type of thinking. I suggest that both the Arabs and the Israelis cannot afford many more little wars at regular intervals. I suggest that we will indeed be lucky if the present conflict remains within the category of a little war.

The international community must exert its influence on the belligerents so that the seeds of war are replaced by the seeds of peace. For example, on the question of the refugees, where something less than compromise has characterized the attitude of both sides, friends of both sides should encourage the creation of an international commission of inquiry, with representatives of both east and west, for the purpose of mapping out options and alternatives that the Middle-Eastern community might be encouraged to consider. It is clear that as long as Israel rejects responsibility for these individuals, and the Arab states propose only a solution that would threaten Israel's right to exist as a sovereign state, the principals to the dispute will not be able to reach a reasonable solution.

On the general question of negotiation, while not in any way questioning the good will or potential of the United

[Mr. Wagner.]

Nations, I believe that the continuing conflict indicates that negotiations at the UN cannot take the place of negotiations between the principals themselves. If, as the Arabs claim, Israel occupies Arab territory, then the Arab states must seek to negotiate the return of that territory from Israel. If, as Israel claims, she desires but a lasting and secure peace, then she must negotiate that peace with the Arab states based on Arab concerns for the return of territory. While international agencies are not to be ruled out, their role might be more usefully that of bringing the two parties together to negotiate with one another.

Canadians of both Arab and Jewish origin are deeply concerned about the conflict, and for reasons that other Canadians understand full well. Our government can best respond to these groups' concerns by reflecting the bipartisan will of this House in seeking those initiatives that will truly open new avenues and channels of peace for both sides. This may involve some frank exchanges between our government and the Soviet Union. I feel sure the minister understands that he will have the support of my colleagues in any initiative he might take in this regard.

The Middle-East is not any more an issue at which Canadians can look in terms of one side being all right and another being all wrong. The sense of injustice and bitterness on both sides makes such an analysis most simplistic. Yet the present crisis, the present difficulty, cannot be laid at Israel's door. A massive Soviet-built force was set against Israel on her southern and northern flank. Notwithstanding the rationales both historically and otherwise that exist on both sides of the Middle-East dispute, the unilateral violation of the 1967 ceasefire lines cannot be construed as an act of peace or good will.

The tragedy of the Middle-East is told in the story of a horse trying to cross a small body of water in the Middle-East and finding a scorpion on its back poised to strike. The horse tried in vain to convince the scorpion that, should it strike, both would plummet to an untimely death on the river bed. As the scorpion struck and both sank to the depths, the horse turned in puzzlement to the scorpion and asked, "Why?" The scorpion laughed and answered, "Because this is the Middle-East." The scorpion rides not only the back of the Middle-East; it is riding the back of the entire world. If we cannot eradicate its venom, we must at least be united with others in searching for an antidote.

● (2040)

I happen to believe that it is an inestimable tragedy for Arab and Israeli to do battle rather than to live side by side. It is tragic that two great civilizations should be faced with no other alternative. And as soon as a war breaks out, the alternatives are always limited and the options are always restricted. The option of peace in the Middle-East will not be furthered by ceasefire violations. It can only be enhanced by a desire to turn a transient ceasefire into a permanent arrangement.

It is possible, Mr. Speaker, that the survival of peace in the Middle-East will be coupled with the issue of the survival of secure borders. There are still those who indicate that the only peace will be that following the destruction of Israel and the end of her survival. That, Mr.

Speaker, is something that no Canadian and no Canadian government could ever tolerate.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, we join with the Secretary of State for External Affairs (Mr. Sharp) and the hon. member for Saint-Hyacinthe (Mr. Wagner) in deeply regretting the breaking out of a new and bloody chapter in the tragic history of the Middle-East conflict and we express our most sincere sympathy for the people who are suffering on both sides of the line.

The renewal of war by the forces of Egypt and Syria on October 6, the Day of Atonement, marks the refusal to use the only means possible to bring about a just and durable peace. I refer to the process of negotiation on the basis of the formula set out in Security Council resolution 242, to which the Secretary of State for External Affairs has already referred. Mr. Speaker, I suggest that that is the only formula for peace that has found universal acceptance and that it is the only formula on which peace in the future in the Middle-East can be based.

The essence of that resolution was that it emphasized two aspects necessary to the peace. In the recital it spoke firstly of the inadmissibility of the acquisiton of territory by war, and secondly it spoke of the necessity to work for a just and lasting peace in which every state in the area can live in security. Section 1, the main operative section of the resolution, provided also for two things, the withdrawal of Israeli armed forces from territories occupied in the recent conflict, the termination of all claims or states of belligerency, and respect for and acknowledgement of the sovereignty, territorial integrity and political independence of every state in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force. Mr. Speaker, you will note that I stressed the words "within secure and recognized boundaries" because they are essential to an understanding of this matter.

It will be noted that both the preamble and the resolution are balanced. They do not speak of the withdrawal of armed forces alone, but they balance that against the right of every state in the area to its independence and territorial integrity and sovereignty with the right to live in peace within secure and recognized boundaries. The one is made conditional upon the other. The tendency has been for the Arab states and those who favour them to put all their emphasis on the first part, on the withdrawal of the Israeli armed forces, and they refuse to give adequate attention to the second part, namely, the right of all states in the area to live in peace within secure and recognized boundaries.

The problem, unfortunately, is and was that the resolution was ambiguous and incomplete. It did, as I have said, refer to secure and recognized boundaries, but it really constituted a series of guidelines and not an agreement. It lacked a definition of what the secure and recognized boundaries should be, and they remain in dispute. That dispute can only be properly resolved by bona fide negotiations. There is no other way to determine what those boundaries should be. But the Arab nations have refused negotiations, insisting on prior withdrawal by the Israeli forces. They have now taken steps to secure withdrawal by force.

That the present phase of the conflict was initiated by Egypt and Syria, later joined by other Arab states in various degrees, is abundantly clear. Let there be no pretence to the contrary. We recognize, as most people must, that the Arab states, particularly those bordering on Israel, may have legitimate cause for grievance. But what we cannot accept is that they should have resorted to force before efforts to negotiate had been tried and failed. This failure and unwillingness to negotiate, and the present resort to force, cannot, therefore, be condoned.

The modern State of Israel was the creation of immense determination and commendable industry and ingenuity on the part of the people of Israel. These efforts were contributed to by Israelis from many parts of the world who had ancient and traditional, and indeed continuing ties with Palestine, as indeed had the Arabs who resided in that area under the Ottoman empire. The creation of the modern State of Israel was also the creation of the world community acting through the United Nations. It followed the agony of the holocaust which gave an impelling motive to establish an independent state. The United Nations, by resolution 242 on November 22, 1967, clearly recognized the right of Israel to independence and security as well as the rights of neighbouring states in the Middle-East.

That resolution was adopted unanimously by the Security Council and accepted by all those concerned. As I have said, it failed to provide the adequate machinery for bringing about a just and durable peace, but it did at least clearly recognize the right to political independence and sovereignty of the State of Israel. For these reasons, Mr. Speaker, the survival of Israel is a moral and political necessity and a priority for those who believe in democracy and international order. Until it is accepted, and accepted both formally and sincerely by all the nations concerned, no lasting peace can be secured.

We do not want to pretend that mistakes have not been made by the Israelis and that statements made by some of the leaders in that country have not been harsh and intransigent, however much justification they may have had, but we do say that the independence and security of Israel is an international concern. It cannot be abandoned without shame to the world which accepted it, and indeed created it.

It may be that the present attack by Egypt and Syria and their associated states was indeed, as they proclaimed, for limited objectives. But I for one cannot blame the Israelis for being sceptical about these limited objectives. After all, history is replete with the words of Arab leaders speaking to their own people in particular of the liquidation of the State of Israel and of driving the Israelis into the sea. Indeed, even today when the Egyptian president, Colonel Sadat, spoke of ending the war he set out two conditions, one being the total, immediate and unconditional Israeli withdrawal from all the Arab territories lost in 1967, and then he added this phrase, "as well as the return of the rights of the Palestinian people." What does this vague phrase imply? Israelis, naturally enough, interpret it as just another formula for the liquidation of Israel as a sovereign Jewish state.

● (2050)

As recently as February, 1971, *Al Ahram*, the prestigious government-controlled newspaper of Egypt, printed the following words:

—there are only two specific Arab goals at present, elimination of the consequences of the 1967 aggression through Israel's withdrawal from all the lands so occupied and—

Mark this, Mr. Speaker.

—elimination of the consequences of the 1948 aggression through the eradication of Israel.

The latter part, just a couple of years ago, was set out as the second goal of the Egyptians. Therefore I say, Mr. Speaker, that I cannot blame Israel for being somewhat sceptical about the professing of limited objectives. In any event, it is very difficult to limit objectives when war has been unleashed, as history has shown.

I suggest it is clear that there can be no lasting peace in the area without the acceptance of negotiations and the conclusion of an agreed peace. These negotiations must concern, among other things, the plight of the Palestinian refugees. Resolution 242 of the United Nations Security Council to which I have referred affirms the necessity for achieving a just settlement of the refugee problem. No one will suggest that this is an easy objective. It will demand constructive action on the part of the Arab states and of Israel, and indeed a contribution by the world community. Canada, as part of the world community, will have her share to contribute.

I think it is clear, too, that the problem of the refugees cannot be solved without the creation of peace in the area. As long as there is no acceptance of peace and no genuine negotiation, the refugees will very likely become a pawn in the bitter game of hatred and mistrust. I do not mean, by speaking of the problem of the refugees and of the necessity of its solution, to blame the existence of the problem on the State of Israel. Propaganda has often asserted that the refugees were thrust out or thrown out of their homes and farms. After the United Nations, in 1947, called for partition and the creation of two states in Palestine, the Arab states refused to accept the decision and attacked the State of Israel almost as it was born. They encouraged the flight of Arabs from their homes and farms, and no doubt encouraged the expectation that they would return with the victorious Arab forces.

Many Arabs who refused to flee and remained in Israel have lived in peace and prosperity in that country. Indeed, the Arabs have done little to alleviate the fate of the refugees and have appeared to maintain the status quo as a festering sore and a propaganda device in the struggle against Israel. However that may be, the rights and welfare of the homeless Palestinians is a major and essential item for the negotiation which must follow.

The government of Israel has from time to time asserted its willingness to contribute to the settlement of the refugee problem and, indeed, it is clearly in the interests of Israel that this problem be solved. Indeed, it is clearly to the interests of Israel, a nation infinitely smaller in numbers and ultimate resources than the Arab countries that surround it, that there be a lasting peace. It is hard to believe, therefore, that in negotiations the government of Israel, be they designated as hawks or doves, would not be willing to make substantial concessions so long as its ultimate security is not jeopardized and its existence and survival guaranteed.

[Mr. Brewin.]

Far above and beyond the present conflict there looms the threat of escalation. The two super powers have armed and supported the different protagonists for some time. Indeed, since the outbreak of the present conflict the U.S.S.R. seems to be fanning the flames. In so doing they are destroying the proposals of détente which they have claimed to support. Both the super powers have replenished or promised to replenish the arsenals of their clients which have been depleted through combat losses. In this way lies world disaster. The weapons handed out are modern, destructive, sophisticated and murderous in their power.

When the Security Council discussed resolution 242 there was consideration of a provision originally contained in the United States draft. That was a provision to halt the arms race in the Middle-East. The reason for its elimination is not clear. One's initial impression might be that it was cut out because Soviet large-scale support of supplies and military equipment to the Arab countries was insisted upon by the U.S.S.R. However, it is a fact of history that the Soviet draft resolution, presented at the final stage of the Security Council debate on resolution 242, included a similar call to halt the arms race, couched in almost identical terms to those used in the United States text.

If both the super powers at that time saw the necessity of containing their dangerous race to arm their friends in this explosive area, surely the time has now come when this resolution should again be considered. The Security Council should revive the proposal for an arms ban and, what is more, act upon it promptly. If they fail to do so, the continuance of the conflict threatens the peace of the whole world.

Canadians, Mr. Speaker, and every man of good will throughout the world, will earnestly hope for an early end to hostilities, and this time not just a ceasefire but a long and lasting peace. Canadians will also, as good members of the world community, be ready to assist in the reconstruction of the societies damaged by the conflict.

I can think of no better way to end my remarks, in which I have not tried to match the depth of my feelings with the length of my speech, than to quote Rabbi W. Gunther Plaut of Holy Blossom Temple, as quoted in an article in the *Globe and Mail* of Tuesday, October 9, in the following words:

Perchance we dare to hope, when the fire ceases, the fourth war will at last lead to negotiation and then to peace so that refugees may find a home and Arab and Jew, cousins by descent, may join in building the world of tomorrow.

Perhaps the rabbi was, in his reference to cousins, thinking of the African concept of the extended family. May the peoples of the Middle East find a way to build the world of tomorrow in the spirit of the extended family.

● (2100)

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, for the second time since I have been elected to this House, the war in the Middle East is the subject of an emergency

debate. In fact, on June 8, 1967, we had a similar debate during the so called six-day war. At the beginning of the current conflict I heard people say that we did not have to worry and that this war would not last long.

We see that the conflict is to last since both parties involved are much better armed and the soldiers much better trained. During the debate of June 8, 1967, I said—and I would like to repeat it tonight—that in my humble opinion the reasons for this war which had been lasting for so long still existed and that the fire which broke out so suddenly these last few days had been smouldering for twenty years. The fact that the belligerents have laid down their arms does not mean that the fire is completely extinguished but rather that it is under control and that if the United Nations which are representing the world community do not take the necessary steps, this fire is liable to break out any day. Unfortunately this happened, the fire broke out again because the diplomacy mentioned tonight was not efficient. They have tried to convince the Jews on one side and the Arabs on the other that it was no good for them to fight and kill each other and I am almost convinced they agreed but had to answer: We can stop fighting but what are we going to do with the weapons you compel us to buy? This is the answer, this is the reason. If diplomacy is to be efficient we should rather convince those who are benefiting from this situation, the arms manufacturers and traders who are making money through the destruction of others. At the beginning of his remarks, if I did not misunderstand him, the Secretary of State for External Affairs (Mr. Sharp) stated that Canada should take measures to ensure peace in the Middle East. But what measures can we take? Should we take up arms and kill them so that they will stop fighting. It is ridiculous! There is another means, persuasion. But should we try to convince those who fan that fire? Not very long ago, that is at the end of last spring, more specifically on May 30, was held in Ottawa the second annual conference of the Canada-Israel committee and I have in hand a policy statement which I would like to quote. It reads as follows:

> Canada has always distinguished itself at the international level thanks to its diplomacy, especially in the Middle East with its firm support for the establishment of the Israel State as well as with its contribution to the creation of a mechanism required for the application of a truce ordered by the United Nations. On the other hand, our country has always co-operated in the organization of special forces of the UN during the period covering the years 1949 to 1967. In addition, Canada enjoys at the present time a unique position which enables it to maintain friendly and neighbourly relations for our economic development with the United States as well as with the Soviet Union.
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> Thanks to those relations as well as successful diplomatic efforts associated with the international assistance plan, the Canadian people are in a position to voice their opinion on all problems connected with the Middle East in the international forum as well as before the United Nations.

Well, Mr. Speaker, this policy statement of the Canada-Israel committee recognizes the value of the Canadian diplomacy and it is at that level, I think, that Canada can more effectively intervene. But it must make representations to great industrial nations that take advantage of those wars, not only in the Middle East but also in Viet Nam, Korea, the Congo as well as all other conflicts that have taken place since the World War II. And these four great international powers take advantage of these conflicts. On November 24, 1971, *Le Droit* of Ottawa, commenting on a report published by Stockholm's International Peace Research Institute, said that 90 per cent of the Third World's armaments were provided by four countries: The United States, the U.S.S.R., Great-Britain and France. And for 25 years, according to the report, all wars have been carried out in poor countries, and the weaponry used was provided in large part by industrialized nations of the northern hemisphere. It is obvious that these countries are not in a position to produce the armaments they use to kill one another. In return, they are practically obliged to give away especially oil and mostly, the objective of these wars is oil control. France provided Mirage aircraft to Libya. The U.S.S.R. provides 99 per cent of military equipment to Egypt, 100 per cent to Syria and 75 per cent to Irak. Great Britain sent 50 Phantom tanks and two war vessels to Libya, 40 per cent of the military hardware to Lebanon and 225 Centurion tanks to Israel. Both countries are provided with arms so they can fight together. If at least we gave armament to one side only. But we sell arms to both so they can kill each other. According to *Perspectives* dated June 13, 1970, the United States delivered about 12 helicopters and Phantom tanks to Syria as well as 10 F-104 jets to Jordan and 36 M-24 light tanks to Iraq. In *La Presse* of June 10, 1970, one can read the following:

> Military forces of Syria amount to 75,000 men, including 60,000 for land forces with 450 tanks and 500 armoured vehicles, all Russian made. Air forces have 55 Mig-21 and 75 Mig 15 and 17 as well as a number of transport training aircraft.

● (2110)

The Navy has about twenty ships, six of which are patrol vessels armed with missiles. The whole equipment, as we can see, is from the U.S.S.R. and has been delivered in the last few years. I recall, Mr. Speaker, the utterances from a former mayor of Montreal, Mr. Camilien Houde, who said that weapons are not made to decorate Christmas trees. It is quite obvious. Weapons are made to destroy and care has been taken to train the Israelis as well as the Arabs in order that they can use these modern weapons.

As I observe the way in which events develop, I have the impression that strangely enough, it looks like a chess competition where the champions use Jewish and Arab pawns, three million Jews on one side against 100 million Arabs on the other, and they are provided with the necessary weapons to balance forces. When weapons are in short supply, arrangements are made to have more delivered in sufficient quantity for the forces to always keep the balance.

According to the most recent statement by United States President Nixon concerning what he calls a massive shipment of Russian armament to the Arab states, he feels that he himself has to establish an airlift between the United States and Israel in order to balance forces and according to the very words of a spokesman for the American State Department, Robert McCloskey, the American decision was also dictated by the level of Israeli losses in equipment. Not men, equipment!

That is the concern of armament producing nations. Well, Mr. Speaker, the Secretary of State should on behalf of the Canadian government, intervene with these nations, use all his influence to convince industrialized

nations which supply arms to these countries, not only in the Middle East but in all countries of the Third World, to put an end to that hypocrisy, to that destructive trade and insist that instead of supplying destructive weapons, they would rather supply means of production. That will be much more useful.

We often hear economists or demographers expressing fear that after the year two thousand earth will have difficulty feeding its inhabitants. In reading reports from the technicians and engineers who have worked there, especially in the Mount Sinai region, we see that they were unable to find enough sand to build concrete wells and had to use eastern sand which was brought by Greek boats.

This proves therefore that there is no sand in that desert, only argillaceous silt. With a little water such soil could grow green and produce. Mr. Speaker, instead of teaching these countries how to destroy one another, let us teach them how to produce and feed their people. By increasing food production in these areas, we shall not run the risk of coming up against other food producers since we are being told that inflation happens to be the result of a lack in production. Therefore, let us produce more.

Mr. Speaker, what we hope for tonight is to cease providing these countries with tools of destruction and provide them with the possibilities to live. I am convinced that they will learn quickly how to live in peace. They are seeking peace and are entitled to it. Therefore, let us stop fanning the fire so that peace may exist in the Middle East as it must everywhere else.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, an ancient philosopher once said: I am human and nothing human fails to move me. Today, we must all endorse this statement, not for reasons of universal culture and humanism, but simply for the purpose of survival, both individual and collective.

Tonight, I should like to take part in this discussion not in my capacity of member of the government or even of member of parliament, because in the face of a conflict such as the one which recently occurred in the Middle East, we must admit that our power and authority is very limited. It is therefore more as a Canadian and as a man that I should like to take part in this discussion and share the feelings of other Canadians and members of parliament.

First of all, I should like to express the feeling of anxiety of all Canadians whatever their origin as concerns the resumption of hostilities in the Middle East. Within 25 years, we have seen four major conflicts in that area, as well as a permanent situation of latent conflict, whether it be terrorism within the boundaries of the countries involved or outside these countries. I think there is no continent which has been spared the effects of this terrorism during the past 25 years.

We are now faced with a new conflict which does not seem about to end. This conflict will perhaps claim more lives than any other of the previous ones, and if it goes on for a long time, we shall certainly witness the disruption, if not the total destruction, of weak economies in most cases, in which the procurement of arms absorbs a considerable share of the budget which could be used for so many other purposes in the development of those countries.

Our concern grows over the implication of large powers in the present conflict and their inability to agree with one another within the Security Council of the United Nations. We take alarm at the evolution of a situation where, once again, small and middle powers might be used as simple pawns in a game whose rules are dictated by other countries. We take alarm at the possibility of a larger conflict because of the participation of third powers.

That feeling of concern is coupled with a deep sadness at seeing the failure of so many efforts over 25 years. It was with great enthusiasm that 25 years ago, the world welcomed the creation of the Israel State by the United Nations, and Canada participated through its vote in the United Nations. The creation of that new state raised many issues and left a number of unsolved problems in that region of the world, the most well known and difficult being the case of Palestinian refugees, and that problem has never been solved in spite of concerted efforts by the United Nations as well as small and large powers during all that period. Finally, we again failed in spite of all efforts made by the world during that period.

So it is with a feeling of relative helplessness and failure that we are here tonight when another war is raging in the Middle East. There is some danger that this feeling of helplessness causes us not only to become discouraged in the face of this situation, but even worse, to become indifferent.

And yet, even if only for brotherly solidarity with all men who suffer in this dispute, the civilian population, the soldiers who die or are injured, the families who suffer, even if only for brotherly solidarity towards all these people, we cannot remain indifferent. And to refuse to be discouraged does not mean either to indulge in flights of oratory and bombastic statements. It means very simply to humbly accept a role suited to us as a country and to take a position in keeping with the ideals of our foreign policy and worthy of respect at home as well as abroad.

Such has been the position taken by Canada for many years now, and I was happy to hear tonight the Secretary of State for External Affairs (Mr. Sharp) state clearly and appropriately the position of our country in such a tragic situation. For more than two decades, Canada has supplied military personnel to the United Nations peacekeeping brigade in that area of the Middle East. Moreover, Canada comes third among all the countries of the world who contribute to the United Nations agency for the relief of Palestine refugees, and following the 1967 war, Canada took part in the drafting of Resolution 242 of the Security Council that was passed in November 1967.

Today we reaffirm unreservedly our support of the right of Israel to exist as a sovereign state within secure boundaries recognized by the international community and especially by the neighbours of Israel. This also means that the sovereignty, the territorial integrity and the political independence of every state in the area must be respected and acknowledged and also that their right to live in peace within secure and recognized boundaries, free from threats or acts of force, must be respected as stated in Resolution 242 of the Security Council.

In addition to our support for the right of existence of Israel, we underline the necessity of a just and fair solution to the problem of Palestinian refugees.

Third, we appeal to all countries concerned so that they settle their conflicts through negotiation. Experience should prove to everyone that war will only generate a new war. More particularly, we appeal once more to all countries concerned so that they can conform to resolution 242 of the Security Council.

Fourth, we use all the good offices we have in the other countries as well as in the United Nations to bring the belligerent parties to a negotiated solution.

Finally, we state we are ready to give our contribution to a United Nations brigade which would have a guarantee of efficiency.

Mr. Speaker, on November 19, 1969, in this House, the Secretary of State for External Affairs (Mr. Sharp), after a tour he had just made in the Middle East, made a statement which, in many respects, was prophetic. I should like to read parts of it. The Secretary of State for External Affairs declared and I quote:

> The situation in the Middle East today is tragic. There is so much to be done in that part of the world and the will and technology are there. The tragedy is that in so many of the countries the resources needed for development are tied up in an arid confrontation which threatens to burst into violent conflict.
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> I left the Middle East with a profound sense of disquiet. Effective negotiation is not an immediate prospect. Escalation of the conflict is an immediate danger. In these circumstances, perhaps the best role for Canada to play in the foreseeable future is that of an understanding, compassionate, and objective observer, ready to assist if and when there is a specific task for us to undertake at the instance of both sides.

Unfortunately, the tragedy foreseen or felt by the Secretary of State for External Affairs has happened now. The part Canada may have to play is likely to be very humble but however it is encouraging to notice the unanimity of the political parties represented in this House in giving their support to everything the Canadian government can do to bring a negotiated solution to this tragic situation.

[*English*]

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I join with many members who have spoken in extending to the Secretary of State for External Affairs (Mr. Sharp) my earnest good wishes and my commitment to assist him in any way he may find to work for good in this situation. I was somewhat appalled yesterday to hear him say that he would welcome a debate on this issue if it could be arranged at a time when it did not interfere with vital business going on in this House.

The Middle-East is aflame. Death and destruction are the order of the day, every day. Animosities deep and dangerous have been given warlike expression. Possible major involvement of the super powers is fearsomely threatening. In short, Sir, I cannot think of any matter, any issue, any human situation much more vital than the matter which, through the leadership of my colleague from Saint-Hyacinthe (Mr. Wagner), we are discussing tonight.

We would be less than human if we did not regard the Middle-East conflict with feelings of great dread and deep anxiety. The minister who preceded me, the Minister of National Health and Welfare (Mr. Lalonde), quoted a philosopher. To my mind come the words of the great poet, John Keats, who in his Hyperien referred to "one to whom the miseries of the world are misery". I think tonight of the many young people on both sides in the Middle East, many of the young military men whom I have met and by whom I was well treated in my visits to those parts of the world, and I wonder how many of them are casualties in the warfare that is gripping their lands.

We would be naïve, of course, to believe that the solution is easy or that Canada alone can pluck the flower safety from out the nettle danger. The ingredients comprising the present ominous situation are multitudinous and varied. History, religion, geography, natural resources, competition, great power intrusions—all of these, alas, are eternally present.

The Middle East, the cradle of mankind, has all through the ages, it seems, also been its battlefield. The bodies of those who fought for empires long since gone have mouldered to make the dust over which the modern, sophisticated machines of war move today. Indeed, sometimes I wonder whether the accuracy of the dreary final prophecy of Armageddon, which was in the Middle East, might not be tempted today as the world plays with fire in the most explosive part of our planet. The horrendous possibilities of today's tragedy cry out for the very best thought of the most thoughtful of men, and the wisest actions of the most activist of world citizens. We must cast aside easy prejudice or automatic passion. Canada, its government, its people, can and should be ready to nurture and nourish any glimmer of hope for a solution. We should be prepared to place real sacrifices upon the altar of peace. We begin this, I believe, by making an earnest effort toward objectivity founded on a concern for the aspirations, needs, values and anxieties of both contending groups.

● (2130)

The interpretations of yesterday's statement or, rather, replies to questions by the Secretary of State for External Affairs, were not helpful. In such a long chapter of conflict and assault, how can one say with much value who started a war? Indeed, a careful look at the situation would lead one to ask when the war had ever ceased. Certainly in the Hobbesian sense it had never ceased. We hear of violations, we hear of wholesale intrusions and raids. Was there ever a long period since 1948 when we did not hear of these? I wonder if there is a potent vitality to the allocating of blame as to who started the war this time and who started it last time.

A comparison of the terrorist activities of one group, and the shooting down from the skies of an innocent passenger plane by the other, are equally horrendous, equally reprehensible. None of us would want the war to go on a single minute. Such a potentially explosive situation in fact cannot long endure without grave risk to mankind's future in a world of thermonuclear realities.

One sentence in the minister's speech commends itself to all of us. He said that there are only losers on all sides. If the roar of artillery ceases—and it must—I would like to see Canada play a part in helping to bring a better era to this troubled part of the world. Canada's capacity for meaningful leadership or assistance will not be furthered

by some of the interpretations placed upon the minister's responses of yesterday. This perhaps shows the difficulty and the danger of dealing with complicated matters through the interstices of the question period.

The United Nations Security Council resolution 242 called for secure and recognized boundaries for every state in the region, not for Israel alone. Israel was born in travail, bloodshed and terrorism and as a result of now well known double-dealing by the great powers of a generation ago. If we go back only to 1948 to try to get some of the roots of the present trouble and the dangers, we are not going back nearly far enough. The activity in the first great war by the then great powers is a shameful chapter: promises made to Jews, promises made to Arabs for favours to be received—promises which were mutually and internally contradictory. And yet we recognize today that Israel is a creation of the international community.

A few years ago when addressing a conference on the Middle-East situation in the ancient city of Cairo I said, making it clear at the time I believed that in that at least I was expressing the views of my fellow citizens, that Israel had the right to exist and that this is the Canadian point of view. I said further—this I said later in Tel Aviv—that I did not conceive that Israel has the right to exist on borders of its own choosing. This is an entirely different matter. The acquisition by force of lands of Arab countries is a constant disruptive irritant in the whole Middle-East. If secure boundaries for Israel mean diminished territory for her neighbours, can the world be astonished if those neighbours refuse to tolerate the continuance of such diminution of their sovereign territory?

Would it be likely that that situation could form the bedrock of lasting peace or the foundation of working agreements? We know in our hearts what the answer must be, so the question of space, the question of borders and the question of territory must be solved before peace can descend upon this long troubled region.

More vital than land, because people are always more vital than land, more significant, more precious, morally more compelling is the question of the Palestinian refugees. A million and a half people uprooted from their homes, fleeing in panic, fear and tragedy now residing in squalor, with glum resignation, in refugee camps. Mr. Speaker, I visited many of these concentrations of human deprivation. Having seen them, I shall never be the same again. To have this monumental human tragedy continue for a quarter of a century is a dark blot on the escutcheon and conscience of mankind, not only of the peoples in the area, not only of the combatants but of all of us.

I do not think it is enough, whether the Minister of National Health and Welfare does or not, for us to make grants to UNRWA. We do that; I am glad and proud that we do it, but it is not enough. No solution to the Middle-East crisis is possible without meaningful application and concern by others to the fate of these dispossessed people, thousands upon thousands of whom have never known a home but only a shack, a camp.

No matter what may be done in the peace force—and the signs at the moment are not encouraging, although I am impressed by the British foreign secretary's suggestion of this afternoon—I would hope that whatever Canada did, we would try to galvanize other countries to determine

[Mr. Macquarrie.]

that this particular irritant, this particular outrage, this particular stimulant to hatred and war must be dealt with with energy, dispatch and compassion.

I am reading the second volume of the autobiography of a great Canadian, Mr. Pearson. I read of the role he performed in 1956. Although the conditions are different today, I would like to see Canada move forward for peace. I would like to see Canada use every ounce of its moral leadership, and it has a good deal, to call upon all of these people. I agree with the spokesman for the Social Credit party that there are people beyond the region who are fishing in troubled waters and the world is suffering from their meddling.

I would hope that Canada would use its moral leadership to have the United Nations act through the Security Council—and there are provisions for bringing the matter before the General Assembly—so that world opinion may be mobilized to put to all these combatants the urgent necessity that they stop the war and begin, at long last, the peace.

Mr. David Lewis (York South): Mr. Speaker, it is no doubt evident to hon. members that, because of my background, I am perhaps more emotionally involved in the tragic events in the Middle-East than some others in this House. But I hope that I can, none the less, try to view the situation objectively and fairly.

International debate has developed a language of its own, a language replete with insincerity, hypocrisy and double-talk. The result is deliberate confusion and obscurantist statements that do not say what they mean, nor mean what they say. This is the kind of thing we hear at the United Nations now from many quarters, but more particularly from the Soviet Union.

● (2140)

I often get the impression that I am witnessing a lynch mob ready to tear Israel apart. This is the central issue. What is at stake is the survival of Israel and perhaps the survival of the 2½ million to 3 million men, women and children of Jewish origin in that country. The Hitler holocaust is too clear in the memories of all decent human beings and is particularly too clear in the minds and hearts of Israelis for them not to defend themselves and their country with the passion and determination they have shown in four wars in one generation.

It is important, Sir, to recall that the State of Israel was established by the world community by a solemn resolution of the United Nations adopted unanimously. That resolution followed a report by a special commission on Palestine on which you may remember the distinguished Canadian, the late Mr. Justice Rand, served. It is also relevant to recall—and this is where the tragedy begins—that from the first day the Arab states refused to accept the decision of the United Nations and the first war, the war of 1948, ensued.

Modern Israel was born in conflict and in blood through no intention of the Israelis or the Jews who went there for safety and security. Ever since that day the issue has remained the same. Israel's Arab neighbours have never been willing to recognize or accept the existence of Israel as an independent sovereign state in the Middle-East.

There is no evidence, I am unhappy to say, that they are willing to do so even today. Here lies the essential tragedy of the situation.

The other tragedy, of course, is represented by the life of the Palestinian refugees, a condition that exercises the conscience of every civilized person. The war of 1948 produced refugees, whatever may have been the cause, and the 1967 war aggravated that situation. Throughout the period, I suggest to hon. members and I suggest to the people of the world, there have been only two possible solutions to this festering problem of the Palestinian refugees. The one solution was to settle the refugees in the areas available in Egypt and Jordan. This could have been done before now and can still be done.

To such a solution of that problem Israel would have had, and has, a moral duty to contribute immensely in funds and in technical help which its people are eminently qualified to provide. From personal conversations with the Prime Minister of Israel and members of her cabinet, I am convinced that the country was, and is, prepared to undertake its full share of this responsibility as part, and only as part, of a peace settlement in the area.

But this solution has been rejected not only by the Palestinians but by the Arab states and by all Palestinian organizations. Instead, they insist on regaining the lands which they left. I cannot fail to appreciate their desire, the cause of it and their frustrations at being away from what used to be their home. I do appreciate that. But what does their demand mean in simple, true, honest terms? Again, it means a determination to eliminate Israel. That is the only thing. The demand of the Palestinian organizations, no matter how sincere they may be, means the elimination of Israel and a plan to eliminate Israel as a Jewish society. I know they do not use that language. They have learned the language of international debate; they talk instead of ridding Palestine of Zionists. Surely this cannot and does not fool anybody.

Strictly speaking, there are Zionists outside Israel. Inside Israel there are only Israelis. Or, if anyone insists on using the term Zionist, then every one of the 2½ million to 3 million Jews within Israel is a Zionist, and when you talk about ridding Israel of Zionists you talk about ridding it of its entire Jewish population. This is the clear meaning of these terms used by some people who attempt to confuse and by others who innocently accept those terms. This, of course, is not acceptable to anybody who believes Israel has a right to exist.

So we come back full circle to the central issue, the right of Israel to exist as a Jewish state, as a Jewish society. It is in this context that the war must be seen and that the attitude of nations to that war must be judged. It is said by some that what the Arab states want now is to regain the territory captured by Israel in the 1967 war, that this justified their breach of the ceasefire agreement of June, 1967, and of the Security Council resolution 242 of November that year.

I hope that the Arab spokesmen are honest in their statements about limited objectives, but I cannot blame the Israelis for doubting them. I, myself doubt the reliability of these statements, first because limited war objectives are invariably abandoned by those who are victorious in them, and second because war was not necessary for these limited objectives. Peace negotiations could have achieved them without the agony and destruction of war. Security Council resolution 242 called for such negotiations. It did not call for unilateral withdrawal by Israel from the occupied territories. It called for withdrawal as part of peace negotiations and a peace treaty which gave Israel secure and recognized boundaries, as it gave to the states around Israel equal security and recognized boundaries. Thus, we have the tragedy of 1973 because such negotiations have not taken place. It will continue to be a tragedy there unless both Israel and the Arab states are ready to negotiate a lasting peace.

Some hon. members and some of my colleagues have asked, why is Israel not ready to negotiate without direct negotiation with the Arab states? I say, without using the double-talk of international debate, that you cannot have negotiations unless one of the parties is recognized, unless one of the party's right to exist is recognized. Therefore, a precondition for any negotiations whether direct or indirect, through Mr. Jarring or anyone else, through the United Nations or in any other way, is the acceptance by the Arab states of the existence of Israel and its right to exist in peace and security. Without that recognition, Sir, negotiations are not possible.

I believe that the present tragedy would not be with us, that we would by now have peace in the Middle-East if the big powers were not playing a despicable power game with the hopes and lives of the peoples in that area. At least the United States, Britain and France have made, and are making, efforts to bring peace, to effect peace, to "cool it" in the present situation. But the Soviet Union is doing precisely the opposite. It is not only recklessly rearming the Arab belligerents, forcing Israel to seek armaments from the United States, but it has been directly engaged in encouraging, indeed in bullying, additional Arab states to enter the war, so that Israel is now fighting not merely Egypt and Syria but the armies of six or eight states.

● (2150)

I would not suggest that Israel has been entirely without fault or that the Israeli government may not have made mistakes. The Israelis are human; they are as capable of error and misdeed as are all other human beings. But of one thing I am convinced: the Israelis desperately need peace, and because they desperately need it, they desperately want it. They are a small population of some three million with little expectation of a substantial increase in their population because the sources of migration of Jews to Israel are now almost completely exhausted. They face enemy neighbours and armed forces many times larger than their entire population. Therefore, Israel wants peace because it needs it desperately.

Like others, I have visited Israel. I have admired the progress which the Israelis have made, the way they have made deserts fertile and have built settlements and communities based on principles of co-operation and social justice. I do not enter into old arguments. The fact is that Israel was established by international action, that it has fought wars to defend its existence and has fully earned, I say to you, Mr. Speaker, universal support for its right to live in peace behind secure and recognized boundaries. On this basic issue there surely cannot be any such thing as a neutral attitude.

National pride and national conflict are always destructive of human values. It is doubly so in the Middle-East. When I saw the accomplishment of the Israelis inside their country, I could envisage the immense contribution they could make to the economic and social development of the entire area. What a tragedy for Arabs and Israelis alike that they do not concentrate their energies on advancing the standard of life of people now living in poverty and insecurity.

The war is tragic, the consequences are dangerous, but human history has known tragedies which have produced positive results. I can only hope that this may be the result of the present war. I am as desolate about the loss of Arab blood as I am about the loss of Jewish blood, but I say, Sir, Israel must not be abandoned by the civilized world, particularly in view of the ruthless attitude of the Soviet Union.

My final word is to say to the Secretary of State for External Affairs (Mr. Sharp) that his statement tonight was dignified and realistic. He can rely on the support of all members of the House in anything Canada can do to resolve the war. I speak not only as a Jew but as a Canadian who believes in international justice and, above all, in a sense of justice and decency in my fellow Canadians.

Mr. Ralph Stewart (Cochrane): Mr. Speaker, I believe that Canada can best serve the cause of peace in the Middle East by adopting a completely neutral, objective and unbiased attitude. This is the posture that should be adopted by our country in all of the international situations in which Canada is not directly involved. But I insist that it is singularly important for us to try to understand both sides in this unfortunate conflict in the Middle East, because it is my contention that up to now we have not been as objective as we should be and this kind of attitude will tend to reduce our credibility in world affairs rather than enhance the privileged position we have around the world.

It is difficult to be unbiased at the best of times, but it appears to be particularly difficult to be anything but pro-Israel in Canada because of the various pressures that have been brought to bear. First of all, most Canadians know little or nothing about the Arab point of view, and of course this is not surprising. For years the media in general have taken a pro-Israel stand, and only those Canadians who have been interested enough to find out the facts for themselves have been able to hear more than one side of the story.

Every question, every argument and every conflict in the world has at least two sides. It is up to us to realize this in Canada, and we should be doing everything we can not to be seduced by the one-sided reporting of the press. We cannot all have the privilege of visiting both sides in the Middle East, but it seems to me that at least our government should be objective enough to give the opportunity to members of parliament to be exposed to the whole story rather than to one point of view.

Since my entry into parliament I have made a particular effort not to take sides in any matter. I deplore taking sides in domestic matters for purely partisan reasons, and it is even more distasteful to me to be forced into a biased

position in international matters. For this reason I made it my business to study both sides of the Nigerian-Biafran conflict and I have made it a point to visit Israel and some Arab countries in order to be appraised of the complete picture.

Similarly, although I find discrimination distasteful, unlike many of my confreres I refuse to make an out-of-hand condemnation of apartheid without knowing all of the facts and the points of view that exist in South Africa. I make a point of mentioning these things because I feel very strongly that the only way Canada can maintain its position of prestige in the world is by being open-minded and ready to accept all points of view.

It was in this context that I wrote a letter to the Secretary of State for External Affairs (Mr. Sharp) last spring. My letter was a culmination of the frustration I had experienced as a member of parliament, particularly with respect to objectivity or lack of it in the Middle East situation. I quote as follows the contents of that letter:

My dear Minister:

On several occasions I have expressed my views regarding an apparent one-sided attitude with regards the Middle-East crisis. Even though Canada purports to be completely unbiased, there appears to be much less understanding for the Arab point of view than there is for the Israeli point of view.

The world was shocked and made a great outcry over the tragic events in Munich last year. Rightly so. I suggest to you however that some of the incidents that have taken place recently, not by a group of hot-headed terrorists, but by a government, were far more serious than the Munich tragedy. I refer to the shooting down of the civilian airliner and more recently to the Israeli raid in Beirut which was highly organized by the armed forces of Israel into the heart of Lebanon's capital where people were massacred in their beds. I have heard no outcry, nor has there been a debate in the House of Commons, nor has the committee been seized of this murderous act.

You are aware that I was a member of the external affairs committee for some time but have not been involved on that committee for the past two years. The reason is not because I have lost interest in the international affairs affecting Canada, on the contrary, I am probably more active in this regard than most of my colleagues. The reason is because that committee has done nothing or very little of importance since I have been an M.P. The Middle-East situation and what Canada's posture should be in that regard has never been a subject in that committee even though it is probably the most important international situation in the world today. Several other items of great importance have been ignored or haven't been considered worth bothering about.

With regards the Middle-East, if the population in Canada and the United States are not aware of both points of view it can be attributed to a superior skill at propaganda of one side over the other but surely members of parliament and your department cannot be placed in the same category as those subjected to the ordinary media. Surely the members of this House should be given the opportunity to understand both points of view and one of the best ways would be to have a complete and objective study in the committee. As far as I am concerned personally, you know that I have always insisted on exposing myself to both sides of every controversy. During the Nigerian civil war, I refused to return to Canada before having seen both sides. I have done everything in my power to keep an open mind regarding communist countries and went to Cuba for that reason. In the case of the Middle East, I made sure to visit Israel as well as the Arab countries and in this way I have practised what I believe should be Canada's attitude in maintaining a neutral, non-partisan point of view. I must say however that with the overwhelming evidence of Canadian indulgence regarding several crimes committed by Israel while at the same time condemning every act of even a remote terrorist makes it very tempting for me to take a partisan attitude in favour of the Arabs.

● (2200)

When I was in Cairo three years ago, I recommended that the Arabs give official recognition of the State of Israel and thereby show that they were willing to take a positive step toward solving the crisis. I actually believed that this would serve to convince Israel that negotiations could begin and a lasting peace could be agreed upon. Since that time the Arabs have stretched out their hand on many occasions in an effort to make peace with Israel and to have their lands restored but it has never been enough for Israel. It is becoming more and more obvious that Israel has no intention of withdrawing from any of the occupied country and since their aggressive attitude has not met with even a slap on the wrist from Canada or the United States there is no reason for them to change their aggressive attitude. Not only is this situation deplorable but it is made more so by the attitude of this country which seems to want to ignore the poor co-operation on the part of Israel. I suggest it is time our friendship for the Arab world be shown more positively by seeing that at least our elected representatives be given the opportunity to understand the Arab point of view.

That letter was dated April 12, 1973. The minister answered it and stated, among other things, that he did not think Canada was biased in its attitude. He pointed out that he did not find it helpful to comment publicly on every incident of violence related to the Israeli-Arab dispute. He pointed out that Canada remains committed to the Security Council resolution 242 as the best means of achieving peace in the Middle-East. He also stated that Canada supported the mission of Ambassador Jarring.

He suggested that if members of parliament are not sufficiently aware of the Arab point of view, a discussion of the situation should be initiated by means of a request to the chairman of the external affairs committee. Mr. Speaker, my experience with that committee, as quoted in my letter to the minister, would seem to obviate any formal request for discussion of a matter which seems to be the most important problem in the world today.

I found it amazing yesterday during the question period to witness the display in this House of some honourable members, in particular of the right hon. member for Prince Albert (Mr. Diefenbaker), asking the government to term as aggression the action of Syria and Egypt and to try to place the blame upon whom and at what point the first shot was fired. I did not notice the right honourable gentleman being so concerned—and I am sure he is always concerned about human rights—about the shooting down of the Lybian airliner by Israel some months ago. He was not ready to brand Israel as an aggressor when Syrian planes were shot down in international skies far away from Israeli borders a few weeks ago. Nor did he have any remarks to make when another civilian aircraft was forced down in Israel simply because they thought some undesirable people might be aboard.

What the right hon. gentleman does not seem to realize is that what is sauce for the goose is sauce for the gander. He deplores acts of terrorism, as we all do, when they are committed by Palestinians, but the same act committed with the sanction of the Israeli government into the heart of the Lebanese capital seems to be all right with him.

Then we have our friend the leader of the NDP. Yesterday he was very concerned in this House about Canada's position regarding the right of Israel to exist. He repeated this fear again tonight. I want to assure the hon. member for York South (Mr. Lewis) that I believe in Israel's right to exist and I do not have a biased attitude in this regard. But I have enough objectivity to want to know if that right to exist on the part of Israel should exclude the right of the Palestinians to their homeland, and indeed if it should mean that we must condone the acquisition by Israel of a piece of Syria, a piece of Jordan and a piece of Egypt, as well as the creation of a racist state throughout all of Palestine where no one but Jews can exist as first-class citizens.

I have said that Canada has taken a one-sided view because it does not know both sides of the story. It is not possible for any of us here to make any kind of judgment unless we understand the problem itself. We cannot go into all the history here, but a knowledge of 50 years of history presents realities that should be remembered by those in this House who are ready to condemn out of hand, without knowing the facts, the results of this long chain of events that have been taking place in the Middle East.

I am sure there is none of us here who does not sympathize with the long suffering of the Jews in Europe. But, I ask, should the Arabs be punished because of it? In this respect a leading Israeli journalist said, "Whatever their subsequent follies and outrages might be, the punishment of the Arabs for the sins of Europe must burden the conscience of Israelis for a long time to come".

What of the great powers? They have continually interfered in the Middle East situation. Before they started their meddling half a century ago, Arabs and Jews lived side by side without serious problems. Since the great powers have created this terrible situation, it is up to them to solve it. But the solution is not in the feeding of arms to both sides of the conflict.

Unfortunately, the United Nations has not been able to do very much. Resolution 242 was passed unanimously. It asked for the withdrawal of the Israelis from lands which were occupied by force during the 1967 war. The resolution has gone unheeded. When Mr. Rogers, the secretary of state of the United States, made an effort to negotiate a settlement, his efforts were turned down completely by Israel. Dr. Jarring made a valiant effort on behalf of the UN and his efforts were turned down by Israel, which in effect suspended his mission. Therefore, it would appear that only the big powers would be able to bring about a settlement. In any case, as long as the Israelis occupy Arab lands which were acquired by force, the Arabs feel they are in no position to negotiate because there is nothing left to bargain with.

Where does Canada stand in all of this? I reiterate that there is only one possible course for us to take and that is one of objectivity. However, we cannot possibly be objective if we continually listen to only one side of the story. For example, how can we receive unbiased reports from Canadian journalists who report the war through information received in Tel Aviv? This one-sided reporting has been typical of what has been available to Canadians for many years. In any case, there is no excuse for the Canadian government to adopt a one-sided attitude. It is up to us to support whatever effort could bring about a just peace.

A few hours ago we heard that the Egyptian president offered a measure of negotiation. I do not know what the details were because I was in this chamber and heard very little about what was said. Obviously, he is now in a position of greater strength and sees a possible way to end

hostilities—hostilities, Mr. Speaker, that in the end can be of benefit to no one. Perhaps Canada could encourage Israel to accept this kind of offer. Certainly, we all want to see an end to bloodshed, but we want everyone to be able to live in dignity and safety. Whatever we do, it is time for Canadians in high places to act as statesmen and not from political considerations which may affect them in their individual constituencies.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, in following the hon. member for Cochrane (Mr. Stewart) may I say that, as always, he spoke clearly and no doubt with a great deal of conviction. Yet throughout his speech he failed to direct his mind to any approach or action that we, as Canadians, should consider in order to end this tragic war. I think I can say on behalf of all hon. members that casting back in history and blaming all the actors on the stage of time will do nothing to stop the fighting. That should be the end to which we ought to direct our minds tonight. My hon. friend said that the only possible course for Canada is one of objectivity. I say no, that is not a course: it is a stance, or attitude, and a commendable one, and from that vantage point a decision must be made and a course of action determined.

All Canadians ought to deplore this war, and I believe the majority do. But in a finite world, living as we do in a community of nations, we cannot be indifferent to the outcome of this war. No matter how objective, detached or neutral we try to be, in one way or another, consciously or unconsciously, Canadians are in their own minds asking three specific questions. I suggest the first is, how did this war start? Second, what are the objectives of the belligerents. Third, how can it be stopped? The answers to these questions must determine the attitude Canada takes toward this conflict and to the parties engaged in it.

● (2210)

I say, and I say it very carefully, in matters as grave as this we cannot indulge in the luxury of having no opinion. As I said, we are a member of the community of nations as established, however imperfectly, in the United Nations. On this issue, with its potential for disaster and its ultimate questions of international morality, we cannot abdicate our responsibility to make our own decisions as to what the parties to the conflict ought to do both in the short-term and in the long-term. I cannot say too strongly that to have no opinion, to try to abstain from any position, is to abdicate completely that responsibility which is ours as a member of the United Nations and as a nation that prides itself on its sovereignty and high purpose in the world.

When we ask, how did this war start, I do not mean what are the causes. For that we must search history, and such a search hardly concludes with an answer that satisfies anybody, let alone the belligerents. However, as to what happened the facts are clear and uncontroverted. They are, on October 6 the armies of Egypt and Syria attacked Israeli forces in the Sinai and the Golan Heights. This ended an uneasy truce that had existed since 1967. Put simply, Egypt and Syria deliberately chose to ignore the provisions of United Nations resolution 242 and decided to forgo a negotiated settlement in favour of a resort to armed conflict as a means of settling the differences existing between Israel and themselves.

The second question is, what are the objectives of the belligerents? The Israelis are fighting because they have no choice. The enemies of Israel are fighting either to restore the boundaries prior to the 1967 six-day war or to extinguish the state of Israel. I say the Israelis are fighting because they have no choice. If the objective of the Arab states is to restore the old boundaries, those boundaries leave Israel in a hopeless position to defend itself, lacking other guarantees which are presently non-existent. If the objective is the extermination of Israel, the question answers itself.

Out of this, one thing is certain. Only one side in this conflict has the option to withdraw, to cease the immediate hostilities. That, of course, is the stronger side. There is an old saying that it takes two to make a fight. What is often forgotten is the equally true observation that in an unequal contest it only takes one side to end it. That option, as I have said, is only open to the stronger. It ought to be plain that of the belligerents in this case, the Arab states are now the stronger militarily both for the present and no doubt the future, at least with the continuation of present conditions and circumstances. I refer, of course, to the overwhelming numerical superiority of the Arab nations and their ability to acquire supplies of modern weapons.

As other hon. members have pointed out, there is a deadlock. While we would wish that at an early moment both sides could simultaneously agree to a ceasefire, such an event is unlikely. One side must make the first move. That must be the side with the least to lose by such a move. In my view, Israel cannot unilaterally withdraw from engagement, that is, make the first move without risking the elimination of the Israeli state.

But there is such an option open to the Arab countries. Such a move could be made with no risk to their continuation as viable nations and would be greeted around the world with admiration which would redound to their international credit. Such a move would clearly indicate that the Arab nations agree with this country that Israel has a right to exist, not just for the moment but indefinitely into the future.

Mr. Speaker, I believe we should do everything possible to persuade the Arab nations and the other nations of the world, including the Soviet Union, that if the immediate fighting is to stop without further bloodshed, someone must make the first move. And the first move in this case must arise from the magnanimity of those who are immediately and potentially the stronger.

The question of borders, the question of refugees and other questions such as the relations between Israel and its neighbours must be negotiated. If the negotiations are to be successful, both sides will have to compromise or alter present strongly held positions. But the weaker cannot disengage in the absence of some meaningful assurance from the stronger. It is, I believe, this message which Canada must carry to the belligerents so that a new start and, perhaps, a real start can be made to establish peace between nations on both sides of this conflict whose friendship with Canada is to our mutual advantage and is the profound desire of the Canadian people.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the present conflict between Israel and Egypt breaks the heart of the whole world. But this conflict is far from being recent, it is the consequence of actions which have been taking place for several years. I listened to the members of the Progressive Conservative, New Democratic and Liberal parties. Some of them say: We must make a decision. The Progressive Conservatives today opened the debate which is now going on, by saying that we should take a stand.

● (2220)

And having listened to them, I found out that none of them is taking a stand except the member for York South who said that Israel has a right to exist. I also believe that Israel has a right to exist. This is a fact.

But, Mr. Speaker, how can we put an end to the conflict over there? Even if we discussed the matter here for two days, what could we do to solve the problem, except to suggest to the Great Powers to convince Israel and the Arab nations to sit around a table where they could discuss their problems and reach an agreement.

This is what is called diplomacy. Diplomacy has been going on in the Middle East for quite a while. The failure of diplomacy in the Middle East did not start in 1940. In 1916, almost 60 years ago, following the dismemberment of the Ottoman empire after the First World War, Great Britain and France agreed to place Palestine under British mandate.

Everybody agrees on this. One year later, in 1917, Great Britain published the Balfour Declaration advocating the creation of a Jewish national home state in Palestine. In 1919, two years later, an American Commission concluded that the Balfour Declaration could not be enforced without the use of military force against the non-Jewish populations. In 1922, the League of Nations placed the Palestine territory under British mandate. This territory is divided between Palestine and Transjordan. While the Allies of Great Britain supported the Balfour Declaration, the Arab states responded time and again with explosions of violence.

This took place in 1922, that is, 51 years ago. In 1937, the Arab-Jewish conflict convinced Great Britain that the mandate was inapplicable. Palestine had to be divided according to the British. When Great Britain went back on her decision concerning the Balfour Declaration, zionists reacted with violence.

In 1947, British diplomats recognize their failure and leave it to the United Nations Organization to solve the crisis. Great Britain gives up its mandate in 1948. Israel proclaims its independence with the support of the United States and U.S.S.R. Both powers support the independence of Israel.

The war breaks out in the Middle East and ends in the victory of Israel and the armistice of 1948. In 1956, France and Great Britain join Israelis in attacking Egypt. This was not too long ago. The U.S.S.R. and the United States intervene to stop the war, an U.N. force is established for the maintenance of peace. Then, peace was maintained.

Arab-Israeli War

In 1967, the Six Day War broke out; Egypt expelled the UN Force, the American and Russian organisation, and closed down the straits of Tiran. During a blitz war, the Israelis get, thanks to their offensive the Sinaï Peninsula, the Golan heights as well as the lands on the left side of the Jordan river.

In 1970 the UN representative, Mr. Gunnar Jarring, organized through his mediation the talks between Israel, Egypt and Jordan. Israel took exception and withdraw from the talks. The latest developments date back to 1971. Egypt signed a treaty of friendship for 15 years with Soviet Russia, after, of course, the U.S.S.R. had endorsed the creation of the state of Israel. In 1972, Egypt sent the Soviet advisors back home. In 1973, the precarious peace was shaken up by commando raids and guerrilla attacks. And now, it is war.

Mr. Speaker, if we consider that background we see that there are two sides there that have practically no say in that matter: the Israelis and the Arabs. At a certain point France and England decide for those two countries. At another point it is the United States, the U.S.S.R. and Israel, and the Arabs have nothing to say. And things go back and forth. And here we saw how members rise and say that a decision must be reached. Yesterday, the right hon. member for Prince Albert (Mr. Diefenbaker) said that the government must take a stand. Earlier I heard the hon. member for Saint-Hyacinthe (Mr. Wagner) make a cautious speech, saying that no government can take a stand. Furthermore, he said it in English so he would not be understood but I did anyway.

Mr. Speaker, it is the same thing with the Liberals. The hon. member for York South (Mr. Lewis) is honest about it. One thing is sure, those who are going to solve the problem out there are not Canadians, Russians or Americans, but Jews and Arabs. It is a matter of offering our mediation to allow them to meet and talk like men. Let the fighting stop. I believe there is enough room in the world for understanding. There never was any formal agreement in that area. If we take position in favour of the Arabs the Jews will hold it against us. If we take position for the Jews, the Arabs will be offended. And when we meet them, they say it is up to them to solve their problems. I do recognize that it us up to them to solve their problems. The financial schemers behind the conflicts who are seeking oil ought to be hunted out. There are some in the United States and some in the Soviet Union. Also there are the arms dealers. Right now, while there is a war going on, France—Long live free France!—as well as England, are selling weapons to the Arabs and to the Jews. That is a paying proposition, for they sell twice as many weapons. So, they make profits. Not one word is heard from either France or England.

Mr. Prud'homme: So that they may have them destroyed and order some more.

Mr. Caouette (Témiscamingue): Sure enough, more are being destroyed. At least if they were interested in manufacturing tractors to help those people produce wheat in their country. But a tractor would last ten years and this is not good for business. Whereas howitzers may be destroyed immediately. Another one is sold the next day.

The "payoff" is higher. This is the game played behind the scene by America and Russia, as well as by France and England. You hear nothing from them. The Americans say: Israel must be protected: The Russians say: the Arabs must be protected.

I fail to understand why the NDP will from time to time argue for the U.S.S.R. or Czechoslovakia. Those countries are going to finance the Arabs against them, and then they speak in favour of socialism. The Canadian government, the Secretary of State for External Affairs (Mr. Sharp) was right when he said earlier that Canada can suggest a meeting of the states involved. Everyone is anxious to see the end of this conflict but let them not feed it any longer. If weapons were no longer supplied or sold there, these people would have to stop fighting. I think that Canada can make a contribution by suggesting to the great powers to put an end to the sale of arms, by suggesting to France and England that they do the same so that this war may finally end and so that the Jews may be recognized in their country and the Arabs in their own. If such a right has been given to the Israelis, they are entitled to live in the world, to have their country just as the Arabs are entitled to theirs. But let us put a stop to this fighting done for the sake of countries having only financial interests in such conflicts.

[*English*]

Mr. Deputy Speaker: Order, please. It being 10.30 o'clock p.m. this House stands adjourned until tomorrow at 2 o'clock p.m., pursuant to the special order made this day.

At 10.30 p.m. the House adjourned, without question put, pursuant to special order made this day.

HOUSE OF COMMONS

Wednesday, October 17, 1973

The House met at 2 p.m.

[*English*]

PRIVILEGE

MR. MacINNIS—DISCREPANCY BETWEEN DOCUMENT PRESENTED TO COURT BY CAPE BRETON DEVELOPMENT CORPORATION AND EVIDENCE TO PARLIAMENTARY COMMITTEE

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a question of privilege arising from an answer given me yesterday by the Minister of Justice when I asked him a question with respect to the discrepancy between a court document presented by the Cape Breton Development Corporation and evidence to the contrary as expressed in a letter, and before a parliamentary committee, by Mr. Tom Kent, the responsible officer for that Crown corporation.

I have evidence to substantiate my statement and refute what was said by the Minister of Justice, who told the House he had had this discrepancy investigated. Perhaps I should first quote what the Minister of Justice said yesterday as reported at page 6906 of *Hansard* in the second column:

> I have had a report on the matter which leads me to believe there is no such element present.

I have here a letter dated April 14, 1969, referred to as exhibit E, presented to the court by the Cape Breton Development Corporation and signed by E. C. Cuddy, director of claims and benefits of the Unemployment Insurance Commission, in which a statement is made about preretirement leave as applied to Cape Breton miners. I do not intend to quote the whole letter, but this is part of it:

> As mentioned in your sub-plan, payments are not earnings.

It is emphatically stated in this document, used in court, that they are not earnings.

I quote, now, from a letter directed to me by Mr. Tom Kent on April 3, 1973, after the court case had been terminated. The opening paragraph reads:

> I think you must be misunderstanding PRL. The payment has always been considered earnings at all times.

Mr. Speaker, there is no question or doubt that the views expressed in court by Devco and those expressed after the court action by the president of that Crown corporation are diametrically opposed.

If this evidence is not enough to convince the minister that the whole system has gone wrong and that the miners of Cape Breton are not getting their due in accordance with the legislation passed in the House in 1967, I can provide the hon. gentleman with details of a discrepancy between the views of the late Mr. Justice Gillis and the Minister of Justice himself. Two points of view expressed in a letter from the minister to myself are diametrically opposed to what was contained in the judgment handed down by the late Mr. Justice Gillis.

I am prepared to table the letter from Mr. Kent. I am also prepared to table a copy of the document used by Devco in order that these discrepancies may be fully examined by the minister. If the hon. gentleman wishes, I will also table his own letter and the judgment handed down by the late Mr. Justice Gillis so that he may be aware of the discrepancies in them.

During the hearings in the committee the discrepancies which arose were too numerous for me to mention at this time. I refer this matter to the Minister of Justice. What he is supposed to provide in this country is justice for all, not justice for the high-paid employees of this corporation who have taken care of themselves and who have yet to initiate any action to implement the legislation as provided in section 18(a)(1) and 18(a)(2) of the Cape Breton Development Corporation Act. I can provide document upon document, including one of the minister's own, pointing out the discrepancies in this whole affair.

Mr. Speaker: With respect, I suggest to the hon. member and to the Minister of Justice, who have been involved in an exchange of questions and answers for some time in relation to the very important matter which has been raised, that there should not be a debate at this time. The hon. member has raised this matter by way of a question of privilege, but it would be very difficult for the Chair to agree that there is here a breach of parliamentary privilege which ought to be looked into and investigated by a committee of the House.

The hon. member may have a grievance. He says there are discrepancies between statements made or letters which have been written. That is quite possible. But, with respect, I suggest this is not the type of situation which can be cleared up by means of a debate under the guise of a question of privilege. The whole matter to which the hon. member has been alluding has, in the past, been considered by the Standing Committee on Justice and Legal Affairs. If the hon. member has a grievance, as may well be the case, maybe it could be revived in that way. As I said, I respectfully suggest it should be done in some other way than by a debate on a question of privilege.

The hon. member referred to the possibility of tabling documents. The Standing Orders do not provide for this procedure. If the hon. member has documents he would like the minister to see, he can always send them to the minister. Regretfully, I have to inform him that, as he knows, hon. members cannot table documents in the way he is now proposing to do. I would suggest that the documents be forwarded to the minister and that, with the agreement of the Minister of Justice and all members of the House we might for the time being allow the matter to rest on the statement which the hon. member for Cape Breton-East Richmond has made.

Privilege, Mr. Lewis

● (1410)

MR. LEWIS—BUGGING OF NEW DEMOCRATIC PARTY CAUCUS MEETING

Mr. Speaker: Is the hon. member for York South (Mr. Lewis) rising on a question of privilege?

Mr. David Lewis (York South): Yes, Mr. Speaker, I am. I rise on a very serious question of privilege. I appreciate that I have not given Your Honour notice as required by the rules, but I did not learn about the matter I want to raise until literally 12 minutes ago when the bells were already ringing.

I do not want to make a mountain out of this but it does concern a very important matter of privilege affecting the House of Commons, parliament and all members of parliament. I learned at about two o'clock—I grin a little about it because of events that have happened elsewhere—that we had a bug at our caucus meeting this morning. During the meeting of the caucus the hon. member for Oshawa-Whitby (Mr. Broadbent), who is our caucus chairman, pulled a little mike out from under the table, put it on top of the table, and said to me and to others: "This looks like a bugging device". Having no knowledge of such things, I could not tell him whether it was or not and we went on with the meeting. However, the person responsible for placing that bug there, a journalist working for the CTV network—

Some hon. Members: Oh, oh!

Mr. Lewis: —was honest enough to come up to me at about two o'clock and inform me that they had done this in connection with a program that they have in mind, to be aired in the month of November, in which they will be attempting to show, so he informed me, how easy bugging a meeting is, and how important legislation to deal with the matter may be.

Whatever purpose, admirable or not, the people responsible for this in the CTV network may have had in mind, I suggest to you, Sir, that it is a violation of everything I can think of in connection with the privileges of parliament.

Some hon. Members: Hear, hear!

Mr. Lewis: Whether or not it is illegal under the present Criminal Code, or any other statute of which I may not know, is irrelevant. Certainly it is totally illegal as far as the rules of parliament are concerned. I hope that those responsible will not find it more offensive than I intend it to be when I say that it is morally and socially wrong in every respect for them to have done this.

Some hon. Members: Hear, hear!

Mr. Lewis: No member of parliament, no politician, certainly not a leader of a political party, wants to alienate anybody in the fourth estate or fifth estate, or maybe all four or five estates that they now represent, as I sometimes think. But I believe that the search for news and for spectacular things in the news, particularly as far as television is concerned, should no longer justify and never should have justified the kind of action which is considered by everybody with any sense of propriety to be indecent and anti-social.

[Mr. Speaker.]

I have no motion to move, Mr. Speaker, though I am going to suggest something in a moment. I am not worried about what happened at the caucus or about the publicity it receives. I am certain that the people concerned, when they were honest enough to tell me about it, will be honourable enough to deal with the matter in a way which we will approve rather than in a manner which would be wrong. However, that is not the point. The point is that everyone in this country, every member of the press gallery and every other person concerned ought to know that this parliament will not stand for that kind of behaviour.

Some hon. Members: Hear, hear!

Mr. Lewis: Even though I have the assurance from the person concerned that the tape will be brought to us, as a mark of official action by the House, if Your Honour considers there is a point of privilege. I would move that the person concerned be ordered by this parliament to deliver that tape either to Your Honour or to me, whichever you think more appropriate.

Some hon. Members: Hear, hear!

Mr. Erik Nielsen (Yukon): Mr. Speaker, I rise on the question of privilege raised by the Leader of the New Democratic Party. As the Chair is aware, I and other members on this side of the House have spoken to this matter on more than one occasion in the past. Indeed, Your Honour has caused two investigations that I know of to be conducted into allegations that bugging activities were taking place within the confines of the House of Commons and other buildings.

The example that has been exposed by the Leader of the New Democratic Party brings to the fore once again a situation which I, and I am sure all other hon. members, believe to be deplorable in the extreme. I am not satisfied that the activity is not more extensive and is as isolated as the instance which has been mentioned by the Leader of the New Democratic Party, particularly since the evidence which the standing committee examining the bill dealing with this matter has received indicates there have been well over 1,000 instances where telephone taps or electronic interventions on telephone apparatus have been placed by the police forces of this country.

I would go further than the hon. member for York South and suggest once again, particularly in light of the circumstances disclosed here today by him, that Your Honour cause a further investigation to be made into the whole matter of eavesdropping and electronic devices being placed on members' telephones and in offices as well as in their caucus committee rooms. I do not think it is enough that the House simply order the tape to be produced by the offender. This offence is serious enough to require the offender to come before the bar of the House and give an explanation of the whole affair.

Some hon. Members: Hear, hear!

Mr. Nielsen: The House has the power to so order. I am not going to suggest anything other than that the Chair consider that course of action at this time. This is certainly not something that can be sloughed off by the mere production of a tape. It is an extremely serious affair and

one that should be considered very seriously by the Chair. My suggestion is that Your Honour consider the advisability of having the offender appear before the bar of the House to explain the origin of the idea, the manner in which he accomplished his objective and, indeed, all of the details of the rather sordid action.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I suggest to hon. members that at this stage it might not be in order to have a debate on the very important point raised by the hon. member for York South. In any event, it is obvious to the Chair that there is a prima facie case of breach of privilege involving the type of situation which is normally investigated and looked into by the Standing Committee on Privileges and Elections of the House of Commons. The hon. member for York South proposes a type of action which might better come as a recommendation from the Committee on Privileges and Elections. At the same time, if there is a desire on the part of the House that the motion proposed by the hon. member be put to the House at this time it would have to be done by unanimous consent because it is a substantive motion.

● (1420)

With respect, I would suggest to the hon. member for York South that for an hour or two the matter might be allowed to rest unless he wishes to put the usual motion that the matter be referred forthwith to the Committee on Privileges and Elections. There could be an immediate meeting of the committee and an immediate recommendation perhaps that the action suggested by the hon. member for York South and the hon. member for Yukon be taken. It would be more regular if we proceeded on this basis rather than on the basis of the motion suggested by the hon. member for York South.

Mr. Lewis: On this point, Mr. Speaker, I appreciate the remarks you have made. I wish to make it very clear to the House and to the CTV employee that I have complete confidence in that employee's decency, honesty and integrity.

Some hon. Members: Oh, oh!

Mr. Nielsen: And he bugged you!

Mr. Lewis: I am as ready to condemn people as are others. Some people may be in a position to do things but I am not prepared personally to be judge, executioner and perform the punishment and everything else at the same time. What concerns me is whether or not that person keeps his undertaking to me. Obviously the tape is in someone's possession and could be duplicated between now and the time it comes into my possession. It is for that reason, Sir, I think my motion should be acted on by the House immediately and without debate, I hope.

May I also say that the best way to point out the concern of the House is to take action immediately without the usual delay of committee meetings. The committee can discuss the broader issue but this matter should be dealt with now. I would therefore move, subject to you, Sir:

That the person or persons who taped the proceedings of the NDP caucus this morning be required to surrender any such tapes forthwith either to me as Leader of the New Democratic Party or as the hon. member for York South or to Mr. Speaker.

I would urge you, Sir, to ascertain whether members will agree that the motion be put immediately without debate so that there is action taken without delay.

Mr. Speaker: A moment ago I indicated the thoughts of the Chair that the regular motion would be a motion to refer the matter to the Standing Committee on Privileges and Elections. At the same time, if there is unanimous consent of the House to put the motion at this time I will put it. Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: The agreement is that the motion be put at this time. Mr. Lewis, seconded by Mr. Knowles moves—

Mr. Bell: Mr. Speaker, it comes to our minds that the motion should be worded on the basis of any or all tapes, because we are now checking our caucus room to make certain there are no taping devices there.

Mr. Lewis: I am quite agreeable to that amendment, Mr. Speaker. I hope the Conservatives are paid the same honour. I do not know whether there would be any value in doing it to the Liberals.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I suggest, with respect, that the motion should be worded that the tape or tapes be returned to the leader of the NDP. The privilege that has been abused in this case is the privilege of that group which was conducting its considerations of policy, as is its duty. May I point out, with respect, that I do not believe that those tapes should go to anybody else but the people who were in that room at that time. That is their privilege and their business. I think it is extremely important that we keep in mind that those tapes belong to the people who were recorded, not to anybody else in the House.

Mr. Speaker: I am not sure how we are proceeding. We have had a suggestion by the hon. member for Saint John-Lancaster that the motion be amended to read, "any or all tapes". The hon. member for Vancouver South has proposed that the motion be amended in some other way. My understanding was that we were proceeding on the basis of unanimous consent. For the orderly conduct of the business of the House I think we should consider the motion I have in my hand, which is in writing as required by the Standing Orders, proposed by the hon. member for York South. Hon. members may want to vote against it, they may wish to do so, but the motion will be put in the terms in which I have received it. I suggest that any other procedure would be disorderly and certainly very complicated. Mr. Lewis, seconded by Mr. Knowles (Winnipeg North Centre) moves:

That the person or persons who taped the proceedings of the N.D.P. caucus this morning be requested to surrender any such tapes forthwith either to the member for York South or to Mr. Speaker.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

TRANSPORT

SHORTAGE OF BOXCARS FOR SHIPMENT OF BRITISH COLUMBIA LUMBER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise, pursuant to Standing Order 43, to seek the consent of the House to move a motion of urgent and pressing necessity, the subject matter of which was an exchange of question and answer between myself and the Minister of Transport yesterday, relating to the shortage of boxcars for lumber shipments in north central British Columbia. I would therefore like to move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House urge the government immediately to establish a lumber products railway car co-ordinator to ensure an equitable distribution and adequate supply of railway cars to lumber shipping points and sawmill sites in British Columbia.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Skeena. This motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the hon. member's motion cannot be put.

* * *

GRAIN

MOVEMENT OF GRAIN—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, I rise, under Standing Order 43, on a matter of urgency arising from reports from western Canada that many country elevator points are plugged with grain and many farmers have been unable to deliver a single bushel in the new crop year to date. Therefore I move, seconded by the hon. member for Assiniboia (Mr. Knight):

That the whole matter of grain movement and the ramifications of the feed grains policy on the movement of Canadian Wheat Board grain be referred to the Standing Committee on Agriculture for study and report.

● (1430)

Mr. Speaker: The hon. member's motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion cannot be put.

[Mr. Speaker.]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS POLICY ON GIFTS AND DISCOUNTS

Question No. 2,246—**Mr. MacKay:**

Does the Department of Consumer and Corporate Affairs have a clear policy on accepting gifts or discounts?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Yes. it is departmental policy that gifts or discounts offered to public servants by members of the public should not be accepted. In special circumstances, however, after discussing the situation with his branch director, an employee can accept a gift of nominal value where it would be wrong for reasons of courtesy to refuse.

NUMBER OF INDIANS IN EACH PROVINCE

Question No. 2,350—**Mr. Bawden:**

To date, how many (a) reserve Indians (b) non-reserve Indians (c) unemployed Indians are there in each province?

Hon. Jean Chretien (Minister of Indian Affairs and Northern Development):

	(a)	(b)	
	On-Reserve	Off-Reserve	Crown Land
Prince Edward Island	276	181	
Nova Scotia	3,393	1,483	14
New Brunswick	3,470	1,197	
Quebec	17,171	7,392	4,671
Ontario	33,665	19,616	4,487
Manitoba	26,666	9,366	2,030
Saskatchewan	27,211	10,656	1,209
Alberta	23,823	5,105	1,896
British Columbia	32,852	16,982	428
Yukon		874	1,737
Northwest Territories		457	6,372

(c) This information is not available within the Department at the present time.

SPECIAL MISSION RELATING TO DEATHS OF MARJAN DRIJBER AND CHRISTINE SINCLAIR

Question No. 2,376—**Mr. Clark (Rocky Mountain):**

1. What was the name of the representative of the Secretary of State for External Affairs or the government sent to Zambia in connection with the deaths May 15 of Marjan Drijber and Christine Sinclair?

2. Did that person (a) travel to Zambia on commercial or government aircraft (b) stay in a hotel or private or government residence?

3. What was the total cost to the Canadian taxpayer (including the equivalent cost if that person travelled by government aircraft or stayed in private or government accommodation) of this mission?

4. In the past five years, on how many occasions has the government guaranteed anonymity to a person or persons as a condition precedent to the undertaking of a special mission by that person or persons which involved either a direct cost to the Canadian taxpayer or the use of government aircraft or similar services?

5. What was (a) the purpose (b) the cost of each such mission in the past five years?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Dr. W. J. Phillips, the special envoy sent to Zambia has now agreed that his name may be made public. His previous wish that his name should not be made public had not been made a precondition to the mission.

2. Dr. Phillips (a) travelled to Zambia on a commercial aircraft and (b) stayed in hotel accommodation.

3. The total cost of the mission was $2,768.50.

4. As far as the Department of External Affairs is concerned, there have been no such occasions during the past five years.

5. Not applicable.

COMPUTERIZED GOVERNMENT PROGRAMS

Question No. 2,440—**Mr. Mazankowski:**

1. What government programs are computerized?

2. What was the annual cost per program for such services in the fiscal years 1971-72, 1972-73 and 1973 to date?

3. Are these services secured by tender and, if not, how are contracts awarded?

4. What was the total cost in the years mentioned?

Hon. C. M. Drury (President of the Treasury Board): 1. Computerization has been applied to accounting as well as research and the storage of data banks. Under these various functions most government programs today use computers in one way or another.

2. While the cost figures for electronic data processing are known generally, financial procedures have not demanded a per-program reporting of all computer uses and such figures are not available.

3. Government contract regulations apply when computer services are obtained outside the government.

4. Not applicable.

CANADA WORLD YOUTH

Question No. 2,471—**Mr. Rose:**

1. What are the names, occupations and home addresses of all the applicants for participants, group leaders and co-ordinators of World Canada Youth?

2. What are the names, occupations and destinations of all the participants, group leaders and co-ordinators of World Canada Youth?

Hon. James Hugh Faulkner (Secretary of State): Canada World Youth is not a project administered by the federal government, but one of several non-governmental voluntary organizations in the private sector in receipt of grants from the Department of the Secretary of State under its Travel and Exchange Program. Requests for detailed information on its operations should therefore be directed to the organization headquarters, 1750 St-Denis St., Suite 100, Montreal.

LABELLING OF PRODUCTS

Question No. 2,571—**Mr. Mather:**

On what date will the Department of Consumer and Corporate Affairs issue regulations governing information to be given to consumers on the labels of products, as required under the Consumer Packaging and Labelling Act of 1971?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): As required by section 19 of the Consumer Packaging and Labelling Act, proposed regulations were published in the *Canada Gazette* (Part I) on September 22. A period of two months from date of publication will be afforded to consumers, dealers and other interested persons to make representations. It is intended that the act will be proclaimed and the regulations issued by the end of this year.

DREE—DESIGNATION OF REGIONS

Question No. 2,574—**Mr. Darling:**

1. On what date will a new list be published of areas that are eligible for DREE grants?

2. For what reason was the Parry Sound-Muskoka region on an earlier list and then struck from the list presently being used to determine eligibility for DREE grants?

3. Will the Parry Sound-Muskoka region be included in the new list of areas eligible to apply for DREE grants?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. The current designations of regions under the authority of the Regional Development Incentives Act will continue until December 31, 1973. Consultations are now under way with all provinces on the new approach to regional development, as outlined by the minister on April 10, 1973, to the Standing Committee on Regional Development. These consultations will include the question of future designated regions. An announcement will be made concerning the designation of regions, as covered in the Regional Development Incentives Act, at the conclusion of these consultations. This is expected to be in the fall of 1973.

2. Under the Area Development Incentives Act, the Parry Sound-Muskoka region was a designated area for the period August 4, 1965 to July 9, 1969. With the enactment of the Regional Development Incentives Act on July 9, 1969, new designated regions were established after consultation with the provinces. In the case of Ontario, the Parry Sound-Muskoka region was not included as a designated region because its main development potential was considered at the time to be in fields of activity other than those covered by the Regional Development Incentives Act. It was designated as a rural region under the Agricultural Rehabilitation and Development Act and assistance

has been provided to the rural area since 1970 under the ARDA program.

3. Same as answer number 1.

LIMITED AND PROHIBITIVE USES OF NATIONAL PARKS

Question No. 2,591—**Mr. Clark (Rocky Mountain):**

1. What uses of Canada's national parks have been declared (a) limited (b) prohibited in each year 1967 to 1973 in (i) Banff National Park (ii) Jasper National Park (iii) Waterton Lakes National Park?

2. In each case, what was the reason for the change in status of the use?

3. What other changes in use of each of (a) Banff National Park (b) Jasper National Park (c) Waterton Lakes National Park are contemplated and what is the reason for each contemplated change in status?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): After a careful search of records covering the period 1967 to 1973, we can find no instance of any of the traditional "uses" of Canada's National Parks being prohibited in Banff National Park, Jasper National Park, or Waterton Lakes National Park. All types of uses such as riding, boating, fishing, camping, skiing, etc., which were permitted in 1967 are still permitted in 1973. However, in many instances, and for many different reasons, and for varying lengths of time these uses may have been limited. Hiking trails can be used to illustrate this situation. There are many such trails in each of the three parks in question and one of these trails might have been closed because of fire hazard, bear activity, avalanche hazard, overuse, etc. and for varying lengths of time. The work involved in finding out and listing the limiting factors applied to each use in each park would be an expensive undertaking both from the point of view of manpower and financial resources. In view of this, it would not seem to be in the public interest to carry out the necessary research.

IMPORTATION OF UNIVERSAL No. 65 TRACTORS FROM ROUMANIA

Question No. 2,594—**Mr. Schumacher:**

1. What was the nature of the discussions held by the Department of Manpower and Immigration and the dealer(s) responsible for the importation of Universal No. 65 Tractors from Roumania?

2. How many dealers were involved?

3. What was the name of each of such dealers?

4. What agreement was reached as to the servicing of any of such tractors imported?

5. How many people were brought into Canada to (a) sell (b) service such tractors?

6. What was the (a) previous position held (b) qualification (c) immigrant status (d) job opportunity offered for each person brought in for the purposes of selling and/or servicing these tractors?

7. What arrangements were made for the setting up of servicing facilities for these tractors in each province?

8. How many Canadian technicians (a) were employed on the arrival of these tractors (b) are now employed across the country to service these tractors?

9. How many people brought in under agreements made for the importation of these tractors are (a) in Canada on temporary visas (b) in Canada as Landed Immigrants (c) returned home?

[Mr. Prud'homme.]

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1, 2 and 3. The Department of Manpower and Immigration has had no discussions with potential or actual Canadian dealers regarding the importation of Roumanian tractors. Those discussions which have taken place have been with the Canadian importer (Westport Importers, Provost, Alberta) and Roumanian government officials and were for the purpose of arranging for the temporary admission to Canada of those Roumanian nationals who would be involved in launching this operation.

4. It was agreed that temporary admission would be authorized for sufficient Roumanian personnel to provide an initial servicing capacity and to train Canadian residents to perform such functions in the future. Once this has been accomplished, only those considered necessary to look after special problems of service and warranty are to remain in this country on a temporary basis. It was also agreed that temporary admission would be authorized for those required to look after the Roumanian manufacturers' interests in this operation.

5. (a) None; (b) the number of service personnel has fluctuated between 12 and 15.

6. (a) Service personnel of Roumanian tractor manufacturers; (b) qualified mechanics or technicians; (c) non-immigrants; (d) servicing tractors and training Canadian residents to perform a similar function.

7. Dealers, with initial assistance from Roumanian mechanics, are to establish their own servicing facilities.

8. (a) None; (b) approximately 240.

9. (a) sixteen including service and management personnel; (b) none; (c) five or six of the original entrants, but they have been replaced by others.

ROYAL MAIL/POSTE ROYALE DESIGNATION ON NEW MAIL BOXES

Question No. 2,617—**Mr. Forrestall:**

Is the government giving consideration to placing the words "Royal Mail/Poste royale" on the new series of mail boxes being put into service across Canada and, if not, for what reason?

Hon. André Ouellet (Postmaster General): No. As far as it has been possible to ascertain, the words "Royal Mail/Poste Royale" have never formed part of any legend or insignia on Canada's mail boxes.

PROPOSED BUILDING OF SCIENTIFIC RESEARCH LABORATORY AT IGLOOLIK

Question No. 2,624—**Mr. Orlikow:**

1. Have discussions been held between the people of Igloolik, NWT and representatives of the Department of Indian Affairs and Northern Development regarding the proposed building of a scientific research laboratory at Igloolik and, if so (a) by whom (b) how many times (c) on what date?

2. Prior to the announcement that the building of the laboratory had been approved and the money needed allocated (a) were any meetings held between representatives of the laboratory and the local people (b) had any literature explaining the laboratory, its purposes, functions, staffing, been prepared in the Inuit language so that they could consider the project and its implications for them?

3. Have there been discussions between the Department of Indian Affairs and Northern Development as to the role of the local people in the research laboratory (the numbers that would be employed, etc.) and, if so, have any such written assurances been given to the local residents?

4. What response, if any, has the Minister made to the proposals of Inuit Tapirisat of Canada, that more information about the laboratory be given to the local residents in their own language, following which, discussions be held with them to actively involve them in the whole project?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Yes; (a) Mr. Graham Rowley, Scientific Adviser of the Department; (b) originally at a public meeting at Igloolik called for the purpose by the Village Council and subsequently on several occasions with the chairman of the Village Council; (c) The public meeting was held on November 14, 1971.

2. (a) Yes. (b) No; the public meeting, conducted in both Inupik and English, covered these points.

3. Discussions have been held; no written assurances have been given.

4. Matters concerning the laboratory are being handled through the Village Council whose chairman is Mr. Joseph Kadlutsiak, a member of the Board of Directors of Inuit Tapirisat. Since November 1972, the department has had a scientist at Igloolik to make preliminary arrangements for the laboratory, in which several local residents are actively involved. The Department of Indian Affairs and Northern Development is also in direct correspondence on this matter with Inuit Tapirisat of Canada.

CBC—INTERRUPTION OF PROGRAMMING FOR UNITED STATES PRESIDENT'S SPEECH

Question No. 2,645—**Mr. Dick:**

1. For what reasons do Canadian television networks cover the President of the United States and interrupt their programming to carry live his half-hour speeches?

2. Do American networks every carry our Prime Minister's speeches?

3. Is it part of CRTC policy to Americanize our television networks?

Hon. Gérard Pelletier (Minister of Communications): 1. The Canadian Broadcasting Corporation feels that it has a public responsibility to carry U.S. Presidential speeches when these are expected to be of major historical or international significance or are expected to contain information of importance to Canada. For example, the U.S. President's address of August 15 was his first following the many revelations of the Watergate hearings and this was considered by the CBC to have major historical significance. A similar judgment was made by other radio and television broadcasters and the news media around the world including the BBC, which felt the speech warranted scheduling of a live satellite feed at 2 a.m.

It is not the general practice of American networks to carry speeches by our Prime Minister. However, one network in particular, NBC, has carried excerpts from several addresses in addition to an exclusive 14-minute tape interview with Mr. Trudeau broadcasted September 16, 1970.

3. Part of the mandate of the Canadian Radio-Television Commission is to encourage Canadian programming. A recent example of CRTC policy in this regard is the regulation concerning the reduction of non-Canadian programs on Canadian television stations from 50 per cent of the total broadcast day to 40 per cent. This regulation became effective October 1, 1972.

ENTRANCE FEES TO NATIONAL PARKS

Question No. 2,676—**Mr. Clark (Rocky Mountain):**

1. Are direct fees charged for access to each national park in Canada?

2. What are those national parks for which entrance fees are (a) charged (b) not charged?

3. If entrance charges apply to some national parks, and not to others, what is the reason for the difference?

4. How much money was received in 1972 from park entrance fees?

5. Into what budgets were the proceeds of those entrance fees deposited?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Daily and seasonal park motor licence fees are charged at some but not all National Parks.

2. (a) Park motor licence fees are charged at: Banff, Elk Island, Glacier, Jasper, Kootenay, Mount Revelstoke, Point Pelee, Prince Albert, Riding Mountain, St. Lawrence Islands and Waterton Lakes National Parks; (b) Park motor licences are not charged at: Baffin Island, Cape Breton Highlands, Forillon, Fundy, Georgian Bay Islands, Gros Morne, Kejimkujik, Kluane, Kouchibouguac, La Mauricie, Nahanni, Pacific Rim, Prince Edward Island, Pukaskwa, Terra Nova, Wood Buffalo and Yoho National Parks.

3. In accordance with the National Parks Highway Traffic Regulations, P.C. 1971-940 of May 18, 1971, park motor licence fees are charged at the parks enumerated in 2(a) above. No park motor licence fees are charged at Baffin Island, Forillon, Gros Morne, Kluane, Kouchibouguac, La Mauricie, Nahanni, Pacific Rim and Pukaskwa as these areas are not officially national parks as yet and thus national parks highway traffic regulations have not been invoked in these areas. No park motor licence fees are charged at: Cape Breton Highlands, Fundy, Kejimkujik, Terra Nova, and Prince Edward Island National Parks. When some of the parks in the Atlantic region were first established the lands were provided by the provinces with an agreement that no park motor licence fees would be charged on through highways. This precedent has been continued. Park motor licence fees are not collected at Georgian Bay Islands, as the National Parks highway traffic regulations do not apply to this water-oriented park. No park motor licence fees are charged at Wood Buffalo because of the low volume of traffic into or through this park and the costs of operating and maintaining an entry gate (s). No park motor licence fees are charged in Yoho as many vehicles entering Yoho do so via Jasper, Banff, Kootenay or Glacier National Park, where a park motor licence fee has already been levied.

4. Revenue collected from park motor licence fees for the fiscal year 1972-73 totalled $1,907,147.

5. This revenue is deposited in Parliamentary Vote 70 Conservation Program, Department of Indian Affairs and Northern Development.

CIDA AID LOANS

Question No. 2,694—**Mr. Stevens:**

As of August 31, 1973, what were the aggregate outstanding CIDA (a) 0-10-50 (b) 3-7-30 Aid Loans and, in each case (i) who were the debtor nations (ii) what was the amount outstanding from each nation (iii) were all loans in good standing?

Hon. Mitchell Sharp (Secretary of State for External Affairs):

Canadian International Development Agency

(a) $558,409,997.
(i and ii)

Afghanistan	$1 1,272,691.
Algeria	768,762.
Bangladesh	4,750,000.
Barbados	663,090.
Bolivia	190,845.
Botswana	23,759,066.
Brazil	847,001.
Chile	3,964,096.
Columbia	15,179,828.
Dahomey	3,788,818.
Dominican Republic	95,000.
East African Community	13,605,744.
Ecuador	1,967,840.
El Salvador	269,643.
Senegal, Mali, Mauritania	897,855.
Ghana	10,235,230.
Guyana	6,733,156.
India	276,379,861.
Indonesia	11,544,358.
Ivory Coast	4,705,848.
Kenya	894,042.
Malawi	1,468,043.
Malaysia	396,276.
Morocco	3,621,073.
Nepal	2,046,070.
Niger	13,749,236.
Nigeria	25,613,980.
Pakistan	76,421,690.
St. Lucia	308,738.
Senegal	435,149.
Sri Lanka	14,175,902.
Tanzania	11,218,196.
Thailand	994,180.
Togo	3,672,595.
Tunisia	16,556,937.
Uganda	1,654,400.
Zaire	1,856,730.
Zambia	1,708,028.
Total	$558,409,997.

(iii) All loans are in good standing.

(b) $34,623,227.
(i and ii)

Barbados	$ 1,812,689.
Brazil	6,962,420.
Chile	2,971,804.
Jamaica	7,333,642.
Korea	999,242.
Malaysia	4,492,425.
Nigeria	1,822,704.
Trinidad and Tobago	3,208,301.
Turkey	5,000,000.
Total	$34,623,227.

(iii) All loans are in good standing.

LUMBERING OPERATIONS IN WOOD BUFFALO NATIONAL PARK

Question No. 2,725—**Mr. Stevens:**

1. Are lumbering operations currently being conducted in Wood Buffalo National Park and, if so (a) who are conducting the operations (b) how extensive are the operations (c) what revenue does the government receive from the lumbering?

2. Since Wood Buffalo National Park was established (a) how much commercial lumber has been cut in Wood Buffalo National Park (b) who cut it (c) what revenue did the government receive from such lumbering?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Yes. (a) Swanson Lumber Co. Ltd. of Edmonton, Alberta. (b) Two timber blocks of approximately 192 and 55 square miles respectively. (c) For the 192 square mile block: Ground rent, $5 per square mile annually; forest fire protection charges, $12.80 per square mile annually; and timber dues, subject to annual review, presently at $6.75 per 1,000 board feet. The actual figure depends upon the total lumber cut every year. For the 55 square mile block: a combined ground rent and forest fire protection charge of $30 per square mile annually; and timber dues based on the same rate as that prescribed by the Province of Alberta for timber cut in the vicinity, as reviewed from time to time, which is presently $8.50 per 1,000 board feet of spruce saw timber.

2. (a) 296,550,000 feet board measure. (b) (1) Eldorado Mining & Refining Co. Ltd. (1959-62, burned down); (2) Denney Logging Co. Ltd. (1959-60, defunct); (3) Northern Forest Products Ltd. (1960-62, defunct); (4) Wood Buffalo Park Timber Co. (1955-57, defunct); (5) R. Walter (1961-64, defunct); (6) Primrose Forest Products Ltd. (1968-70, defunct); (7) Swanson Lumber Co. Ltd. (Since 1955 to date). (c) $588,855.

ACCOMMODATION AND NEEDS OF YOUTH TRAVELLING THROUGH CANADA

Question No. 2,726—**Mr. O'Connor:**

Has the government and particularly the Department of the Secretary of State any plans to comply with a resolution of the Town of Georgetown, Ontario, requesting the development of a program to provide for continuing facilities for the accommodation and needs of youth travelling through Canada with the encouragement and financial assistance of the government?

Hon. James Hugh Faulkner (Secretary of State): The provision of facilities for the accommodation of travelling youth is the subject of continuing review by the Department of the Secretary of State and in this process consideration is being given to the resolution of the town of Georgetown, Ontario.

FINANCIAL ASSISTANCE FOR FRANCOPHONES, FREDERICTON, N.B.

Question No. 2,730—**Mr. Corbin:**

1. Did the Department of the Secretary of State receive an application for assistance (a) to finance a school for French-speaking students in Fredericton (b) to finance a cultural centre for francophones in Fredericton?

2. In either case, under which agreement or program would the financial contribution be made?

3. (a) On what date was the application made (b) by whom, on behalf of the Provincial Government (c) orally or in writing?

4. What would be the contribution of the federal government and, what is the total estimated cost of the project?

Hon. James Hugh Faulkner (Secretary of State): 1. The Premier of New Brunswick has had discussions with the Secretary of State about the desirability of considering a joint project in Fredericton for a French language cultural centre that would include educational facilities. He was advised by the Secretary of State of the willingness of the federal government to co-operate in such a project.

2. Such co-operation would be offered under the federal-provincial program of bilingualism in education.

3. Not applicable.

4. Information not yet available.

REGISTERED MAIL

Question No. 2,748—**Mr. Dinsdale:**

1. Are registered letters delivered personally to the door of the addressee by the letter carrier?

2. In the event of non-delivery during the first call, is an additional charge made for a second call and, if so, what is the amount of the additional charge?

3. Does the additional charge for second calls represent a new policy and, if so (a) on what date was the change made (b) what was the former procedure (c) for what reason was the change made?

Hon. André Ouellet (Postmaster General): 1. Yes, where letter carrier service is in operation.

2. Yes, 25 cents.

3. No, this policy has been in effect since March 1961.

Order Paper Questions

GRANT TO PACT

Question No. 2,751—**Mr. Hellyer:**

What were the names and addresses of the Co-ordinator and support staff of PACT (Peoples Acting on Concerns Together), in Winnipeg, who received payment from the $5,000 grant announced by the Secretary of State on July 27, 1973?

Hon. James Hugh Faulkner (Secretary of State): The cheque for $5,000 was mailed June 7, 1973. The director and support staff were at that time: Reverend Wm. J. Jay, director; Mr. Ambrose Ojah and Mr. Fred Prebilcock, 650 Burrows Ave., Winnipeg, Manitoba.

FRED AGREEMENT

Question No. 2,766—**Mr. Corbin:**

1. Since 1970, has the government of New Brunswick requested the federal government to extend the FRED agreement to the whole of the province or to other areas not presently covered by the agreement and, if so, when was the request made?

2. Was such a request made before 1970 and, if so, on what date?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 1. At the request of provincial officials the possibility of extending the geographical area covered by the FRED Agreement was discussed, on an exploratory basis only, by the Federal-Provincial Joint Planning Committee in December 1970.

2. There is no record of such a request prior to 1970.

NUMBER OF VISITORS TO FUNDY NATIONAL PARK, 1973 SEASON

Question No. 2,768—**Mr. Fairweather:**

1. How many visitors were at Fundy National Park during the 1973 season?

2. How does this compare with 1972, 1971 and 1970?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. 713,068 (April 1-August 31, 1973).

2. 605,080 (April 1-August 31, 1972); 629,786 (April 1-August 31, 1971); 568,283 (April 1-August 31, 1970).

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I wish to raise a point of order arising out of the answer given on Monday last to my question No. 2428 by the Minister of Transport (Mr. Marchand) in which there is an obvious discrepancy. I have given the minister notice of this matter and I hope he will be able to correct it. The reply to the fourth part of the question reads in part as follows:

—as no interest has been registered by any other party, the ministry has no plans at this time for calling tenders.

The question was with respect to the operation of a bus line. The date of that particular answer was Monday of this week.

In a letter which I have here, dated September 18, written on the letter paper of the Department of Transport, and signed by an official of that department, the following sentence appears:

Other operators have expressed an interest in this service so it must be let to tender.

The discrepancy is obvious. I should like it cleared up.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I rise on a question of privilege arising from the answer given, when I was unavoidably absent on Monday, by the Secretary of State (Mr. Faulkner) in response to my question No. 2414.

For fully three and one-half months my question concerning the Opportunities for Youth program sat unanswered on the order paper, and I rose at one point to draw my question to the attention of the parliamentary secretary.

The refusal of the Secretary of State to supply answers to questions on the order paper within a reasonable time limits the usefulness of putting questions on the order paper in the first place. This minister has made it clear that he will not answer letters from members of parliament concerned about the program. In my case, for example, I wrote the minister on July 23 and September 11, and since that time called his office once or twice in regard to one project. All I have received in the intervening three months is a letter from the minister's liaison officer dated July 30 stating that the minister would be in touch with me "in the near future."

On Monday the minister answered my question on the order paper by refusing to give information to which members of parliament, who ultimately must accept the responsibility for government programs, are entitled. The first aspect of my question, which dealt with grants requested and given within the constituencies of ministers and parliamentary secretaries, was dismissed with the assertion that "OFY does not maintain statistics on grants by constituency."

In my hand, Mr. Speaker, I am holding a copy of the applications sent me by the minister last April 2 in which he included a memorandum, sent to me, requesting my comments and stating that the bundle represented "copies of the summary sheet of all submissions concerning your constituency." It is quite apparent that the applications were sorted out by constituency. The minister's memorandum which was addressed "To all Members of Parliament," and his assertion earlier this year that members of parliament would be requested to comment on applications from their constituencies, should leave no doubt of that fact. Yet the minister on Monday informed this House that no such data is available. No doubt there are bound to be errors in the sorting of applications by constituency, but the minister did not even bother to try to provide the information and his answer only served to mislead the House.

The second aspect of my question that was dismissed by the minister was my request for the names of the people who acted as references or contact people for applications who also were made members of the local advisory boards passing on their projects, and further information concerning the acceptance or rejection of their projects. The minister's reply to me was that, "Information is not available as to the number of reference or contact people involved with the making of OFY applications who were also members of a local advisory committee."

[Mr. Munro (Esquimalt-Saanich).]

No answer could be more patently incorrect unless this multimillion dollar program is so incompetently organized that the department does not know to whom money is given or on whose advice it is given. Unless, after sending copies of this information to each of the members of parliament concerned, the department mysteriously destroyed the information for some unknown reason, this data is still available. Indeed, the minister sent me the relevant information for my constituency, and I have it here in my hand.

In two instances the reply given on Monday by the minister was demonstrably false and he has misled the House, albeit unintentionally, with his sloppy and inadequate responses. As a member of parliament, and as a member of the standing committee responsible for overseeing the administration of Opportunities for Youth, I believe that my rights to obtain important information have been abridged by the minister's answer, and it is for that reason that I rise on this question of privilege.

Mr. Reynolds: Mr. Speaker, my point of order concerns a question I have had on the order paper since May 17 regarding Collins Radio Canada Ltd. of Toronto, Ontario, and Triton Industries of Vancouver involving a contract awarded to the Ontario company on a tender, and not submitted to the company in Vancouver which already had the radio in question in stock. I would like to know when the government intends to answer this question because it is a very important issue.

MOTIONS FOR PAPERS

[*English*]

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

Mr. Howard: Mr. Speaker, I wonder if I might raise a point of order with respect to the lack of response to motions for the production of papers that were passed by this House many moons ago. The parliamentary secretary and I have had a number of conversations about this matter. I do not want to misrepresent his view, but I gather that each time he spoke he said they would be tabled soon. I am talking about an exchange of papers relating to a fish cannery in British Columbia. Can the parliamentary secretary tell me when these will be tabled?

Mr. Reid: Mr. Speaker, these papers will be tabled as soon as we have the translations.

ORAL QUESTION PERIOD

[*English*]

ENERGY

NATURAL GAS—ASSURANCE OF SUFFICIENT SUPPLY FOR BRITISH COLUMBIA CONSUMERS THIS WINTER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to address a question to the Minister of Energy, Mines and Resources. I hope he is in a position to give the House specific answers with regard to fuel supplies for the coming winter. Can the minister now answer the question I asked him on September 21? Has a way been devised to avert the possibility of a cutback in supplies to gas consumers in British Columbia? When I asked that question on September 21 the minister said that he expected to be in a better position to respond in a couple of days. Can the minister respond today?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker. The National Energy Board has taken as a matter of priority the securing of alternate supplies of gas for the West Coast Transmission system in lieu of those lost in British Columbia because of the structural fault in the field.

The West Coast Transmission Company, at the urging of the board, has carried on negotiations with Alberta gas suppliers for access to Alberta gas supplies, both in the northern part of the province and in the southern part as well. I understand that those negotiations are now in progress between the companies. The position we take is that until the situation is clear with regard to alternate supplies we would not move to take action to curtail.

In addition, some of the British Columbia distributors, particularly Inland, have been in conversations with their customers to discuss the arrangement of alternate supplies where dual burning facilities are available to industry within that province. Indeed, the Chairman of the National Energy Board is meeting this afternoon with the Chairman of the British Columbia Energy Commission for the purpose of clarifying the current state of negotiations for alternate supplies and to discuss further steps that will be taken.

• (1440)

Mr. Stanfield: I gather that the situation is still in doubt.

OIL—SITUATION RESPECTING SUPPLIES FROM MIDDLE EAST AND CARIBBEAN

Hon. Robert L. Stanfield (Leader of the Opposition): Can the Minister of Energy, Mines and Resources tell us what contingency plan he has ready in the event Middle East supplies of petroleum to Canada are interrupted?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, depending on the nature of the commodity and the type of interruption, there are at the moment reserve supplies of between 45 days for crude oil and products to over 100 days for home heating oil. Arrangements have been made to call a further meeting of the industry in Canada, particularly the industry operating in eastern Canada, to discuss their present arrangements for supply from overseas in the face of a possible Middle Eastern interruption. I would hope that meeting could take place on Friday but at the moment a final date has not been confirmed. I think it will depend very much on the exact arrangements each company has, to be able to predict the contingency arrangements we should have.

Mr. Stanfield: Mr. Speaker, I am surprised that although the minister has apparently been worried about supplies from the east for years he has not had this kind of meeting previously. Can the minister tell us what the status of heating oil for the winter is with regard to supplies normally delivered to Canada from Caribbean refineries?

Mr. Macdonald (Rosedale): Mr. Speaker, I have responded several times in the past on this question that, because of the tight supply internationally of these commodities, Canadian purchasers of home heating oils have not been able to secure the same supplies overseas as in past years. It is for this reason that I took the initiative in mid-summer of obtaining assurances from all of the major importers and refiners that supplies were adequate. Until the potential interruption—there has been no actual interruption in Middle East or other supplies to Canada—we have the assurance that while it would be a narrow balance there would be adequate heating oil supplies for this winter. I think one of the questions that we will want to canvass with the companies is what, if any, effect the events in the Middle East in the last ten days have had upon those assurances earlier this year.

Mr. Stanfield: You have not canvassed them yet? Oh, oh!

NATURAL GAS—SUPPLIES FOR BRITISH COLUMBIA CONSUMERS—REQUEST FOR ASSURANCE THAT CUTBACK, IF NECESSARY, WILL BE MADE IN EXPORT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. In view of the statement reported this morning to have been made by Mr. Ronald L. Cliff, Chairman of Inland Natural Gas Company, Limited of Vancouver, who seems to be much less optimistic than the minister about securing alternative sources of supply for the gas consumers of British Columbia, can the minister give us a clear and unequivocal statement to the effect that if a cutback is necessary in gas consumption in British Columbia this winter it will come out of the 70 per cent of British Columbia gas which is exported to the United States and not out of the 30 per cent which is absolutely essential to meet the needs of the people of British Columbia?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I cannot be specific on a hypothetical question like that. The priority which we have given to the National Energy Board is, of course, to see if alternate supplies can be arranged, as I indicated to the Leader of the Opposition. I do not know what Mr. Cliff said, but the advice I have from the board is that there is

some expectation in any event that alternate supplies may be arranged with Alberta producers. We will know the outcome of those discussions better in a few days.

Mr. Douglas: In view of the fact that the Alberta and Southern Gas Company has announced its willingness to ship gas to British Columbia through an interconnection at Pendleton, Oregon, and that Mr. Cliff, the Chairman of Inland Natural Gas Company, Limited, says that the APCO group has refused to allow this transfer of gas, I want to ask the minister what steps he and his department are taking to ensure that this gas will be made available to the province of British Columbia and at what price will it be made available? Does the minister think that the people of British Columbia should continue to export cheap gas and pay for higher priced gas from Alberta?

Mr. Macdonald (Rosedale): Mr. Speaker, the information I have with regard to the APCO arrangement is not in accordance with what has been stated by the hon. gentleman. I think I would like to ask the board to confirm from Inland if indeed the APCO refusal has been made because my understanding is that this is not so.

NATURAL GAS—POSSIBILITY OF EXPORT CURTAILMENT UNTIL BRITISH COLUMBIA DOMESTIC MARKET SATISFIED

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I have a further supplementary. I should like to ask the minister if he is aware that Inland Natural Gas Company, Limited expects a critical period as soon as November 15 and that in order to take any advantage of Alberta gas a 40-mile pipeline would have to be built? Can the minister tell us—he has avoided the question—if the National Energy Board has made any decision to curtail exports of gas until such time as domestic markets are satisfied in British Columbia?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, no decision to curtail exports has been made. The priority, as I stated to the Leader of the Opposition, is to secure alternate supplies. The board appeared to feel that in turn the distributors felt this could be arranged.

Mr. Oberle: Mr. Speaker, I have stated to the minister that it is quite impossible to build a 40-mile pipeline in two weeks. What other steps has the minister taken to secure not only industrial but domestic users of natural gas in British Columbia and, particularly, has he assured that this shortage will not result in higher prices in British Columbia?

Mr. Macdonald (Rosedale): Mr. Speaker, I prefer to take the advice of the National Energy Board rather than that of the hon. gentleman on this question.

Some hon. Members: Oh, oh!

An hon. Member: Can you build a pipeline?

An hon. Member: Thumper is back!

[Mr. Macdonald (Rosedale).]

[*Translation*]

SUPPLY OF OIL FOR EASTERN CANADA—RESULTS OF MEETING BETWEEN MINISTER AND VENEZUELIAN AUTHORITIES—PROPOSED EXTENSION OF PIPELINE FROM TORONTO TO MONTREAL

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to direct a supplementary to the hon. Minister of Energy, Mines and Resources.

Could he tell us if the recent meeting which he attended in Caracas allows him to be optimistic as regards the supply of oil products to eastern Canada, and if he intends pursuing his efforts for the extension of the pipeline from Toronto to Montreal?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have had discussions in Venezuela concerning the supply of crude oil in the long and the short term for the eastern Canada markets. There is no firm commitment as regards the short term supply, but we shall have discussions in order to arrange, if possible, for an agreement concerning the long term supply of oil. As for the Montreal pipeline issue, it can indeed be said that such an arrangement with Venezuela could be made in conjunction with the operation of the pipeline from Sarnia to Montreal.

[*English*]

INQUIRY AS TO MEETING WITH PROVINCIAL GOVERNMENTS AND INDUSTRY TO ARRIVE AT NATIONAL POLICY

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my supplementary question to the Minister of Energy, Mines and Resources is as follows: In view of the pledge the minister made to the standing committee and to the House when the papers on energy were submitted that there would be a meeting of provincial governments, industry and the federal people interested to try to arrive at a national energy policy that would enable Canada to act on its own initiative rather than responding to these continual crises, has the minister yet decided on a date for that meeting?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as the hon. member knows, I have had meetings with all of the provincial governments on this question and, indeed, with a broad spectrum of the industry. With respect to a federal-provincial conference, in this regard at least it is the view, I understand, of the premier of Alberta that the appropriate time for such a conference would be May, 1974, and that we would for this purpose have a meeting of the federal and provincial ministers on November 23 next to set the terms of any such conference and discuss arrangements for it. At the moment, we have in contemplation a meeting of governments, federal and provincial, rather than a three-way meeting of the two levels of government and industry.

Mr. Speaker: Order, please. Hon. members will note that there are a few members seeking supplementaries on this subject. Perhaps we should try to limit supplementaries for the time being in the hope that we can go on to other

subjects. The hon. member for Qu'Appelle-Moose Mountain is rising, as are the hon. member for Skeena and the hon. member for Calgary North. I would hope we could go on to the next subject after their supplementaries.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Will the Standing Committee on Energy, Mines and Resources have an opportunity, as the minister promised, to discuss these matters with him before he meets with the provincial governments or with industry again?

Mr. Macdonald (Rosedale): Mr. Speaker, I would remind the hon. gentleman that the committee now has an order of reference in general terms before it which would enable this discussion. I would be quite prepared to meet with the committee any time it wishes to arrange new hearings.

● (1450)

NATURAL GAS—REQUEST FOR COMMITMENT BY GOVERNMENT THAT BRITISH COLUMBIA CONSUMERS WILL BE SUPPLIED

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a supplementary question to the Minister of Energy, Mines and Resources. It is a rather uncomplicated one. Short of all possible decisions that may come from the Energy Board discussions, is the minister prepared now to commit the federal government to the proposition that it will move to ensure supplies of natural gas to British Columbia consumers?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, they will certainly make every effort to do so. It depends, really, on the availability of the gas.

Mr. Howard: It is available.

OIL EXPORT TAX—DIVISION OF PROCEEDS BETWEEN FEDERAL AND PROVINCIAL GOVERNMENTS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I direct a supplementary question to the minister. He mentioned that there would probably be a meeting with the provinces in May, 1974. Has there been any meeting so far with the Alberta government, and as a result of that meeting is there an agreement to return to that province 100 per cent of the surtax now being collected on crude petroleum?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, there is no agreement on that. There is agreement to meet with the Alberta ministers again later this month for the purpose of discussing that question.

Mr. Woolliams: Has there been any meeting with the province of Saskatchewan, which stands to lose $70 million by this tax, and is there an agreement with them to return 100 per cent of the tax?

Mr. Macdonald (Rosedale): Mr. Speaker, we have met with both the provinces of Saskatchewan and British Columbia as well as with Alberta on this question. Essentially, the division of the proceeds of the export tax, once passed by parliament, is a matter still to be settled with all three provinces.

EFFECT OF PERSIAN GULF OIL PRICE INCREASE ON PRICE AT MONTREAL

Mr. Jim Balfour (Regina East): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. In light of the proposed 17 per cent increase in the price of Persian Gulf oil, will the minister advise the House whether this will result in a corresponding increase in the price of crude oil at Montreal?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think I am correct in saying that about 60 per cent of the oil arriving in the Montreal market comes from elsewhere than the Persian Gulf. I think it is true, however, that an increase of this kind, whether it be a Venezuelan tax measure or an increase in the posted price in the Gulf, is bound to increase the cost of oil landed in Montreal, and in due course that will affect the price of products in the eastern Canadian market.

OIL—PRICING POLICY FOR DOMESTIC CRUDE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in view, particularly, of the answer the minister has just made, can he tell the House if he proposes to use the meeting to be held on November 23, I believe, with the provincial energy ministers to reach a decision on pricing policy for domestic crude in Canada? Does he intend to reach a decision with regard to pricing policy at that meeting or prior to that meeting?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the discussions on the question of pricing policy have been extensive. I am not certain whether we are at the point where an earlier decision could be taken in that regard.

OIL EXPORT TAX—FEDERAL GOVERNMENT POSITION ON DIVISION OF PROCEEDS—POSSIBLE CURTAILMENT OF PRICE INCREASES BY COMPANIES

Mr. Bill Knight (Assiniboia): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the fact the government has not reached an agreement with the provinces of Saskatchewan and Alberta on the question of the allocation of funds resulting from the implementation of the tax on oil exports, can the minister inform the House of the position the federal government is taking on this oil tax? Can he also inform the House as to what action is to be taken if American oil prices should increase and whether the 40 cents a barrel export tax will therefore be increased?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, specifically, in response to the hon. gentleman, the answer would be yes. The intention is to achieve a two-price system in this country. If the fair and reasonable price for Canadian oil in the American

market should increase, then the differential would increase and, therefore, so would the tax return. The principle upon which settlement could be made I have reiterated publicly a number of times, and it is that a large part of the proceeds of the tax should be returned to the producing provinces—

An hon. Member: One hundred per cent.

Mr. Macdonald (Rosedale): —for the purpose of stimulating additional energy supplies available for Canadians in all parts of the country.

Mr. Knight: In view of the minister's answer that he is moving—

Mr. Stanfield: I wish the minister would answer a few questions.

Mr. Knight: Mr. Speaker, I have a question—

Some hon. Members: Oh, oh!

Mr. Knight: Mr. Speaker, if I have to talk louder I assure you that I can.

Some hon. Members: Louder!

Mr. Knight: Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of his statement that he is trying to establish a two-price system related to the use of fuels in Canada, can the minister inform the House if he has been in touch with Imperial Oil and other major oil companies in view of their desire to increase prices on the domestic market in Canada, and is the minister prepared to curtail any increases in those prices in light of the excessive profits which have been occurring in that industry?

Mr. Macdonald (Rosedale): Mr. Speaker, we have had requests, as indicated in the Prime Minister's statement, for increases in product prices in the eastern Canada market resulting from increases in the landed cost of oil. No decision has been taken in that regard.

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[*Translation*]

FEDERAL PROVINCIAL AFFAIRS

CONSTITUTIONAL CONFERENCE FOLLOWING QUEBEC ELECTION

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Acting Prime Minister.

Since the premier of Quebec stated last week that he would seek the holding of a constitutional conference if he is re-elected on October 29, would the minister tell us if the government would favour calling such a conference?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it has been quite clear for a number of years that the government of Canada is prepared to sit down with the provinces, and has already sat down, and if there seems to be some promise, some expectation of a useful revision of the constitution, we will certainly be prepared to participate again.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a supplementary question for the Minister of Finance.

In view of the contradictory opinions expressed with respect to the budget presented by the Parti Québécois, would the minister inform us if he intends to comment upon it publicly, or have it done by analysts from his department?

Mr. Speaker: I doubt that the hon. member's question is in order. I doubt that it comes under the administrative jurisdiction of the federal Minister of Finance.

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REGIONAL ECONOMIC EXPANSION

QUEBEC—INQUIRY AS TO NEW PROGRAM

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I should like to put a question to the Minister of Regional Economic Expansion.

Could he tell the House whether the new departmental program concerning Quebec economic expansion will be officially announced before October 29?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): I would think not, Mr. Speaker.

SUGGESTED EXTENSION OF PROGRAMS TO YUKON AND NORTHWEST TERRITORIES

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I direct a supplementary question to the minister on the same question which I have asked him several times before. Since he has had the matter under consideration for many months, can he now inform the House, and particularly residents above the sixtieth parallel, when DREE is going to be applied nationally to those parts of Canada as well as to the rest?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I thoroughly agree with the proposition posed in the hon. member's question. My colleague, the Minister of Indian Affairs and Northern Development, and I and our officials have been working on some mechanism which would achieve the result the hon. member is seeking.

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BUGGING AND WIRETAPPING

COMMITTEE STUDY OF BILL

Mr. Ron Atkey (St. Paul's): Mr. Speaker, my question is for the Minister of Justice. In view of the interest of the House today in bugging and wiretapping, would the minister indicate whether the wiretapping bill is being held up because the government has instructed the chairman of

the Standing Committee on Justice and Legal Affairs not to call the committee until November 6 for clause by clause study, which may mean that it will be too late for us to get the bill through all stages before the end of the session?

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker, there certainly has been no such instruction, which would be quite improper. The government is most anxious to proceed with this important measure, particularly in view of the fact the bill contains important provisions making illegal the possession and sale of the kinds of devices which can be used in wiretapping.

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ENERGY

POSSIBILITY OF INCREASED OIL IMPORTS FROM VENEZUELA IN EVENT OF INTERRUPTION OF MIDDLE EAST SUPPLIES

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In the event of a disruption of Middle East oil supplies to Canada and the necessity of increasing our imports of Venezuelan oil, what conditions did the Venezuelan government put before the minister for increased import of their oil?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it was clear from the discussions that Venezuela would not be in a position to make any substantial increase in exports either to Canada or to any other country. Our objective really was to obtain the assurance that the very substantial supplies coming to Canada would not be interrupted in so far as the government of Venezuela can take action in that regard.

● (1500)

Mr. Symes: Has the government of the United States requested the Canadian government to increase supplies of oil to the United States and, if so, what is the position taken by the Canadian government?

Mr. Macdonald (Rosedale): No such request has been made.

MEASURES TO PROVIDE HEATING OIL FOR ONTARIO AND QUEBEC THIS WINTER

Mr. J. R. Ellis (Hastings): Following the minister's statement I should like to address this question to him. In view of indications that parts of Ontario and Quebec will also be faced with critical shortages of oil for home heating, could the hon. gentleman tell us what special measures he is taking to ensure such supplies will not be cut off this winter?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I have already responded to questions in that connection asked earlier today.

AGRICULTURE

FLOOD DAMAGE TO CROPS IN AREAS OF MANITOBA—GOVERNMENT ATTITUDE TOWARD FEDERAL COMPENSATION

Mr. Peter P. Masniuk (Portage): Mr. Speaker, my question is for the Minister of Agriculture. Has the hon. gentleman been contacted by the province of Manitoba concerning the need for assistance in consequence of heavy rains which have caused flooding, resulting in severe damage to hay and other crops in the Interlake region?

Hon. E. F. Whelan (Minister of Agriculture): Not to my knowledge, Mr. Speaker, but I would have to check and let the hon. member know.

Mr. Masniuk: Bearing in mind the assistance given to other areas in past years, would the minister look favourably upon a request for assistance in this case from the Manitoba government?

Mr. Whelan: Mr. Speaker, as I have said before, when it has been a question of aid provided to one segment of our farm population, the same treatment will be accorded to farmers in any part of the country.

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NATIONAL DEFENCE

INQUIRY AS TO DECISION ON REPLACEMENT FOR TRACKER AIRCRAFT—POSSIBILITY OF CONTRACT BEING AWARDED TO McDONNEL DOUGLAS

Mr. Jim Fleming (York West): Mr. Speaker, my question is directed to the Minister of National Defence. Considering the fact that the McDonnel Douglas Aircraft Company, employing many thousands of people in northwestern Toronto, will soon have completed its production of DC-9 and DC-10 wing assemblies, and in view of the fact that many thousands of people in this community are afraid of consequences similar to the Arrow experience, can the minister tell us when the decision concerning a replacement for the navy's Tracker aircraft will be made, and whether McDonnel Douglas' superior entry is being looked on favourably?

Hon. James Richardson (Minister of National Defence): We have completed our studies of the proposals made by four aircraft manufacturing companies and I expect to be announcing in the near future the entry into the contract definition stage with two companies.

INQUIRY AS TO DECISION ON REPLACEMENT FOR ARGUS AIRCRAFT

Mr. J. P. Nowlan (Annapolis Valley): I have a supplementary to the Minister of National Defence arising from the fact that his statement of October 10 regarding the role of the forces and related capital expenditures raised more questions than it answered. Could the minister tell the House the situation with regard to the Argus replacement? When will an announcement be made in this case to reduce the number of competing companies to two for detailed specifications?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I was referring to a replacement for the Argus and possibly, also, for the Tracker when I referred to the studies which have been taking place. We will be entering the contract definition phase in the near future. I expect to make a recommendation to cabinet within the next two or three weeks.

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EDUCATION

SECOND LANGUAGE INSTRUCTION—GOVERNMENT ACTION TO ASSIST PRIVATE SCHOOLS

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I should like to direct my question to the Secretary of State. In view of the fact the government of British Columbia has declined to apply for assistance on behalf of private or independent schools under the federal official second language instruction program, can the minister tell us what steps, if any, are being contemplated to make financial aid available to these schools on the same basis as the public school system?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, as the hon. member probably knows, there has been an indication of a change in policy with respect to independent schools. I received a letter from the education minister of British Columbia, Mrs. Dailly, on September 29 indicating a change in position, and as a result of that letter my officials are in British Columbia today discussing possible changes arising from that change in policy.

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EXTERNAL AFFAIRS

VENUE OF NEXT LAW OF THE SEA CONFERENCE

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Acting Prime Minister in his capacity as Secretary of State for External Affairs. In light of the political unrest in Chile, would the hon. gentleman inform the House whether it is still the intention to hold the next Law of the Sea conference in Santiago, Chile, next spring as scheduled?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I would doubt that the conference would be held there, but no decision has yet been made.

Mr. Crouse: In view of the importance to Canada of the outcome of this conference, and since bilingual translation facilities are available in Canada, would the minister consider extending an invitation to the nations concerned to hold this conference in Canada?

Some hon. Members: Hear, hear!

Mr. Sharp: I think that is a very useful suggestion. I can assure the hon. member that there will be many competitors.

[Mr. Nowlan.]

PUBLIC SERVICE

PAY INCREASES FOR CLERICAL EMPLOYEES—GOVERNMENT POLICY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to ask the President of Treasury Board why, when the cost of living is rising this year at a rate of more than 8 per cent, his officials in Treasury Board were not willing to offer the clerical employees of the federal civil service an increase of more than 3 per cent this year, 3 per cent next year and 2 per cent in the third year?

Mr. Howard: Cheap, that's why.

Some hon. Members: Oh, oh!

Hon. C. M. Drury (President of the Treasury Board): I think the hon. gentleman is asking me to comment on negotiations which are still in progress, and this has not been the policy.

Mr. Orlikow: If the minister does not feel he can comment at this point, possibly he could comment, when the process is completed, on the very generous increases given to senior civil servants of between $4,000 and $10,000 a year, though only 3 per cent is to be given to the clerical civil servants.

Mr. Walter Baker (Grenville-Carleton): Would the minister advise the House whether he is now prepared to withdraw the offer made to public servants in the clerical group and to make a new offer indicating that the government recognizes the cost of living is rising for these public servants?

Mr. Drury: When the application for binding arbitration was made, the government appointed a mediator under whose auspices some six meetings have since taken place, leading to modifications of the wage demand on the part of the employees and a counter offer by the government.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

DESIGNATED AREAS—DATE OF ANNOUNCEMENT OF NEW POLICY

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Minister of Regional Economic Expansion.

On September 7 last, the hon. member for Bellechasse asked whether the policy concerning designated areas or special areas would apply in the future. The minister replied that he was discussing with the provinces a new policy to assist the slow growth areas. Can he say when he will announce that new policy and will it be before this coming winter?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Yes, Mr. Speaker, I am quite sure it will be done before the winter. The draft of the joint development agreement with not only Quebec but all the provinces but one is virtually ready for submission to my

colleagues in the federal cabinet and to those in the provinces. I expect this development agreement and the subordinate agreements which will flow therefrom will be ready in a month from now, or a month and a half at the outside.

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ENVIRONMENTAL AFFAIRS

CANADA-U.S. ACTION TO CLEAN UP POLLUTION OF GREAT LAKES

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is addressed to the Minister of the Environment. In light of the recent meeting between Canadian and United States officials of the International Joint Commission on the Great Lakes water quality agreement, can the hon. gentleman assure the House that adequate staffing and funding will immediately be provided for the proposed clean-up, as the IJC has admitted the lack of same? Further, is it the intention of the government to accelerate steps to prevent the continual discharge of water pollutants into the Great Lakes before it is too late?

Hon. Jack Davis (Minister of the Environment): Yes, I am glad to give the hon. member that assurance, Mr. Speaker.

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FEDERAL-PROVINCIAL-MUNICIPAL AFFAIRS

REQUEST THAT MEMBERS OF PARLIAMENT BE PERMITTED TO ATTEND EDMONTON TRI-LEVEL CONFERENCE AS OBSERVERS

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I wish to direct this question to the Minister of State for Urban Affairs. In view of the importance of the national tri-level intergovernmental meeting in Edmonton next week, and the fact that this meeting is open to the press but closed to official observers, will the minister undertake to ensure that members of parliament wishing to attend the meeting will be accredited as observers?

Hon. Ron Basford (Minister of State for Urban Affairs): Arrangements of this sort are under the direction of the secretariat which is organizing the meeting, and the direction of the chairman who is acting on behalf of all three governments involved. I understand that the problem is purely physical inasmuch as there is just not sufficient room available.

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PUBLIC SERVICE

INQUIRY AS TO INTRODUCTION OF AMENDMENTS TO PUBLIC SERVICE STAFF RELATIONS AND EMPLOYMENT ACTS

Mr. Peter Reilly (Ottawa West): Mr. Speaker, my question is supplementary to those asked by the hon. member

for Winnipeg North and the hon. member for Grenville-Carleton. It is directed to the government House leader. In view of the fact the Speech from the Throne promised that revisions will be proposed to the Public Service Staff Relations Act and the Public Service Employment Act, can the hon. gentleman indicate when we may expect the necessary bills to be brought down?

Hon. Allan J. MacEachen (President of the Privy Council): As the House will recall, the chairman of the Public Service Staff Relations Board, Mr. Finkelman, is currently examining proposed revisions to the legislation. He has not yet completed his work, but I expect it will be completed within a reasonable period. The report will be made public and the House will have an opportunity to deal with measures at that time or subsequent to the tabling of his report.

* * *

● (1510)

ENERGY

NATURAL GAS—PROPOSAL FOR TRANSMISSION FROM PRUDHOE BAY BY TRANS-ALASKA PIPELINE AND TANKER—GOVERNMENT POSITION

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. I should like to ask the minister whether the government of Canada considers the proposal of El Paso to move Prudhoe Bay gas to market by means of a trans-Alaska pipeline and tankers both practical and feasible?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): So far, Mr. Speaker, we have had no report on this matter. As the hon. member knows, there has been no application filed with the Federal Power Commission regarding this proposal, but it does seem to be a feasible one. The real question is that of cost relative to construction of a pipeline up the Mackenzie Valley.

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INDIAN AFFAIRS

INVOLVEMENT OF BLACK PANTHER MOVEMENT IN DISTURBANCES AT CAUGHNAWAGA RESERVE—GOVERNMENT ACTION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Is the minister aware of the involvement of members of the Black Panther movement in the recent disturbances and violence at the Caughnawaga reserve, and could he say what steps have been taken to ensure that the activities of this uninvited group have been stopped?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have heard these rumours myself and, to palliate this situation, we have made sure there would be adequate police protection in Caughnawaga. The matter of undesirables entering

Canada comes under the Department of Immigration. We have brought this problem to the attention of this department where we were advised that the utmost would be done to prevent their entering Canada.

May I take this opportunity to thank the hon. member for claiming, as I do, that Canadian problems may be solved better by Canadians than by foreigners.

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[*English*]

CANADIAN NATIONAL RAILWAYS

REQUEST THAT PENSIONS BE TIED TO INCREASES IN COST OF LIVING

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the fact that most pensions that come under the responsibility of the federal government either are, or soon will be, escalated by the full percentage increase in the cost of living, would the minister seek to prevail upon Canadian National Railways so that CN pensions can also be escalated not just by 2 per cent a year but by the full percentage increase in the cost of living?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the hon. gentleman knows very well that this is something that is negotiated between the unions and the railway company. I in fact supported the original demand that was made when I was a member of the committee before it became the negotiating committee. Now the figures are being revised by an inquiry officer. I think Mr. Deutsch is the one looking into the data that have been supplied by the companies, so let us wait and see what the result will be.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I appreciate the minister's answer, but in view of the fact that employees who have already retired are not covered under any such collective agreements, and in view of the fact that Dr. Deutsch is not studying the pensions of those already retired, would the minister again consider the plea that I make to him to make these representations to Canadian National?

Mr. Marchand (Langelier): Mr. Speaker, when I was in the labour movement as a unionist we were interested in former union members and it was the union that made representations, not members of the House of Commons or members of any other legislative assembly.

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LABOUR RELATIONS

SETTLEMENT OF RAILWAY STRIKE—INQUIRY AS TO REPORT

Mr. James A. McGrath (St. John's East): Mr. Speaker, by way of a supplementary question may I ask the Minister of Labour when we can expect a report from Judge Hall in connection with the negotiations settling the rail strike?

[Mr. Chrétien.]

Hon. John C. Munro (Minister of Labour): I cannot say precisely, Mr. Speaker. As the hon. member knows, this is a complicated area. Judge Hall has been meeting constantly and steadily with the parties and is working as quickly as he can to get his report out. I cannot tell the hon. member precisely, but perhaps within a few days I will have information in rather more precise terms as to when this report will be available.

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EXTERNAL AFFAIRS

PRIME MINISTER'S VISIT TO CHINA—REACTION TO ALLEGED VERBAL ATTACK ON ISRAEL DURING OFFICIAL BANQUET

Mr. Barnett J. Danson (York North): Mr. Speaker, I ask the Acting Prime Minister whether the Prime Minister, at a recent official banquet in China, simply chose to ignore a vicious verbal attack on the state of Israel by Premier Chou En-lai, as reported in the media?

Mr. Speaker: Perhaps we might assume that the question has been asked directly rather than asking the Acting Prime Minister to confirm or deny a press report. The Chair is prepared to assume that the question has been asked directly.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, when I heard this story I immediately transmitted a message to Peking and found that it was completely without foundation. No such attack was made upon Israel in the presence of the Prime Minister.

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BUGGING AND WIRETAPPING

GOVERNMENT POSITION ON BILL IN LIGHT OF WATERGATE REVELATIONS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the House showed today its reaction to bugging, even though in no way was a member of the press gallery connected therewith. None the less, what Watergate has revealed is the danger of empowering a small cabal to bug even for a few hours. Therefore I would ask the Minister of Justice this question. Having regard to the revelations in Washington, does he not now feel that that portion of the bill now before the committee which permits emergency bugging should be withdrawn?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the so-called emergency provisions which allow for the use of electronic devices to detect serious criminal offences when a judge is not available are, of course, similar to what some of the colleagues of the right hon. gentleman would have made the general rule in regard to the whole use of such electronic devices. Since the responsibility of the Attorney General or the Solicitor General is involved in those cases and was the source sought by some of the hon. member's colleagues as the only responsible source, the government felt, in contrast, that as a general rule a judge ought to approve the use of any of these

devices. But notwithstanding that, on the clear evidence that serious crime might not have been detected but for the very rapid use by law enforcement officers of such devices, it was felt desirable to keep in their hands, under the responsibility of the Attorney General or the Solicitor General, use of those devices to detect serious crime so as to ensure the safety of all citizens in Canada.

Mr. Diefenbaker: Mr. Speaker, that statement is, of course, a transparent deception. My impression is that there is no part of Canada where judges would not be available. My suggestion to the minister is that, if this particular provision remains, every Canadian will be subject to snooping for a period of 36 hours. That is a dangerous challenge to Canadian liberty.

Mr. Speaker: Order, please. The Chair will, of course, allow the minister to reply, but I would suggest to hon. members that at this point we are debating an order of the day that is not before the House at the present time.

Mr. Lang: Mr. Speaker, I have been able to obtain and to place before members of the public, and bring to the attention of the public, police information that on some occasions such serious offences as shipment of a very large quantity of heroin was brought to the attention of law enforcement officers at 2 a.m. on a Sunday, that within 30 minutes a meeting would take place in a city, and that very prompt action was required on the part of the law enforcement officers. It was surprising that they were able to obtain the information without having to go to a judge. In the interest of apprehending such criminals, who themselves use these devices, I think we are justified in giving this power to police officers as well.

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ENERGY

OIL—INQUIRY AS TO GOVERNMENT ACTION TO ENSURE SECURITY OF SUPPLY TO EASTERN CANADA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I address my question to the Minister of Energy, Mines and Resources. With regard to supplies of oil from the Middle East, in the event of a cut-off of supplies, which has been a matter of concern for some time according to the minister, I ask whether the minister has done anything specific to increase security of supply to oil consumers in eastern Canada in the event there is a cut-off, other than the projected meeting he will have with the industry? Has he done anything at all to increase the supply for eastern consumers such as, for example, increasing storage supplies?

● (1520)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as I pointed out in specific response some time ago to this question, the proposal for storage was found not to be practicable. At a time when it is difficult to secure regular supplies of oil because of the tightness of the international situation, it is obviously difficult to obtain additional supplies. I remind the hon. member that extensive discussions were carried on with the United States to obtain a security agreement to protect

Canada. That was not possible. Extensive discussions were carried on in the OECD but for reasons over which Canada had no control the OECD discussions broke down. I have taken direct steps by talking to our principal supplier, Venezuela, to attempt to secure protection of the supplies now coming to Canada. In addition, we will have a meeting—

Mr. Speaker: Order, please. I appreciate the position of the minister: the question asked was in very general terms and it was difficult to reply briefly. I bring to the attention of hon. members the fact that we have reached the end of the question period. I had hoped to be able to recognize a number of members. Perhaps before calling orders of the day the Leader of the Opposition might be permitted to ask a supplementary, and that the minister would reply.

Mr. Stanfield: I want a simple, direct answer. Has the minister done anything?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker.

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BUSINESS OF THE HOUSE

Mr. MacEachen: Mr. Speaker, I rise on a point of order. I should advise the House that in accordance with the special order which was passed, found in Votes and Proceedings for Friday, July 27, tomorrow we will be dealing with the report stage of Bill C-2, to amend the Criminal Code. Under the terms of that special order, the sitting of the House will begin at 11 a.m., although routine proceedings will take place as usual at two o'clock. While I am on my feet, may I say that if the family allowance bill is passed we will spend the rest of the afternoon on the CNR financing bill.

GOVERNMENT ORDERS

[*Translation*]

FAMILY ALLOWANCES ACT, 1973

MEASURES TO PROVIDE FOR PAYMENT OF FAMILY AND SPECIAL ALLOWANCES

The House resumed, from Tuesday, October 16, consideration of the motion of Mr. Lalonde that Bill C-211, to provide for the payment of family allowances in respect of children to supplement the income of Canadian families and for the payment of special allowances to provide for the care and maintenance of other children, and to amend the Income Tax Act in consequence thereof, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Eudore Allard (Rimouski): Mr. Speaker, I was saying yesterday that it is really discouraging to realize that, from 1950 to 1972, that is to say over a 22 year period only, the birthrate for Quebec has fallen from 30.3 per cent to 15.2 per cent per 1,000 habitants.

The current birthrate, especially in Quebec, is one of the lowest for the entire western world—

[*English*]

Mr. Speaker: May we have order, please. I again bring to the attention of hon. members that when we call orders of the day it is extremely difficult to proceed with the business before us when members carry on discussions, interviews and consultations, sometimes standing in the House which is highly irregular. I suggest to hon. members that these discussions take place sotto-voce or behind the curtains.

[*Translation*]

The hon. member for Rimouski (Mr. Allard) is trying to make himself heard and perhaps we should have the courtesy of listening to him.

Mr. Allard: Mr. Speaker, I am most grateful for your intervention because it is quite difficult to make a speech when there is so much noise in the House. I was saying that the current birth rate, especially in Quebec, is one of the lowest in the western world while a few years back it was among the highest.

Faced with all those facts we should respond as soon as possible. This is why we suggest that, to be at the level of the present situation, family allowances should be depending on the number of dependents and increased to $30, $60 and $90 a month.

And yet all hope is not lost. This progressive society should do its utmost to increase its population through generous incentives which would encourage married couples to bring their contribution to the demographic needs of a comparatively young country so as to give it the population required to meet its objectives.

We are all aware that the birth rate is intimately connected to the economic conditions. Let us take the necessary steps to settle this thorny problem and ensure an adequate well-being to all families.

Since the aim of the production of consumer goods and services is to meet peoples' needs, work and capital are the means to reach this goal. Profit is an incentive aimed at facilitating the work of grown-ups but it should not take too much importance in the life of our society.

This is the origin of all our economic troubles. Although good in itself, profit becomes bad and even harmful when reaching excessive proportions. In our affluent country the richest are becoming richer and richer and the number of poor is increasing daily. This economic unbalance is prejudicial to children, students, the unemployed and the small wage-earners who do not have sufficient income to enjoy our resources comparatively to the prices asked. What makes it so difficult to adjust family allowances to the cost of living and the rise of the gross national product is precisely the fact that we never consider our economy as the activities of the people as a whole, in order to meet their needs. For many years, the members of the Social Credit have been advocating the payment of a stable and guaranteed salary to each Canadian. I am sure that such a step would cope with most social problems of our country.

I support the bill although I would have liked the government to do much more for the welfare of young Canadians.

[Mr. Allard.]

[*English*]

Mr. J.-J. Blais (Nipissing): Mr. Speaker, it is with considerable pride that I participate in this debate. I wish to point out that I have had occasion to participate in debates on other legislation presented to this House, all of which has been most progressive indeed. There has been a considerable amount of discussion on this bill. The position adopted by the Progressive Conservatives in this instance ought to be given very little attention, primarily because it is very difficult to ascertain exactly the position of that party although it is easy to determine what the conservative position might be.

We have heard the contribution of the hon. member for Hillsborough (Mr. Macquarrie). I will have more to say about that later. We also heard the contribution of the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). I commend that hon. member on a very excellent contribution. It was one which might well be classified as being a liberal contribution. I also wish to refer to the contribution of the hon. member for Saint-Hyacinthe (Mr. Wagner). It appears that his association with the Liberal party in the past has put him in good standing with regard to this bill.

From reading the contribution made by the hon. member for Hillsborough which appears at page 6871 of *Hansard* for October 15, it appears that the position of the Conservative Party is indeed expressed in his words as follows:

● (1530)

However, I am a little unhappy—indeed, I am profoundly disturbed—that at a time when the country faces an economic crisis of pressing gravity the response of the government time after time is to throw out another welfare measure. In the emergency session in August and September it was the minister who came through with measures. There was a little change to old age security, an alteration here, another there—

It appears that the legislation introduced by the government in respect of family allowances is considered by the hon. member for Hillsborough, the lead-off speaker for his party, to be a welfare measure. It is little wonder that there is no Tory record of social legislation in this country. It is distinctly repugnant to them to adopt anything which smells of social security because they define it as welfare and use that term as meaning a hand-out.

We saw this attitude recently in the Ontario edition of the Conservative Party. They attached very little importance to the bill presently being debated. It has been noted that they might consider reducing the amount of the welfare payments which would otherwise be payable to welfare recipients in proportion to the amount by which their revenue might be increased as a result of this particular legislation. It is not surprising, therefore, that there is this penury of social legislation coming from the Conservative Party. Someone might ask: Why, then, are they supporting this particular piece of legislation? The reason, I suggest, is that this legislation is demanded by the Canadian people and is an expression of the Canadian wish. The expression of that wish has been received by a party which has been accustomed to presenting social legislation of this type and calibre.

When I turn now to the NDP my heart is glad. I am encouraged by the fact that the NDP have chosen to

actively support this legislation. However, I am somewhat saddened by the posturing which has been engendered by that party. Indeed, the posturing was very well expressed by the hon. member for Winnipeg North Centre (Mr. Knowles) in the debate of October 15 when he claimed complete credit for this piece of legislation. He said the following, as recorded at page 6881 of *Hansard* for October 15:

> If some of my friends in various parts of the House think that I am being too generous—

Indeed, he was most agreeable to the legislation.

> —in welcoming this legislation, it must be obvious that the reason we welcome it is that we know we are responsible for it.

He expressed those words with great relish. However, I would point out that the day after, yesterday, he was promptly corrected by one of his own backbenchers. The hon. member for Scarborough West (Mr. Harney) indicated that he recognized—indeed, he recognizes it because it is an historic fact—that our social security legislation is a product of Liberal governments and is a Liberal philosophy. As recorded at page 6909 of *Hansard*, the hon. member for Scarborough West said:

> As a final compliment, Mr. Speaker, I should like to commend the minister and the government on his and their return to the policies of the late Right Hon. Lester B. Pearson and the late Right Hon. William Lyon Mackenzie King.

Of course he is right historically. We accept the commendation. We accept the recognition by the party to the left—I stand with my back to you, Mr. Speaker, when I say "to the left"—that the Liberal Party has generated socially conscious legislation. I refer to the old age security legislation, the unemployment insurance legislation, the veterans allowance legislation and the family allowance legislation. All these pieces of legislation which have evolved, and have been consolidated, improved and approved throughout the years were introduced in this House by a Liberal government. There have been some improvements. There have been contributions from private members of other parties. There is no doubt of that. I will not deny there have been contributions from Conservative members in respect of this legislation. I have seen in committee how effectively they work. However, their principles have not changed; they are still there.

No one pretends to know everything about any given topic, so every piece of legislation when it is introduced is not invariably right and can be improved by this House. This is indeed a parliament and it can work only if the government introduces legislation. It is recognized in our parliamentary system that the government is responsible for this legislation, so, for members of the NDP to claim they are responsible for it is indeed misleading and most inaccurate.

The minister said that there will be an increase of $840 million in total capital expenditure for this program. I suggest to you, Mr. Speaker, that is because the economy of the country can absorb this additional expenditure. This is the time when family allowances should be increased. Indeed, the government chose this time since the economy is booming; our productive capacity is up to 94 per cent. There is demand for a greater quantity of Canadian goods. There is need for additional investment in manufacturing and processing, and indeed in the extraction industries. No one can deny this. We have a very rich economy. The tax revenue is proof of this. The indexing of income tax announced by the Minister of Finance (Mr. Turner) is another indication of the substantial revenue available to the Canadian government and the Canadian people. Now is the time when this legislation should have been introduced.

[*Translation*]

Mr. Speaker, the New Democratic Party—and I would like to emphasize the word "new"—was not even here when the Liberals were legislating on these basic principles.

And I should like to point out to the House that they are now claiming responsibility for the bill before us. This reminds me, Mr. Speaker, of a fable by the great poet of two hundred years ago, Lafontaine, who, with his pen, reached across two centuries to describe these people to the left of the spectrum. I quote:

> Climbing a hill through sand, as though the load were lead,
> Scorched by burning sun directly overhead,
> Six horses dragged a coach with a lurch.
> Women, a monk, as well as old folk were walking,
> Yet the sweating, blowing horses were balking
> When a fly buzzed toward them determined to perch;
> Convinced that noisiness could goad the horses on,
> Stung one, stung all, sure that what she had done
> Could move the weight at a bound.
> She rode on the coach pole; soon the driver's nose smarted,
> As the wheels were turning round
> And the vehicle started.
> Then insisting that credit be laid at her door,
> She would rush to and fro like a sergeant till spent,
> Who must urge his men forward wherever they went,
> While claiming the honor of winning the war.
> The fly complained that what she had done,
> Was a task for them all and not for her alone.
> Heavy work each should do had been left to her.
> The monk had let matins be his share;
> They took a long time. A light heart overflowed,
> But song can't move coaches along the road!
> Pestering each ear, Dame Fly must incommode,
> Buzzing in foolhardihood!
> At the top of the hill the tired horses delayed.
> "Better stop for a time! Take a breath," the fly said.
> "Since I've guided you up to the level again,
> My good horses, admit that I've been under strain."
> So consummate boors, too brash to be lessoned,
> Making disturbance everywhere,
> Worry themselves with a world of care—
>
> As pests whose departure one longs to have hastened.

This, Mr. Speaker, is an accurate description of the situation and of the position taken by the New Democratic Party. This fly wants to claim all responsibility for the legislation brought before this House.

● (1540)

[*English*]

I have heard that a number of times before. I have been told by all members of that party to whom I have spoken that they are responsible for the legislation which is now

before the House. Nothing could be further from the truth, and I take strong issue with the leader of that party who today commented in the House that bugging the Liberal caucus might not be worth while.

Some hon. Members: Hear, hear!

Mr. Blais: I suggest that discussions in caucus, which I am not at liberty to reveal, are most interesting. This is my first year in the House. The last election was not quite a year ago.

An hon. Member: And it is your last.

Mr. Blais: I assure you, Mr. Speaker, that Liberal caucuses—indeed, I am sure all caucuses held as a result of the traditions that have been established—are most helpful and useful. That is why I am sad when a member of the press uses the caucus as a source of information for the special program that he is planning. I am in agreement with the motion which was put forward today. I feel it is very important that we protect our prerogatives. But I take issue when someone says that the Liberal Party does not contribute its greater than fair share to the affairs of this country.

It is a Liberal government that is administering this country at a very difficult time. No one can tell me that there is an economic crisis in Canada at present. The opposition might want to create some sort of panic, but the fact that this particular piece of legislation has been introduced, as well as the fact that some hon. members, at a time when they say there is a terrible crisis, call for an investigation into the situation in North Africa, proves that there is no economic crisis in Canada. Surely, had they believed that there was a terrible crisis in Canada, they would not have gone to North Africa.

Mr. Epp: You are not at your best right now.

Some hon. Members: A little louder.

Mr. Blais: I have invited contributions from the peanut gallery, Mr. Speaker, but these are unintelligible comments and therefore I cannot reply. Those gentlemen who enjoy the lakes of northern Ontario cannot now say they cannot enjoy them in perfect peace. Those members who enjoyed the last three weeks when the gorgeous leaves of northern Ontario were most beautiful cannot now say that we are facing an economic crisis in Canada.

Indeed, as I was saying before I was interrupted, the legislation presently before the House is indicative of the fact that we are concerned with social security and interested in the equitable distribution of wealth, we must recognize that there is wealth to distribute. There is no question in my mind that we will be able to pay the $840 million, and that it will not impose an additional burden on the taxpayers of Canada.

I suggest that this legislation is worth while, and when I look at the hon. member for Winnipeg North Centre, who has been in the House almost since the year I was born, I say that this is not the end-all of the equitable distribution of wealth; it is one step in the right direction. A number of other steps will be taken and I would like to be here when they are taken. However, at this time this is the best legislation which can be presented in our economic situation and I invite all hon. members to support it wholeheartedly.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the Liberal Party reminds me of the chameleon which continuously changes colour so as to blend into its environment. It is interesting to note how that party responds when it is under pressure in this country. They seem to have come a considerable distance in our direction or in whatever direction protests come from. I recall the 1940s when the CCF party first won an election in Saskatchewan and came very close to it in Ontario. It went ahead of the Liberal Party nationally at the polls. I remember the era when family allowances were first introduced, the era when the Wheat Board was first set up when there was a grain crisis. That is why I say the Liberal Party is very much like the chameleon because it makes changes in order to adapt to its environment. Nothing is more indicative of this than watching these fellows since last October 30 and seeing the legislation that is brought before the House. It is indicative of the chameleon-type attitude of these people.

Last year they brought in a very complex family allowance bill which contained a means test. Family allowances were supposed to go up or down according to age, sex, family income, and so on. That bill was so complicated that it would have made the Unemployment Insurance Act look simple. Our party objected strenuously to it and said it was unrealistic. The hon. member for Trinity (Mr. Hellyer) also objected strenuously to that bill. We said it should be a universal bill, that it should not contain a means test and that the rates should be increased.

According to government members at that time, those demands were unrealistic and impossible. That was prior to October 30. Now, suddenly we find the Liberal Party accepting our ideas. They have brought in a bill that is universal, that provides more money for the families of this country and that is sound in principle. It is interesting to watch the Liberal Party. That is why I was so pleased the other day when I saw the popularity of that party drop down to 35 per cent in the public opinion poll.

Perhaps that chameleon party will be bringing forth some more progressive legislation as they sink lower in popularity. When they sense danger, they respond. Perhaps that is the best hope we have until our party or other progressive elements in the country can form a government that is truly representative of the needs of the people. But the Liberal Party has always fascinated me and I think the legislation before us today is really indicative of how they can change their colour so quickly and appear so natural in a different skin. How anyone can do that as neatly and as subtly as the Liberal Party of Canada, I do not know.

● (1550)

As I said already, the bill before us is based on a sound principle. It will put more money into the hands of ordinary citizens by raising the family allowance from an average of $7 a month to an average of $20 a month. I think that is very good in light of the increase in the cost of living which basically hits people living on low income. However, at this stage I appeal to provincial governments

from one end of the country to the other not to cut back on their welfare payments because of the increase in the family allowance, using this as a means of saving provincial money. I know that some provinces have already clarified their stand. My own province of Saskatchewan is not going to penalize welfare recipients. It will increase the allowable welfare level so that family allowance is not deducted.

I would like to see all provincial governments do this, including the Conservative government of the province of Ontario which up until now has hesitated to make this decision. I know that the Ontario minister of social services says his province is considering it, and I think this House should say to him and to all provincial governments that they should not take advantage of this bill in order to cut back on provincial welfare payments; otherwise the increase in family allowances would be quite meaningless to many people.

As I say, this is a good piece of legislation. It is based on a sound principle. But as parliamentarians we should not be carried away, slapping each other on the back, pontificating about what great guys we are and that we are doing such a lot for the people of Canada. Basically this bill will do very little to redistribute income in Canada. It will do very little to assist lower income people meet the cost of living which has gone up faster this year than in any year since the Korean war. As politicians we must not become smug and patronizing toward the ordinary citizen, because really the ordinary citizen is not getting a very decent break at all. To understand this, all one has to do is refer to the statistics mentioned in this House previously which show the distribution of income in Canada.

We find that in the last 20 years income distribution has stayed approximately the same for both the poor and the wealthy. In 1951, the lowest 20 per cent of the population, in terms of income, received only 6 per cent of the disposable income in Canada. In 1971, the lowest 20 per cent received only 7 per cent of the disposable income. In other words, over 20 years, despite all our social plans and programs, the lowest 20 per cent income bracket families have received only 7 per cent of our disposable income. In 1951, the highest 20 per cent of the population, in terms of income, received 41 per cent of the disposable income. In 1971, that 20 per cent received 39 per cent of the disposable income. In my opinion they still receive a much greater proportion of disposable income than they should, despite the large number of social plans which we have, despite programs such as the family allowance program which basically and essentially is a very good one.

I would like to remind hon. members that the Senate Committee on Poverty stated that 4½ million poor people in Canada are living in poverty, and of them 1.7 million are children who are deprived of decent nutrition and cannot develop in a healthy manner because they do not have a decent diet. This is something that will affect those children and the families to follow in the years to come.

We should reject some of the insinuations made in this House by the hon. member for Hillsborough (Mr. Macquarrie) who referred to this legislation as a welfare type of hand-out measure. Mr. Speaker, it is not a welfare measure. It should be viewed as a measure that is helping the children of the country, that is helping in a small way to redistribute income and wealth all across Canada. As I say, it is only a small step in that direction. Much more has to be done. The House should seriously consider the idea articulated many times by the hon. member for Vancouver Kingsway (Mrs. MacInnis) of paying salaries to mothers who elect to stay at home and look after their families.

For mothers who do not want to stay at home we should be accepting the recommendations of the Royal Commission on the Status of Women and spending a lot more money right across this country, including provinces which have NDP governments, on day-care centres. By doing so the mother would be liberated in the same way as the man. She could go to work and pursue a career, without being restricted to staying at home and looking after her family, or she could choose to stay at home and look after the family. This type of choice should be allowed in a society as affluent as Canada's. The provision of day-care centres, or of salaries for mothers who elect to stay at home and look after their children would give a great deal more freedom to Canadians in general. This would provide a great deal more initiative to people in terms of exploring their creativity and developing themselves. It would be a boon to the economy by placing more purchasing power in the hands of people who really need it.

As I have said, we should not regard this legislation as being the be-all and end-all. But it is one measure to help redistribute income and wealth. That is the main issue. In some way we must do more for the lower income people by providing them with more funds, with better jobs, by providing retraining, higher minimum wages, more work opportunities in processing and manufacturing industries that are labour-intensive and have potential in terms of growth, and by encouraging the average citizens to form and organize trade unions so that their points of view will be represented at the bargaining table, where presently one-third of the work force is represented, that third being the highest paid segment.

These are things that must be done if the ordinary lower income citizen is to receive a greater portion of the income pie in Canada. For people at the top of the income scale who make their money through dividends, capital gains on the stockmarket or other speculation we should have a more progressive taxation system so that they would not see their incomes go up by leaps and bounds every year despite their being only a small proportion of the population.

Along with all this we need strong governmental action in other areas to protect our citizens. As I said in the House a few days ago, we need a prices review board that is really tough, that has some guts, to stop the gouging and profiteering in areas that affect families, in areas such as food prices, the price of lumber, fuel and energy. These are the things our party says should be controlled if there is excessive pricing and gouging. In Canada we produce energy, lumber, fuel, iron and copper ore. These should be controlled on a selective basis for the benefit of the Canadian consumer. In these areas we, as federal legislators, can take action and this could have a spin-off effect to help the ordinary consumers and families of the country.

● (1600)

It is in this context that we should look at legislation of this sort, even though it is very good and very progressive. With that, I encourage the provincial governments not to take advantage of this legislation to cut welfare allowances for the very poor and unfortunate. I also encourage the people of Canada to keep on mistrusting the Liberal Party and forcing them into this kind of situation. They are communing with nature and changing their colours as the attitudes and opinions of the people of this country change. It is for us on the opposition side to push them. The minute they become smug is the time they will stop bringing forth legislation such as Bill C-211.

I am pleased to support this bill, but I serve notice that I will not be satisfied by it and will continue to push as hard as I can for much more original and progressive legislation that will help the people of this country.

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, some time ago, several of my constituents, particularly mothers of large families like those we have in the constituency of Madawaska-Victoria, good families, complained that for some time we had been giving too many increases in old age security pensions and that the government was not doing enough for young families, for young parents who want to have children and provide them with the necessary comfort during the period of their development and education.

Of course, I told them that I respected their opinions, but that I did not necessarily share their points of view and I explained to them why.

For both groups, that is for older citizens and young parents, we could perhaps contribute more. But, what pleased me most recently when discussing with these people was their approval of a formula featured in the bill of the Minister of National Health and Welfare (Mr. Lalonde); not only did they recognize all its social justice because of its flexible approach but they also saw it as being essentially an initiative of the Liberal government, despite the claims of hon. members on the other side who compete to inflate like frogs to attribute themselves all the credit for it.

All great social measures in Canada have been Liberal initiatives, Mr. Speaker, and history speaks for itself. Recently, during a social meeting with my constituents, we spoke at great length about government programs relating to equality of opportunities in society. I am referring in particular to many employees of the Fraser companies, in Edmundston, who repeated the request they had already put forward to reduce to 60 years the optional age of retirement so they can qualify for the old age security pension, Canada pension plan, etc. for themselves and their spouse.

Of course, this debate is not the ideal background to discuss this matter, but many Canadians are ever more conscious of it and I tend to agree more and more with it and I even believe that this matter falls within an overall policy of social security and socio-economic strategy. I intend to ask several questions to the minister and, consequently, the government about this matter during the next meetings of the Standing Committee of Health, Welfare and Social Affairs. The only requirement, in my opinion, for a serious and in-depth discussion of all this problem is that hon. members be provided with all available information in order to easily and effectively deal with it.

To come back to family allowances, I cannot help thinking how much easier it would have been for my parents, as for those of many of my friends in the village where I was born, to keep us in college, for instance, at a time when there were no scholarships or loans to students. These parents would have been assured at the same time of more comfort, had family allowances been a little higher at that time. However, we got out of it and in any case, I am pleased, as all my constituents are, with the excellent legislation now under consideration and which will answer a great many of the most immediate needs of the Canadian family.

Like my colleague from Westmorland-Kent (Mr. LeBlanc), I regret the kind of publicity which, at first sight, seems misleading in a certain New Brunswick newspaper, and which tends to serve the political purposes of that province's government regarding the announcement of contributions to the family allowances program.

The least I can say is that that newspaper remains faithful to its tradition, a questionable one, brought to light a few years ago at the time of the Senate inquiry on Canadian newspapers. The fact is that the federal government is paying the full amount of these allowances and I do not think that it would be possible to keep on misleading New Brunswickers much longer. They will repudiate that kind of crafty journalism in their own way.

As most other members who spoke before me, I could boast to no end the merits of this Bill C-211, but it has all been done many times before. I shall abstain. But for a few moments, I shall dwell on one or two parts from the speech delivered by the Minister of National Health and Welfare (Mr. Lalonde).

I should like to quote a part from pages 11 and 12 of the text of his speech. There it is:

> Apart from increasing the income of Canada's "working poor", the increased allowances should to some extent ease the pressure on provincial social assistance expenditures. The increase in the allowance should in many instances be enough to keep families off the welfare rolls.

I don't know exactly what the minister means by this part which, in my view, lends itself to two different interpretations. The minister obviously recognizes that provincial governments have jurisdiction in matters of administration of public assistance programs, but there is the fact that the family allowances plan is not a public assistance program, as we usually mean it, that is a welfare program, since it is a universal program. But I wonder seriously if provincial governments should or even have the power to reduce their provincial public assistance programs through the family allowance plan. Of course, the provinces might talk about the burden of their program but at the same time it seems to me they would really jeopardize the prime objective of family allowances which is alleviating the burden of poor families.

I do not know whether I interpret the Minister correctly. I hope I am wrong in my interpretation. Finally, perhaps it was necessary to make a concession to the provinces—I do not know—but a thorough investigation of

that matter in committee will allow to shed some light on that point.

Finally, Mr. Speaker, I consider essential to the intrinsic value of the bill, the provision calling for periodically-increased allowances to offset the increase in the cost of living. This has been done or is being done for other pension or social security plans and it must, of course, be done for family allowances to maintain the purchasing power.

Mr. Speaker, when one has before him such an excellent bill as this one one cannot but desire its quick passage and congratulate quite earnestly the minister and his government for their initiative.

● (1610)

[*English*]

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, my colleague, the hon. member for Yorkton-Melville (Mr. Nystrom) has referred to the similarity between the Liberal Party and the chameleon which changes its colour to blend in with its surroundings. Fortunately for the people of Canada, the last election put the Liberal Party into the position of needing to adopt some ideas of the NDP. I say that is fortunate for the people of Canada. Yet not even the chameleon is capable of adopting the sort of advanced colouring that is represented by all the ideas of the NDP, and we are finding out that the government cannot adopt all that colouring. That is why, although we accept this measure with satisfaction, we are at pains to point out that it is only a partial measure, only one among others required to bring dignity, security and proper pride to the families of this country many of whom are labouring under great difficulties. I say that what has happened is fortunate for the people of Canada because one year ago the Liberal Party, in the full glow of its false or fancied security, showed colours that are vastly different from those it is showing in bringing forward this bill.

Like the hon. member for Yorkton-Melville, I was a member of the standing committee on health and welfare which studied the previous FISP bill. I shall not quickly forget the great dismay of members, even on the Liberal side of that committee, when they realized what a nightmare that bill was. It was apparent that there would be much red tape and much filling out of unnecessarily detailed forms. We all realized the foul-ups that would occur and the confusion that the FISP legislation would create among the mothers and fathers of this country.

I recall that some members from remote areas of this country practically begged for assurances from the then minister that in remote areas there would be a government agent who could assist parents without too much schooling, and without too great a familiarity with elaborate government and legal documents, with filling out forms. Many changes in situation and status would need to be listed if a family was to get the proposed level of family allowance. All kinds of details would be listed, and all kinds of changes in status would need to be set down.

People would need to list changes in levels of income. If the family received a little more in unemployment insurance, that would need to be reported. If the father's wage or salary went up, that would need to be reported. If one of the children attained a certain age bracket, that fact would need to be reported. If a child moved out, or if the family's circumstances changed, that would need to be spelled out. The whole thing was a nightmare. Now, as another colleague who spoke for our party said yesterday, we are back on track; we are back to the original intent of the legislation. Actually, I think we have gone a little further. I think the Minister of National Health and Welfare (Mr. Lalonde) put it in proper perspective when he spoke on this measure the other day and said, as recorded at page 6866 of *Hansard:*

> The original family allowance program was introduced for the purpose of giving a maximum measure of income support to families to help ease the financial burden of bringing up children and to provide a measure of equal opportunity for children regardless of a family's economic situation. The objective of the new family allowance program is to provide a supplement to the income of Canadian families in such a way that those with the greatest need will receive the greatest benefit.

There is a difference, Mr. Speaker. Under the old family allowance scheme there has been an undifferentiated handing out of income to Canadian families without regard to the economic position of the family. With the new measure there has been an improvement. This bill seeks to supplement the income of Canadian families in such a way that those with the greatest need will receive the greatest benefit.

How is this to be done? For years the NDP has been told that this is impossible, that this type of selectivity, inside a system of universality, just cannot work; it just cannot be done. When we advocated the universal old age pension and later, as well, when a Liberal government wanted to introduce a means test principle, we were asked—

An hon. Member: That was typically Liberal.

Mrs. MacInnis (Vancouver Kingsway): Yes, typically Liberal. At that time we were asked, "would you give the old age pension to the millionaire just as you would to the poor person? Would you give it to the millionaire who does not need it? How shamefull!" We answered by saying, "There are more ways of killing a cat than by choking it to death with butter. Of course we would give the pension to millionaires too, but we would use taxation to take money back from those who did not need it, and the recovery would be in direct proportion to their affluence." Again we were told that this would be quite impossible. Now, thank goodness, because the Liberal Party has been forced to adopt the ideas of the NDP in this regard we are able to make some headway along these lines. This measure is a definite improvement. It returns to the original concept and takes a step forward as well.

It is apparent, by the various measures the present minister has introduced, that he knows there are wide differences in income in this country. I am glad he has not indulged in this silly talk about averages. I am sick and tired of hearing what the average Canadian income is, what the average Canadian spends on food and what this and that average is. People are not averages; people are people, with wide differences in income, wide differences in needs and wide differences in capabilities for meeting them. The minister knows this. I do not know how far he will be able to push his colleagues. It all depends on how much push we NDP members are able to exert on behalf of

the people of the country whose views we are expressing here. It depends on that, and the minister knows it.

I like the way in which the present minister is concerned about bringing up the level of income of different groups in society. He wants different groups to enjoy a liveable income. He is concerned about bringing up the level of the old age pensioners, of the veterans, of the people on the Canada Pension Plan, of public servants and of other groups in society. One of these days, if the minister lasts long enough and if we NDP members last long enough and are strong, there will be a guaranteed annual income in this country. We will get a guaranteed annual income with the same type of flexibility as the present measure. Its level will depend not on any average income but will take into account differences in needs and capacities of the people involved.

A guaranteed income involves more than handing out money to people, more than handing out a cheque or calculating some sort of negative income tax at the end of the year. A guaranteed income has with it other programs. I know that this minister knows about those programs, too. You cannot have a workable guaranteed income without at the same time having a guaranteed occupation. Guaranteed jobs with earnings attached to them are necessary so that people can live by them properly, not as working poor but as people who work for an income of a dignified kind. This is also necessary to make a guaranteed income work. You must have guaranteed occupation of a socially useful and socially satisfying kind.

● (1620)

We are beginning to realize that this is not going to be easy to secure. One of the reasons is that during the two worst years of unemployment, that is, between 1970 and 1972, we allowed our young people to simply drift about in idleness without giving them any direction, any purpose or useful work to do. At the same time, we told them absolute lies. We told them that the idea that work was a useful life-giving thing was a puritan ethic which should be buried deep. That advice was given by people who held satisfying and good jobs, many of whom worked far too hard and worked themselves into early graves because they were doing something which seemed to them worthwhile and satisfying.

Work is the umbilical cord which attaches us to life. Work is the way we find our friends. Work is the way in which we earn our bread. Work is the way we carry our share of the load. Work is the way we make our social contacts and exchange our ideas. And work is the way we develop the capacities we have within ourselves. With one stroke, the government, by its absolutely stupid idea of trying to fight inflation in some mysterious and arcane way by which it neglected to provide jobs, cut the umbilical cord for thousands of young people in this country and allowed them to drift in a kind of death-in-life from which many of them have not recovered nor will recover during their lifetime. Pick-up programs have been introduced since that time and other opportunities are beginning to develop in some measure, but the ideas put forward at that time were a terrible sin and crime against the young people of this country.

[Mrs. MacInnis (Vancouver Kingsway).]

I am glad to see that once again we are trying to demonstrate some kind of care for the children of our nation. I am glad the minister has this vision and that some of his colleagues are beginning to share it with him, even though in a much more limited form. It has not always been like this. There have been means tests. As for my friends over here to the right, my memory goes back to the time when the then premier of Ontario referred to family allowances, when they were introduced, as a bribe to the province of Quebec. He thought that the purpose of family allowances was to enable la revanche des berceaux—the revenge of the cradles—to have its way in Quebec so that Quebec would outpopulate Ontario.

Mr. Paproski: WASP.

Mrs. MacInnis (Vancouver Kingsway): That may be WASP, but it is true. WASP or not, that is what happened. Let me say that I hope things are different now. But I have been noticing that in the Ontario legislature it took two days of waffling back and forth before the Conservative minister of welfare of that province finally made up his mind that he would recommend that they do not cut the family relief allowances in Ontario in respect of family allowances, that they would not reduce the assistance because people were receiving the additional family allowance. Thank goodness he took two days and that he waffled so that people in our party and others were able to get up in the legislature and make a strong plea for common sense and justice. I recommend to the Ontario legislature that they do not cut the relief allowance because people will be receiving the family allowance.

I am proud to be able to announce that in my own province of British Columbia the full amount of $20 will be paid to each child and no cuts will take place in other family assistance rates. I hope this action will encourage some of the other provinces to do likewise, particularly those affluent provinces which have been keeping very quiet on this matter to date. I hope they will be encouraged to come out and we shall see the full $20 given for the children involved.

As I said, I am glad to see that recognition is being given in this legislation to the importance of young children. I think we have been neglecting the needs of families and children for far too long. As a matter of fact, my colleague from Yorkton-Melville made reference to the opportunity I have taken for some years now of urging that where a mother decides to make a career of raising her children and remaining at home instead of going outside the home to seek gainful employment, she should receive a salary for so doing.

I remember the first time I raised this question some years ago it was regarded with some amusement tinged with hostility. People felt that mother love itself was quite enough to raise a child on; there was no need for diapers, bottles, clothes or anything else. It was sufficient for the mother to simply croon to the child, "I can't give you anything but love, baby." That was supposed to be quite enough. Now, thank goodness, women are beginning to discover that they, too, need to have the wherewithal to do the job well.

An hon. Member: Hear, hear!

Mrs. MacInnis (Vancouver Kingsway): It seems to me that if we had the wit to make available a proper salary for mothers with children at home, we would find it much easier to keep women at home in much larger numbers. Over and over again statistics show us that the biggest single cause of women seeking employment in the labour force, full time or part-time, is that the husband's pay cheque is not sufficient to cover the cost of living or because the woman alone has no means of bringing up her children other than going on social assistance. Women who are too proud to go on social assistance are often driven to neglect their families in order to provide money for them to live on.

Many women have come to me and said that although they have a job, by the time they pay their babysitter and pay the extra expenses involved in being presentable and decent at their job, they get less money to take home to their families than if they were on social assistance. That is the truth. If that sort of thing is hard on the morale of a husband, to hang around on social assistance, how much harder is it on the morale of a mother who sees her children dependent on her, in many cases solely dependent on her, when she wishes to bring them up properly.

I wish the minister would give some thought to a measure which I understand has been in existence for some time in France. France has several things we hear about, some which we like and some which we don't like. The measure I refer to is something which they seem to keep under wraps. Whether it is because of their modesty, or whether it is because Canadian journalists have not been interested in finding out about it, I cannot say. But in France, when a mother wishes to stay at home and bring up her family properly, a salary is available. Unfortunately, the salary is paid to the father, unless there has been a change. In Canada there would be no danger of that, even with the Tories in power, because Women's Lib would not let them get away with it.

● (1630)

Mr. Rodriguez: We don't trust them.

Mrs. MacInnis (Vancouver Kingsway): Neither do the women. That is a *double entendre* and you can take it as a compliment if you like. I think recognition is beginning to be given in this measure not only to children but to family life, to the role of the mother in family life. Surely women should be given the choice whether to go out to work full time outside the home, or to work outside the home part time, or to do small jobs at times when they are not too occupied with household duties. But I firmly believe that, in the case of the majority of women today who have small children, if they had an adequate income and the state were to recognize the service they render by giving them a proper salary to bring up their children, you would find these women beating a path back to their home and children. That is because they would have the wherewithal to bring them up in decency.

How can the male members of this House, so many of whom talk of the sanctity of family life, the importance of motherhood and children and all the rest, be so backward in voicing the needs of women and mothers for an adequate salary to further the well-being of their families? Do they take it for granted that in all cases the salary of the husband will be sufficient to provide for this, or do they think that in all cases the husband dutifully goes home and hands over the money to run the home? Or do they think at all? I believe it is time we started to think along these lines.

This measure does have its shortcomings. The minister gave us some very convincing figures showing that people in the lower income groups receive larger benefit from taxation than those in the higher income groups. But it is not what one pays in taxes that counts; rather, it is what one has left over to live on after paying taxes. That is the important thing. People at the top of the income ladder still have a far greater share of their income to live on than those at the bottom after taxation has been deducted.

I can well understand that the minister has to be discreet in cabinet, but I wish he would find some way of handling the Minister of Finance (Mr. Turner) and getting him to zero in on this particular problem. The minister has been exposed to consumer and corporate affairs and he has seen how some people live.

Mr. Knowles (Winnipeg North Centre): He has also been exposed to justice.

Mrs. MacInnis (Vancouver Kingsway): Yes, he has been exposed to justice. But time and again the minister gets up in this House and says he cannot understand what all the fuss is about, because, after all, our gross national product is surging ahead by leaps and bounds, our production is simply super and there are more people with jobs than one could ever believe.

An hon. Member: Hear, hear!

Mrs. MacInnis (Vancouver Kingsway): He even has a fan over there. The minister is at a loss to understand the needs of lower income groups. He goes along, of course, with social security measures, though he does not really see the need for them, with a booming economy and a booming everything else. The Minister of Finance is thinking in averages, not of the fact that this great big national income is largely syphoned off by a small fraction of the population, leaving a large fraction of the population living in insecurity, misery and all the rest.

Therefore, I hope the Minister of National Health and Welfare will be enabled in some way to get the Minister of Finance to stop thinking in terms of averages and to start thinking in terms of men, women and children, and preferably not the most affluent ones. I cannot introduce him to the most poverty-stricken ones right away because it might be too great a shock to him; but let him at least see some that he would recognize are living below his ideal average. He might then be prepared to loosen the purse strings a little and do something for them.

My hon. friend to my far right, the hon. member for Hillsborough (Mr. Macquarrie), talked the other day about the fact, with which we all agree, that low income consumers are today hardest hit by rising prices. All right, we agree. But let me ask the hon. member for Hillsborough whether he was thinking about this when the Minister of Finance brought in his proposal the other day to cut the corporation tax rate from 49 per cent to 40 per cent. If he was, did he also think of the large profits made by corporations in this country, which have been growing steadily?

If he was thinking about both of those facts, the cut in corporation tax and the profits being amassed by the big corporations, and if he is aware that among these corporations are many of the big food chains and food outlets, then I would ask the hon. member for Hillsborough what was his reason, be it moral, political or anything else, for voting for the measure to cut corporation tax from 49 per cent to 40 per cent?

As a result of this action, the Minister of Finance will have to get additional revenue through applying heavier taxes, directly or indirectly, against poorer people, those who are hardest hit by the rising cost of living.

An hon. Member: That is the Tory approach.

Mrs. MacInnis (Vancouver Kingsway): Yes, but it is not a very sensible one. Perhaps the Tories would move an inch or two on this, because we have to move a little bit these days if we want to continue to live. In other words, we have to get to the root cause. We must get beyond the notion that the welfare state is the cure for everything.

It took a long while to get the idea of the welfare state going and to put in the pieces that make it up, such as the old age security pension, family allowances, veterans pensions and other pensions and allowances. But we are now beginning to discover that it is merely a cruel deception, an illusion, to give raises to people who need them so badly and at the same time permit those raises to be taken away very swiftly and decisively as a result of increases in the cost of living, increases that are controlled by the very large and very irresponsible corporations in this country.

I feel that we have to take measures to bring these large private corporations under control. If we cannot bring them to heel by taking measures to cut their profits and control their operations, making sure our people have a well-rounded diet instead of letting the magnet of foreign trade attract our foodstuffs in great quantities to Japan, the United States, Britain, Europe, Asia and Africa, then all our social security measures will be brought to naught. Yes, the next step has to be control of our means of life in this country.

● (1640)

We have had to fight the large corporate sources of wealth. These must be brought under public control. In many cases there should be public or co-operative ownership at different levels. This will have to be done by various means such as taxation and more and more stringent rules. We are making a start on this, but it must be done much more quickly. It is in this context that we are glad to see this piece of legislation.

We hope the minister will not relax his efforts and will not rest until the guaranteed income is brought in in its initial phase. I hope he can convert the Minister of Finance at least to the point where the money required to do this will be made available. We can press from the outside, but the minister must do it from the inside. I do not know how close he can get to the Minister of Finance at cabinet meetings, but somehow it must be done.

Although we are glad to have this legislation, it will need improvement in committee. One improvement must be an escalator clause based on the full increase in the cost of living, such as is being incorporated into other legislation. We hope this can be achieved, because it is badly needed. There are other improvements that must be made in committee. Having made these criticisms, I conclude by again saying we are glad to have this piece of legislation and we support it very strongly in principle.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, we have been very pleased this week to listen to the statement made by the hon. Minister of National Health and Welfare (Mr. Lalonde) concerning the bill on family allowances. At first sight, this bill is most interesting as it aims at increasing the purchasing power of Canadian families. However, when we compare this with the increase in the national product and those granted in several other areas, we must come to the conclusion that the family allowance rates under Bill C-211 are clearly lagging behind. And considering that the initial Family Allowances Act dates back to the '40s, it is clear that what is being proposed now would have been equitable in the early '60s. To allow families to balance their budgets is about the best thing a government can do, for it is obvious that the best investment we can make as administrators is increasing the families' purchasing power. And we know that it is there where it will do the most good. Our families are our best consumers since they have so many needs.

Moreover, we do not even have to wonder about it since we are not dealing with grants nor with allowances following niggardly inquiries but with the recognition of the right to live. And since the right to live is the first of all rights, family allowances should be given priority. And it is a well-known fact throughout Canada and especially in the province of Quebec that most fertile couples would like to have three or four children. But in view of the spiralling inflation and of the number of three-and-a-half-room dwellings built under the aegis of Central Mortgage and Housing Corporation, people prefer to abstain. Therefore we have to come to the conclusion that it is the present economic situation which is responsible for the sterility of Canadian couples.

Mr. Speaker, it is my firm intention to support this bill. However, I still hope that the hon. minister will make a few changes to it. I feel that the minister which his age and experience should use his prestige to request the Minister of Finance's (Mr. Turner) co-operation.

Going back over the years and especially to 1944 when the national product was $12 billion, one finds out that old age security pensions were $20 per month while family allowances were $6 per month. In 1973, the national product being $114 billion, namely nine times as much as in 1944, we have followed the graph in the case of the 65 year old retired people by granting them $179 per month. That is fine and I am delighted along with all the Canadian people. Nevertheless, the legislation now brought forward by the hon. minister is really not in accordance with the production capacity of this country. As a matter of fact, at page 6238 of *Hansard* for September 5, 1973, one can find a reply given by the Minister of National Health and Welfare to question No. 2488 put by the hon. member for Bellechasse (Mr. Lambert). I am quoting it:

1. What percentage of the gross national product was spent on family allowances, as at July 31, 1945?

2. What percentage of the gross national product was spent on family allowances, as at July 31, 1972?

3. What percentage of government revenues was earmarked for the payment of family allowances, as at July 31, 1945?

4. What percentage of government revenues was earmarked for the payment of family allowances, as at July 31, 1972?

As a result of an understanding between the Minister of National Health and the hon. member for Bellechasse (Mr. Lambert), it was agreed that the department would provide an answer for 1947, since the statistics were more easily available than those for 1945. Now the answer for No. 3 reads as follows:

3. For the fiscal year ending March 31, 1947, expenditures on family allowances were 8.99 per cent of federal government revenues.

As for question No. 4, the answer is as follows:

4. For the fiscal year ending March 31, 1973, expenditures on family allowances were 2.48 per cent of federal government revenues.

Now, Mr. Speaker, the bill now under consideration proposes an increase; it is true, but such are increase will average $20 per child, three times the present amount.

• (1650)

Two and a half multiplied by three only gives 7½ per cent of the federal government expenditures for 1972 compared with the 9 per cent allotted to that item in 1947.

So, I repeat, the Minister of National Health and Welfare would do well in getting the co-operation of all his colleagues of the cabinet in order to review those figures somewhat.

If it is through administrative techniques that our governments have fostered poverty and unemployment, it is also through corrective legislative techniques that they will restore the balance which will favour Canadian families.

Nowadays, the more people work, exploit the natural resources of this country and increase production, the lower the family allowances percentage. It is a fact that Canadian families and particularly those in the province of Quebec live in very difficult conditions. It is obvious that the proposed increase is a good move for the benefit of families mainly due to the fact that these allowances will be taxable and that taxation rates are relatively low; we must conclude that family heads will receive in one hand and give back with the other.

Then, it is with this situation in mind that I think of the co-operation that the minister should obtain from other cabinet members in order to bring about the early reform needed regarding taxation at source.

Considering that the national output reached $114 billion in 1973, or an average of $5,000 per capita, or $25,000 per family of five, I think it would be possible to exempt from taxation all married couples who earn less than $8,000 a year. By doing that we would only leave them the bare necessities, as an enquiry revealed recently that all Canadian citizens earning less than $8,000 a year cannot even dream any more of buying a house.

I would also like to mention the rate of family allowances in all provinces of the country. I think that the bill before us allows too much latitude to the provinces and the amount paid should be the same on a national basis.

I have some fears, Mr. Speaker, regarding the legislation allowing the provinces to choose the payment method because in Quebec particularly, we still have a bad experience in the field of student loans.

The minister concerned has become an expert in intrigue. Young people have to wait months and months before knowing their faith. Unfortunately, there seems to be a very exclusive group which benefits from a large percentage of the money granted this way to the children of the rich, while these grants are restricted or even refused in the case of most students. I have even seen students who had to obtain the services of lawyers to get what they were entitled to receive. And now, three months before the implementation of the legislation before us, the Quebec premier, whom we all know, has told us that he intends to juggle with the figures.

This is why, Mr. Speaker, before we obtain a guaranteed annual income, I wish that the legislation before us be adopted in order to prevent our families from becoming the victims of illusionists.

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, I am happy to say a few words in favour of the bill before the House, and especially about its fundamental value.

I have listened attentively to most of the remarks made by the previous speakers this afternoon concerning the value of the bill before us, and I do not wish to say any more than is necessary on this subject. However I should like to add a few comments which I believe to be of special importance.

Mr. Speaker, at the beginning of the 29th Parliament, in the Speech from the Throne, it was said that the policy of the government contained two important elements: the economic issues and the social issues.

We know that on the economic level, the budget speech of February 19 last brought several solutions to the problems raised. Other departments, under federal-provincial agreements, the departments of Regional Economic Expansion and of Industry, Trade and Commerce, for instance, took appropriate measures. In the social field, it has been announced that the government intended to review all its social policy.

Last April, the new Minister of National Health and Welfare announced in the House his intention to review the whole social security system in Canada over a period of four or five years. Some aspects of the review of the social security system have already been agreed to by parliament as far as older citizens are concerned. In a few weeks or a few months, assistance will be granted to disabled persons, widows and pensioners and the matter now before us, family allowances, will be dealt with.

There seems to be some features of this bill which should be emphasized and recalled to the Canadian public. They are aimed at children up to 18 and this involves about 3,500,000 families throughout the country. From $6, $8 and $10 they are increased to $20 a month per child in most provinces.

It is worthwhile emphasizing the provincial variations which might be made by provinces in the light of their

own priorities as regards age, family size and sometimes both age and family size.

One of the most important features of this new policy at the time of an astounding rate of inflation is the yearly escalation of those benefits. As you know, the new family allowances will escalate with cost of living. Because of inflation which exists not only in Canada but in most countries of the world, and which is hardly manageable even with supposedly adequately flexible structures, this tie in with consumer prices will be definitely a major factor and the most important aspect of this new social policy.

As you know, social benefits were established in 1945 for children up to 16 and the payments were from $5 to $8 a month. A few minor modifications were made along the years in 1949, 1957, and 1964. As everyone remembers, the 1964 improvement was aimed at increasing the eligibility age from 16 to 17. Perhaps I should add that in 1961, that is, four years before the federal government approved the payment of family allowances in respect of 17 year old children, the Quebec government had already established a school allowance, that is three years before the federal program was approved.

Mr. Speaker, there are in my riding a great many families and families with many children. The unemployment rate is also very high there and, as I stated during the debate on the budget, the high unemployment rate is attributable to the manufacturing industries which are encountering great difficulties. However, Mr. Speaker, I must say that in recent months there was a net improvement in that area but the unemployment rate is still much too high. I think that the bill after being agreed to between the provinces and the federal government will surely be the most important bill to be passed in the last two or three years. It seems to me, Mr. Speaker, that although it does not solve all the problems of a great number of Canadian families at the low income level that bill represents a definite improvement, and I think it is certainly one of the bills that will have the most effect on Canadian families, on the budget of large families, particularly at a time when inflation is so difficult to control.

There is another point, Mr. Speaker, that I would like to raise; that new social policy is the result of negotiations with provincial governments. The new minister in charge of the Department of National Health and Welfare showed an open mind by listening to the provinces and their priorities with respect to new social security programs in Canada. We are certainly moving toward one of the best organized social security programs in the world; the bill before us is but a step in the revision of the social policy of this country. The new minister in charge of the department made what could perhaps be called a giant step toward the improvement of mechanisms to bring about a greater understanding between the various levels of government in Canada.

In the speech he made in the House when he introduced his bill the minister said and I quote:

> In addition, it will advance the development of a more equitable regional redistribution of income across Canada. For these reasons, Bill C-211 represents a major step in the overall reform of the social security system to which this government is firmly committed. As a matter of fact, it constitutes I believe the largest single federal expenditure ever voted by Parliament for any new program.

[Mr. Pelletier (Sherbrooke).]

In my opinion, Mr. Speaker, this is surely one of the most important bills, as far as my riding is concerned at least, and I feel, as regards the provinces that are less fortunate than others, and even the whole country, that this bill will get the support of most Canadian families. I will conclude my comments by quoting the last paragraph of the speech delivered by the minister:

> Mr. Speaker, I am personally encouraged by the spirit of co-operation which has been shown by the governments of the provinces toward the review of Canada's social security system. I am confident that given the goodwill that has prevailed to date, we shall be able, within the next few years, to set in place a social security system which will ensure a better standard of life for all Canadians.

Mr. Speaker, I am pleased to join with my colleagues—regardless of their party—who will approve this bill. I believe that we must approve it as soon as possible because winter is almost here and a large number of Canadian families would like to see this bill passed without delay so that they can take full advantage of this review of our social security system, in particular as far as family allowances are concerned.

● (1700)

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am sure all members of the House will be pleased with the change that has taken place in the past year with regard to family allowances, and with the fact that we have before us now legislation to provide increases in family allowances on a universal basis. I do not think there will be many complaints about the fact that the minister has seen fit to raise to $12 the benefit immediately in the non-taxable category, and on January 1 to raise the benefit to $20 for all children of all families in Canada up to the age of 18. I am sure that in some provinces this has made a considerable difference, because in some provinces the youth allowances program is different than in others and the program is not universal as is the family allowance program.

I am particularly pleased that the minister does not adopt the male chauvinistic attitude which was made evident in his province in the last year or so when this matter was discussed and considerable arguments were raised against payments going to the mother. Arguments were being put forward in favour of the father receiving the money. It seems to me that the present arrangement is excellent for the Women's Lib movement. The children get the $20 through the payment to the mother, the mother gets the money and the father pays the tax on that money. It seems to me to be a fairly good arrangement.

However, I am concerned—and other members of the House have expressed this concern—about two or three other problems which have not been given much consideration. One of them is a problem which we have not faced, and which we are certainly not facing in this piece of legislation. I am referring tc payments to the young person—here I am not referring to those up to 18 who continue their education but, rather to those beyond the age of 18—whose need for financial assistance to continue his or

her education becomes considerably greater and for whom no arrangement has been made in many of the provinces.

All provinces administer a program of student loans for education, but the need of young people for special assistance to enable them to continue their education has not been met. Loans and assistance are given in relation to the income of the father and the mother of these young people as well as any other income that may come into the family. The expenditures which families may have are not taken into consideration, nor is another important factor taken into condideration, namely, whether or not the young person wishes to remain under the care of the family.

I am sure that all hon. members know that if a young person is married, he or she does not qualify for provincial assistance in the form of loans or grants for education in all the provinces. The requirement is for them to be in the labour market for a period of time which is different in various provinces. It does not seem to me that because a young woman does not feel happy living at home and does not get along too well with her family, and certainly does not receive any money from her family, it is fair that in considering her application for assistance to continue her education the government should consider the income of the family. I know of several young women who have married for the simple purpose of gaining independence from their parents. This happens more often in the case of families that are well off than in the case of families in the middle or lower income group.

Another aspect which may not meet with approval from all members of the House is that when family allowances are increased, welfare payments may be cut accordingly. I would like to quote from today's Toronto *Star* a passage regarding a statement made by Mr. Brunelle in the provincial legislature. It reads as follows:

> In the legislature yesterday, Brunelle denied reports that Canada's ten provincial welfare ministers agreed in a closed meeting in Ottawa last week to prevent welfare families from getting the full benefit of the increase.

I am sure the minister does not agree that they should not get the full benefit of the increase. If it had been his position, obviously this plan would not be on a universal basis and we would be again faced with the FISP of last year. The article continues:

> Holding up a clipping from the *Star*, Brunelle said Ontario has not made up its mind but definitely did not agree to abide by a federal government suggestion to keep part of the family allowance raise away from welfare families.

● (1710)

In my area the two groups receiving most advantage from family allowance are the low-income group and the welfare group. In setting the allowable budget for welfare families in Ontario, family allowances should not be included. If they are, then you and I, Mr. Speaker, and every other member of this House are being ripped off. Almost all members of this House agree that we should increase the amount being paid through family allowance to $12 per child immediately, without any income tax provision, and to an average of $20 per child after January 1 next.

Obviously we intend that the mother will get $20 for each child. I understand there has been agreement with the provinces of Quebec and Alberta to vary the amount per child. I have not heard the details but I presume that the younger the child, the less the payment; and the older the child, the more the payment, provided the average remains at $20. But if we are to be told by the Ontario minister of social and family services that he will deduct the $20 family allowance from the budget allowed to welfare families, then I think we had better make this payment in another way. We certainly should not make it in a way whereby the provincial government can benefit from it. That would be dishonest and the public should know about it.

An hon. Member: It's a Tory government in Ontario.

Mr. Peters: Yes, a Tory government; and certainly the Tories are even less apt to be fair to the poor than the present federal government.

Mr. Jamieson: Thanks very much.

Mr. Peters: In the province of Ontario, if a person receives workmen's compensation or some federal payment and he lives in a rent-to-income project, his rent can be increased. I know of one family in such a project who paid $36 in rent for an apartment. Then the family was covered by a cost-shared program. It must be remembered that in Ontario the provincial government pays 40 per cent of cost-shared programs, the federal government 40 per cent and the municipality 20 per cent. Anyway, as a result the rent of that apartment went up to $84, even though the cost of the apartment was covered initially by the $36 payment. That is often done in welfare cases.

The Minister of National Health and Welfare (Mr. Lalonde) should be prepared to introduce an amendment to ensure that the Ontario minister cannot take the increased family allowance out of other welfare payments. Of course, we could increase family allowances to the point where Ontario would not have to pay anything. But, Mr. Speaker, Ontario is not a poor province; it does not have to be niggardly.

This is something that has also been done by the federal government. When old age pensions were increased, the increase was taken off war veterans allowance. A previous minister of veterans affairs could never understand this. The hon. member for Winnipeg North Centre (Mr. Knowles) and I spent half an hour one day trying to explain it to him. We tried to show him that the veterans would lose money. The present Minister of Veterans Affairs (Mr. MacDonald) has been able to get that point across in cabinet, so that an increase given under one piece of legislation will not be removed under another piece of legislation.

The government must be given full credit for the universality of the family allowance scheme. I will not complain if people who have enough money of their own must pay back some of the family allowance through income tax, but I repeat that it would be a shame if provinces deducted the increase in family allowance from welfare payments. Welfare families constitute the one category that needs assistance above all others. We have all dealt with welfare people. We know that there is a certain percentage of people who, when they receive welfare cheques, may spend them on drink. But the family allowance is paid directly to mothers, and in my experience

they use the money to buy clothes and food for their children.

I certainly do not want to leave the impression that all welfare families take their cheques down to the local liquor store to cash them. That is not true. But it is a fact that many people on welfare have difficulties, mentally, physically and emotionally and in a number of other ways, and are least able to look after their money and to provide for their children. If Mr. Brunelle in the province of Ontario deducts the additional money that will be paid by the federal government now, and in particular after January, the people who will be hurt are the children, the very people whom we are passing this legislation to protect.

● (1720)

Members of this House can say that is a provincial matter, but I am not very sympathetic to the provinces playing around with legislation when we are making the sole contribution. I do not see Quebec's point of view at all. I do not see why Quebec wants a different program from anyone else, and I do not see why Alberta wants a different program. If the province of Quebec feels that the youth allowance should be increased, then they should put some money into it and increase it. That is true for the province of Ontario or any other province. We have the responsibility for all Canadian children and we should provide them with a benefit which is applied all across the country.

If the minister replies, Mr. Speaker, I am sure he will indicate that he has had meetings with the provincial welfare ministers and that they have made it difficult for him to explain this welfare program. I am sure the province of Ontario would like him to give them one large sum of money once a year in lieu of the family allowances, and I am sure most of the provinces would agree to such a proposition and then make their own distribution. But in my opinion it would seldom get to the children and the youth of this country and I am therefore pleased that the minister has agreed to make this program universal. I will be sympathetic with the position he has had to take with Quebec and Alberta.

It may cost less to raise a one year-old child than an 18 year-old child; maybe there is some merit in that argument. I am not prepared to argue that there is not. I have raised children, and in my opinion they were pretty easy to raise when they stayed in the crib; problems did not develop until they started to wander around. Of course, it got worse the more they wandered around; the further afield they wandered, the more expensive it became.

I am concerned about this idea of allowing the provinces to take the low end of the strap, Mr. Speaker. The hon. member for Winnipeg North Centre congratulated the minister because this is a redistribution of wealth. It is not going to be a redistribution of wealth in the province of Ontario if the minister responsible for social welfare in that province decides he is not going to pass on the $20 payment that we will be making after January, but will deduct it from the amount he has to pay to maintain the young people in the province.

What really concerns me, Mr. Speaker, is that it will be two or three years before there is an election in Ontario. A lot of hardship and sorrow could happen in that time. A rich province like Ontario could use the $20 or a portion of it to add to the welfare rolls that they would normally have to carry and are in fact now carrying at a specific level. This could mean a reduction in the level. And Mr. Brunelle does not make any bones about it; he says that Ontario has not definitely agreed to abide by a federal government suggestion regarding part of the raise in the family allowance being kept away from welfare families. He says they did not agree, and if they did not it means that he is probably going to take this into consideration as part of the payment.

I come from a wealthy province, but welfare is a problem both for the municipalities and the provincial government in my area. About nine-tenths of the townships I represent are unorganized townships and have no form of municipal government. They therefore come directly under the municipal authorities for welfare and are paid directly by the municipal welfare branch. I am concerned that the families are not going to get the benefit of the payments that we are making.

The minister should give some consideration to the arrangement that we are making in terms of the cost-shared programs which are already operating. We give 50 per cent of that money and then an additional outside payment. The amount the federal government will be paying and the amount the provincial government will be paying into that welfare structure will be decreased by the amount by which we increase the family allowance. If that happens, Mr. Speaker, a lot of people are going to be very unhappy about the role played by members of parliament in providing for the middle-class, and in some cases the upper-class in our society while having neglected to make the full benefit available where it is most needed, at the welfare level.

I have read that the minister says he did not have the meeting, and the provincial minister said that he did. I am sure the deputy minister discussed it or it was discussed at another level. I strongly urge that in addition to the cost-sharing welfare structure, we bring as much pressure to bear as is possible to see that all welfare families in this country receive the full benefit of the federal government's generosity which should be universally available regardless of a family's income or in what province they may reside.

Mr. Peter Stollery (Spadina): Mr. Speaker, I should like to address myself to this bill for a moment. I remember my grandfather taking his old age pension cheque and using it every month to buy a box of very expensive Cuban cigars. He used to wave his cheque and say, "This is my box of Rey del Mundos". At that time they cost 67½ cents each and it used to rather rile me. He used to pick us up and take us home from the store and I did not say anything, but I wondered what he was doing collecting the old age pension if all he did with it was buy a box of cigars, each cigar costing 67½ cents.

I confess that for many years, Mr. Speaker, I thought that selectivity was the way that pensions should be presented. Until I came to this place and understood the practicalities of the matter, I asked myself why someone who had a substantial income should be collecting a pension. Not until it was explained to me—after all, I do not pretend to be an expert on pensions, taxation and fiscal

policies—did I realize, although my grandfather did not realize it, that he was not paying for that box of cigars with his old age pension cheque. I like to think now, may he rest in peace, that he was being taxed at a level at which he was actually paying back the taxpayers' money. That money was going to those people who could use it or who needed it. My grandfather, although he did not know it, was making a considerable contribution through his taxes.

● (1730)

An hon. Member: So that he could smoke White Owl cigars.

Mr. Stollery: My grandfather liked expensive cigars.

Mr. Knowles (Winnipeg North Centre): Perhaps he is still being taxed.

Mr. Stollery: I think that is why the Toronto *Star* for a long time supported selective pensions and a selective family income security plan. To many of us it seemed reasonable that the money should be paid to those who need it most. Of course, under a system of taxation that is properly managed, that is exactly what happens.

I was also impressed by the reference in the minister's speech to this program as being the initial phase of a program of income supplementation for Canadians whose earnings from employment are insufficient. Personally, as I see it, this variation of an old program is an important step forward in terms of the sum of money involved, as it moves in the direction of a guaranteed minimum wage for all Canadians, and I emphasize "all" Canadians. During the recess I had the pleasure of making my first visit to the eastern Arctic. I must say that I feel happy that this money will help, in a way, to reinforce Canada and will help Canadian families in many parts of the country with which I am not familiar. That is an important aspect of the program. I think this program is probably the most important single initiative to be taken in the field of social security since the original program was introduced by a Liberal government in 1945.

I should like to bring several points to your attention, Mr. Speaker. I have received some correspondence from constituents who complain that they will be taxed at a higher rate because of what they regard as this useless contribution to Canadians. The people, of course, who send these complaints are not in that group of Canadians who will profit from this program. I have received several letters. Actually, I am replying to one now and am explaining to the gentleman that, first, taxes will not be raised. Taxes have been reduced this year. The cost in toto of the new program, as the minister has said, is to be $1.8 billion, as compared with $640 million for the old program. The old program ended on October 1 when the government increased family allowances to $12 on a non-taxable basis for the remainder of this year or until the new program comes into effect.

I have tried to explain to this gentleman that, although he may complain, it is increased revenues resulting from this government's management of the economy, or the increase resulting from an expanding economy, which will pay for this program. I said that his taxes were probably reduced this year and the program will not cost him any more money. His taxes are not going to be increased. Actually, by making the new family allowance taxable, the federal and provincial treasuries combined will recover about $465 million. Therefore the cost is being borne by an expanding, healthy economy.

I hope this situation is understood in the country. It is not costing Canadian taxpayers more money to redistribute income and ensure that Canadian families in lower income groups can live better and more equitably, find their place in our great country and receive their share. For that is what is happening. They are simply receiving their share of an expanding economy and that, in my opinion, is how it should be.

I am not the first to say that this government has given priority to social security legislation. Mr. Speaker, I think the Liberal Party has always made a significant contribution in this area. We have always displayed real concern about the social problems of Canada. One has heard during the past while some rather hyperbolic statements about this government and, I suppose, about the Liberal Party. I should like to mention the names of some men who have been responsible for social security legislation in this century. They have been members of the Liberal Party, or of a Liberal Party. May I bring to the attention of hon. members men like Sir William Beveridge, Ramsay Muir, Walter Layton, John Maynard Keynes, who were all members of the Grasmere group and were prominent in bringing forward social policies during this century. It is not unreasonable for me to bring these names to the attention of hon. members of the House, as I am sure they are interested in knowing that they were all members of the Liberal Party.

Mr. Harney: Mr. Speaker—

The Acting Speaker (Mr. Laniel): Order, please. Is the hon. member rising on a point of order?

Mr. Harney: Mr. Speaker, I wish to ask the hon. member a brief question, if he will accept it, which he should be able to answer very briefly as well.

Mr. Stollery: Mr. Speaker, I will not accept a question.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member knows the rules. A question cannot be asked unless the hon. member who is to be asked agrees.

Mr. Knowles (Winnipeg North Centre): Tell us where those persons lived.

Mr. Stollery: They lived in England. I would have thought that was evident to the hon. member.

Mr. Knowles (Winnipeg North Centre): So they were not members of the Liberal Party of Canada.

Mr. Stollery: Mr. Speaker, I believe the hon. gentleman opposite had his turn yesterday and if it would not be inconvenient, I should like my turn now. I should like to bring one more point to your attention. I am speaking of federal-provincial co-operation which is so important with this kind of bill. I should like to mention a fact which is often forgotten by Canadians. Canada is a country of 11

governments. For this kind of complex proposal and project the federal government requires agreement of what in effect are 11 governments. This is often extremely difficult.

● (1740)

The hon. member for Yorkton-Melville (Mr. Nystrom) made a point about day-care centres and their importance to the women of this country which I support completely. In the province of Ontario for eight years now, I believe, the provincial government has failed to embark upon a serious program of day-care centres although the necessary legislation has existed for that length of time under the Canada Assistance Plan.

This question is particularly important to my constituency because it is a working constituency housing large numbers of immigrant people and wives who have to go to work while trying to look after large families and receiving practically no assistance in terms of day-care centres. One of the things we have to be grateful for in the Local Initiatives Program is that it drew attention to some of these social problems. It pointed out the weaknesses in the provincial social assistance program and the province of Ontario is now, I understand, reviewing its position with regard to day-care centres. I hope they will take action with the utmost speed as particularly in urban areas this is a matter of very great concern.

I would also add my voice to those who hope that the minister responsible in Ontario will not use this money to cut the welfare program. Next month, I presume, across the province, and I know for certain in my own area, the OHC will be reviewing the rents charged to senior citizens. There is a real concern that the OHC when it reviews the rents will take the old age pension increases as a factor in the income on which the rent is based. We can only hope they will not do it and that the minister will shortly be able to assure citizens of Ontario that this will not be so, and allay their fears.

An hon. Member: Do you want to bet?

Mr. Stollery: I see this increase to $20 as another long step on the road to a guaranteed minimum wage for all Canadians.

The Acting Speaker (Mr. Laniel): Before I recognize the Minister of National Health and Welfare (Mr. Lalonde) it is my duty to inform hon. members that if the minister takes the floor at this time he will conclude the debate.

Some hon. Members: Agreed.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I should like to take a few minutes at the conclusion of this debate on second reading to make a number of points and to clarify, if I can, certain others. First, I wish to thank all hon. members who have participated in the discussion for the support they have expressed concerning the principle of this legislation, for their agreement to give it early consideration and, one hopes, early adoption in order that Canadian families may be assured of receiving the benefits of this measure by January 1 of next year.

[Mr. Stollery.]

The hon. member for Hillsborough (Mr. Macquarrie) made a point of the fact that the previous bill on this subject passed by the House had no certain time limit attached to it. This was intentional; the object was to make sure that the increase in family allowance to $12 would be in operation until the bill presently before the House came into effect. I may say that if this bill is passed in the course of the next few weeks there should be no administrative problem in making sure that it takes effect on January 1.

I was somewhat surprised to hear the comments made this afternoon by the hon. member for Yorkton-Melville (Mr. Nystrom) concerning the effect of the bill before us in terms of income redistribution, and its effect on various regions of the country. I do not wish to go into great detail on this subject at the present time because I dealt with this particular aspect of the legislation in the course of my opening speech. I suggest that if the hon. member was not in the House at the time I delivered it—and I believe this was the case—he should read it, because I gave a number of statistics relevant to the point he raised, in particular figures showing the degree of income redistribution which would result if the bill were adopted.

I was also surprised by the comments made by the hon. member for Compton (Mr. Latulippe) who said—and I believe I am quoting him honestly here—

[*Translation*]

... he said in the House that families with an income ranging between $6,000 and $10,000, for instance, would not have their family allowances increased under this legislation, since the latter provides that such allowances will be taxed. Here again, I did quote rather accurate figures in the statement I made when I opened the debate on second reading, and I cannot understand that the hon. member can make such an assertion in the House. That he makes it here, this is not too serious a matter because we can always correct it immediately, but I hope that neither **he nor any member of his party will spread such false** information in the population. Such an assertion is groundless, as I believe I have shown it in my statement during the debate on second reading.

As to the ever useful and relevant comments of the hon. member for Vancouver Kingsway (Mrs. MacInnis)—

[*English*]

I should like to stress once again that this is, indeed, only a partial measure, only a step toward a complete revision of our social security arrangements. It has not been put forward by the government as being anything else. As I say, it is only a step, though, I believe, a major step in the review and reorganization of our social security system.

We took another step at the recent federal-provincial conference of welfare ministers in which we agreed to make important changes, particularly in the field of pensions under the Canada Pension Plan and the Quebec Pension Plan. Other steps are to be taken with regard to community employment, income supplementation and the question of a guaranteed income. Working parties are actively engaged in a review of this field at the present time and there is no reason to expect that this joint review will not be completed before the deadline which the government has set itself. We are going ahead as fast as

human resources will allow and I hope that our two-year deadline will be met in ample time.

● (1750)

The next step, the hon. member said, is to control the means of life in this country, and she mainly related this to control of large corporations. This is a subject that is outside my jurisdiction but certainly one which is being considered and discussed. It is in this regard that the government undertook certain steps recently in connection with beef and pork. We have even taken steps with regard to oil. However, it seems to prove that the big problem may not only lie with large corporations but also with large provincial governments. I hope the hon. member will give her support to the government when and if it becomes necessary for the federal government to exercise its true responsibility for the national interest of this country.

Finally, the hon. member for Timiskaming (Mr. Peters) said that if the provinces want to change the family allowance configuration they should do so by using their own money. I think there are two points to be made here. The act provides that the provinces can modify the federal plan according to age or number of children. As I have stated, two provinces have indicated that they will do so, namely, Alberta and Quebec. In addition, Prince Edward Island has decided to supplement the plan with their own money.

I wish to point out that both Quebec and Prince Edward Island are adding substantial funds to the federal family allowance scheme. Quebec is adding roughly $100 million of its own money through its own family allowance scheme to supplement the amount being provided by the present legislation. As for Prince Edward Island, it has decided to use the funds coming into the province by way of income tax transfers as a kind of windfall gain so that the province, through fiscal arrangements with both the federal and provincial governments, can effect an increase in family allowances of $10 for the fifth and subsequent children. So this province, too, will effectively use money coming back to it via income tax transfers to increase family allowances.

These, Mr. Speaker, are the few points I wanted to make. The committee will have an opportunity to go into the details of the bill. As the hon. member for Hillsborough has said, various new initiatives and aspects are put forward in the bill which deserve thorough examination. If the committee so wishes, I shall certainly be pleased to make myself and my officials available to the committee in order to discuss the points that have been raised. I might also say that in all likelihood I will have a few amendments to propose at the committee stage.

I listened with great interest to the contributions and suggestions made by the various members of the House regarding the bill. As a result of the two meetings I have had with my provincial colleagues, further suggestions have been made for improving or refining the bill. I hope that when these proposals are put forward at the committee stage they will receive the same degree of support that this bill in general seems to have in the House at the present time.

I should like to conclude with those remarks and I once more thank hon. members for their contributions to this debate.

Mr. Knowles (Winnipeg North Centre): Would the minister permit one question before he sits down?

Mr. Lalonde: Surely.

Mr. Knowles (Winnipeg North Centre): Is he in a position to say whether one of the aspects of the bill to which he may propose an amendment relates to the escalation of family allowances according to the increase in the cost of living?

Mr. Lalonde: Mr. Speaker, as I have said, I am taking account of all the points which are raised by hon. members and by my provincial colleagues. I am afraid the hon. member will have to wait until the specific amendments are put forward before I am able to answer the question.

Mr. Knowles (Winnipeg North Centre): I shall be there.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Knowles (Winnipeg North Centre): Six o'clock.

The Acting Speaker (Mr. Laniel): Before calling it six o'clock perhaps I should remind hon. members that the House will meet at eleven o'clock tomorrow morning. It being six o'clock, I do now leave the chair until eleven o'clock tomorrow morning.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, October 18, 1973

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

REINSTATEMENT OF LAW RELATING TO CAPITAL PUNISHMENT THAT EXISTED PRIOR TO DECEMBER 30, 1972

The House resumed, from Tuesday, July 24, consideration of Bill C-2, to amend the Criminal Code, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs.

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, this has been a long, drawn-out debate. The issues are well known to the House, to the media and across the country, and I am afraid that as far as members of this parliament are concerned convictions have hardened and people have already made up their minds.

The reason I am boring the House today with a short contribution to this debate is simply that I have not spoken on the matter yet in this chamber. Frankly, I feel somewhat uncomfortable for that reason since, as usual, my own views and experiences do not parallel those of anyone else in the House. I feel I have a duty to indicate those views and experiences in the course of this debate, especially so that my constituents may be able to judge them. As a matter of fact, I think we all have a duty and a responsibility as elected representatives to voice the opinions, desires and needs of our own constituents not only on this issue but on other issues that come before us. I ask you rhetorically, if I may, Mr. Speaker: Why are we all here if it is not to represent the views of our constituents? I ask a further question: Is there anybody here who believes he has been elected to come here because, in the opinion of his constituents, he knows better than they what is good for them?

I think there can be no doubt whatever respecting the feelings and opinions of by far the larger number of people in this country on the general issue of capital punishment. A great number of public opinion polls have been taken on the subject, some of them scientific, others unscientific. I have yet to see one of them which indicated there was a majority of opinion in favour of the abolition of capital punishment in this country. I have seen a great number of these polls and the number of citizens expressing a desire to retain capital punishment for the crime of wanton, premeditated murder ranges from a low of 60 per cent to a high of more than 90 per cent. I believe that especially on an emotional issue such as this the opinions, the sensibilities, the conscience of the average citizen are every bit as reliable as those of any member of parliament, and that we in this House have a responsibility to conform to the clearly expressed wishes of those who elected us.

● (1110)

Because of the intervention of the recess may I take a moment to remind hon. members of what we are discussing. I point out to hon. members that prior to the Criminal Code 1967 Amendment Act a planned and deliberate capital murder in this country was punishable by death, but since 1967 the killing of police officers and prison authorities acting in the course of their duties have been the only murder offences punishable by death under the law. We have gone through the period of the so-called five-year moratorium.

Mr. Speaker: Order, please. I hesitate, of course, to interrupt the hon. member. I understand that his comments at this stage are of an introductory nature, but I am wondering whether we may all be labouring under a difficulty now in the sense that what is before the House at the present time is the amendment standing in the name of the hon. member for Louis-Hébert. I assumed when the hon. member took the floor that he wanted to address the House on that amendment rather than on his own amendment which is the next item of business. Perhaps I am mistaken and the hon. member is actually speaking on the hon. lady's amendment. If that is the case I apologize to the hon. member for having interrupted him.

Mr. Lawrence: Mr. Speaker, I was acting on the assumption that debate on the amendment moved by the hon. member for Louis-Hébert had been completed and that the vote on it was being held over until tonight. Perhaps Your Honour would like to clear up a possible misunderstanding on my part.

Mr. Speaker: I suspected that this was the misunderstanding and certainly it is not the hon. member's fault. We have had a long adjournment on this item of business. What was called for consideration at this time was the motion standing in the name of the hon. member for Louis-Hébert. When we adjourned that debate the hon. member for Brandon-Souris had the floor and was speaking to that particular motion. Since no member sought the floor except the hon. member for Northumberland-Durham he was recognized, obviously on the mistaken understanding that he would be addressing himself to the motion before the House.

I assume again that there are no further contributors to the debate on the motion before the House and I will therefore put the question on the understanding that the vote will be deferred until eleven o'clock tonight, along with the division on the motion standing in the name of the hon. member for Northumberland-Durham. The order of the House is clear that these votes will be taken at eleven o'clock this evening.

Criminal Code

Mr. Knowles (Winnipeg North Centre): At 10.45.

Mr. Speaker: The question is on the motion moved by the hon. member for Louis-Hébert. All those in favour will please say yea?

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it. I understand that according to the special order of the House the recorded division will be deferred until ten forty-five o'clock this evening.

Mr. Allan Lawrence (Northumberland-Durham) moved:

That Bill C-2, an act to amend the Criminal Code, be amended in clause 2 by deleting on page 1 the comma in line 15, by inserting an "(a)" immediately before the word "in" in line 16, by renumbering paragraphs (a) and (b) as (i) and (ii), and by adding immediately after line 5 on page 2, the following new paragraphs:

"(b) in respect of any person, where such person causes the death of a human being while committing or attempting to commit an offence under section 76.1 and

(c) in respect of any person, where such person causes the death of a human being and has been previously convicted of murder, whether or not such murder is punishable by death."

Mr. Speaker: The hon. member for Northumberland-Durham.

Some hon. Members: Hear, hear!

Mr. Lawrence: What some people will do to get extra applause, Mr. Speaker! In any event, I was indicating that over the last five years the killing of police officers and prison authorities acting within the course of their duties have been the only murder offences punishable by death under our law. This, as I said, was the period of the so-called five-year moratorium. But under the bill we now have before us, the amendment we have just finished discussing as well as the amendment we are discussing now, the issue to be decided by us, all of us, is whether that moratorium should be continued, whether offences calling for capital punishment should be widened, or the further alternative of whether we go back to the pre-1967 state of our law.

Whether we go back to the pre-1967 state of the law or not, for me this debate and the time we have all devoted to it has had a real air of futility and frustration about it. I say that because, even though we know what the law is, since 1967 no police killers and no prison guard killers have been executed in this country despite the fact that in the four years from 1967 through to 1970 16 policemen in this country were murdered in the course of their duties. All of the killers, when convicted of capital murder, had their penalties commuted by the cabinet under the procedure known as the royal prerogative of mercy.

The royal prerogative of mercy is a further appeal that is built into our system under which, after all the trial and appeal procedures in the courts are completed, the cabinet discusses whether or not the penalty should be carried out. I feel that the royal prerogative is a protective, sensible and needed provision in our legal system in case there is new evidence or other factors that indicate a miscarriage of judgment at the trial and/or the appeal processes of our court system, or some other honest doubt has been created about the guilt of the accused. But I say to you, Sir, that this procedure was never designed to subvert the law. It was never designed to subvert the opinion of parliament and the people. It was never designed to undermine the morale of our law enforcement agencies or the processes of our judicial system. Yet under successive governments, not just this one but successive governments, the law of this country has not been upheld; commutation of these death penalties has been automatic and has been expected.

[Mr. Speaker.]

• (1120)

I suspect that despite this debate today, what has gone on before and what will follow, and no matter what the decision of parliament is, no matter what people's opinions may be and no matter what the laws says, under this government we will continue to have the death penalty commuted. Therefore this debate is frustrating and futile because it will have no realistic effect whatsoever. Nevertheless, there is a bill before us. It was drafted by the government, approved by cabinet and is supported unanimously by the ministry. We are now debating it and will vote on it as if it could change the situation.

The purpose of the amendment we have just finished discussing, introduced by the hon. member for Louis-Hébert (Mrs. Morin), calls for the institution of the death penalty where death results from capital murder committed during the course of a rape. If the hon. lady were in the House I would say to her that I certainly intend to support her amendment. My own amendment deals with two matters. It deals with a murder, a killing, a death as a direct result of an act of air piracy or, as we familiarly call it, hijacking. Second, it provides that the death penalty will be instituted where a second conviction for murder occurs. My intention obviously is to vote for my own amendment as it is to vote for the amendment of the hon. member for Louis-Hébert.

I hope the hon. lady will not mind if I tell her that even if her amendment is carried and even if my own amendment is carried I intend to vote against third reading of the bill. My logic or the lack of it, as some may claim, is simply this. I do not believe that the bill before us is complete. Obviously, this is one of the reasons why I introduced an amendment. I believe we should go back to the pre-1967 law where for all cases of capital murder the death penalty is instituted. In the case of the amendment of the hon. member for Louis-Hébert and my own amendment, if the bill is defeated on third reading, we go back to the pre-1967 law which includes the offences that are before us today and, of course, a great many other offences. It will not include air piracy or hijacking, of course, but I hope that is something the House can clear up in another manner after third reading. However, in respect of the rape provision and the double murder provision, obviously the pre-1967 law will include both of these offences and others.

May I now speak for a moment on the question of air piracy or hijacking. I wish to quote some statistics that have not been quoted in the House before because the matter was not before us. Hon. members may be surprised

to learn that the first recorded attempt, and a successful attempt at that, to hijack took place in 1933. According to the Lloyd's list, between 1933 and 1968 there were in all 100 international attempts to hijack aircraft in the world. All of those attempts were successful.

In 1967 the problem suddenly worsened. It accelerated drastically. All governments, airlines and airports began improving security. In 1969 there were 86 recorded attempts in the world in respect of the hijacking of planes of scheduled airlines. In 1970 there were 80 recorded attempts, 62 in 1971 and 60 in 1972. In actual fact, the number of recorded attempts to hijack in the world has declined very slowly, but I wish to point out to the House that as time went on hijackings became much more dangerous, violent and difficult.

Up to the middle of August there have been this year seven internationally recorded attempts to hijack. These statistics show that while the number of acts or attempts at air piracy is decreasing, the property damage, the number of aircraft destroyed and the number of persons killed or injured are increasing quite rapidly. In the period 1968-71, there were 12 passengers or crew members and 18 hijackers killed. An additional 71 people were injured. In 1972 alone there were 13 passengers or crew members and 22 hijackers killed. The number of fatalities in 1972 was more than the combined total of the previous four years. In 1972, 29 other people were injured as the result of hijacking attempts.

The figures for this year are incomplete and therefore I cannot give them. In May, 1973, a Russian Aeroflot TU-104 was hijacked over southern Siberia. The aircraft crashed, presumably killing all aboard, after a gunfight between the hijacker and an armed guard. The number of casualties has never been announced by the U.S.S.R.

The statistics and the trend of the figures are there. This is a serious problem. It is getting more serious. Strong, deterrent action is needed because with the trend toward larger aeroplanes and more air miles covered each year there is potential danger to a growing number of innocent people who use the airlines of this country and the world.

To date, Canada has been remarkably free from hijackings with only a few attempts, but the situation can change. Hijacking is an international offence or, if not, it should be, and we in this country are in danger of these matters flopping over or slopping over into our jurisdiction. If the House does decide that the death penalty is required, I think that strong deterrent action and statutory law are necessary.

May I now move on to the other thrust of my amendment, namely, that in the case of a second conviction for capital murder, the death penalty should apply. I think this is obvious and I do not intend to speak long on it. Certainly our penal and police records show that some in this country who have committed murder have done so more than once. Many have done it more than twice. For example, we all got rather excited just last May when there was an escape from the Laval Correctional Development Centre. One of the persons who escaped at that time and who had broken out twice from an institution was described by the minister at that time as the meanest and toughest type of inmate. That escapee was a confessed double murderer.

● (1130)

Surely there can be no doubt about a repeater. If the death penalty is to remain for anyone surely there should be no doubt that on a second conviction the ultimate penalty should be applied. I say that because surely it is a wrong toward our fellow man and society in general to allow a dangerous undesirable criminal to remain in that society with the probability of causing further harm. This is the basis of my thinking in respect of the whole issue of capital punishment. When the Solicitor General, as he so often has in the House during this debate and in committee and through the media and elsewhere, asks how can we possibly help the victim by executing the offender, my answer to him is simply this: Mr. Solicitor General, you are on the wrong tack completely. When a man or woman has been killed no one can possibly help them. What we should be worried about is the protection in the future of other innocents.

Let me give you my own historical background, Mr. Speaker, in respect of this whole question, because at one time I was an abolitionist. I felt and still feel that hanging is a repugnant act. I still feel that the execution of my fellow man is a terrifying admission of our own failure. Nevertheless, at one time I had some responsibility for the safety and public security of our citizens. At that time I must admit to you, Sir, I went through a real evolution in my mental processes and attitude toward the whole question. I am now a retentionist in respect of capital punishment.

Some hon. Members: Hear, hear!

Mr. Lawrence: May I take the time of the House merely to say to you, Sir, that the final element in my conversion took place in the spring of 1971 as a result of what we now call the Kingston riot and the subsequent trial of 13 inmates of Kingston, more familiarly known in the legal profession in this province as the infamous Kingston 13. Let me take you back to the evening of Friday, April 18, 1971, at Kingston penitentiary, Kingston, Ontario. At approximately 8.30 p.m. on that evening the ringleaders, a portion of the inmates of that institution, overpowered their guards and took over the institution. For three days within that federal institution there was utter chaos, utter confusion and absolute rampage. During the first two days savage beatings took place and indescribable acts of sadism and bestiality. Some of these matters have never been made public.

On the second night, Saturday night, the segregated prisoners from the first floor of the institution were taken from that floor into the middle of the dome of Kingston penitentiary. Kingston penitentiary, for the information of members, generally speaking is built in the form of a cross with a wing extending out on either side. In the centre of this cross is the area called the dome which extends from the first floor to the ceiling. You can look into the dome area down on to the floor below. The segregated prisoners, what the inmates call the finks, the diddlers and the stoolies, were gathered together by the ringleaders. They were taken to the main floor. The area is about 50 feet across. In the centre of that well is a circular radiator. Fourteen of the inmates were dragged to this radiator ostensibly to be used as a bargaining lever in respect of

the whole riot. They were tied facing inward on steel chairs and then all of the chairs were chained together.

At this time the whole institution was controlled by and in the power of the ringleaders. All of the inmates of the institution were then called by the ringleaders to come out on to the balconies to watch the show that was about to take place. At about 2.00 a.m. on Sunday the show started. I do not intend to indicate to you, Sir, all of the details of what took place. I merely say that it started by the beating of these 14 men with steel locking bars taken from the doors which lock the cells in the penitentiary itself. As the turn of each of these 14 poor individuals came about the ringleaders would call out to the assembled crowd, "Do you like this guy?" Invariably, because of the nature of the offence for which that person was in custody, the answer was a resounding "no".

In almost every case as the ringleaders went about the first thing that happened was that the kneecaps of the individuals were smashed. That was just the beginning. Their noses were then smashed. Later indescribable acts took place with straight razors and instruments such as that. That went on for four hours. It was all over by five o'clock. Most of the 14 inmates were terribly lacerated and horribly mutilated. Some of them will never move again under their own power. It is a miracle that only two died, one almost immediately and the other several days later as a result of his injuries. These two people were Ensor and Robert. They had cranial injuries. Others were maimed. Thirteen inmates were charged, all of whom were between the age of 18 and 39.

In the ensuing investigations that took place at Kingston there were very great difficulties in identification. Some of the people who came forward to identify those who took part in these acts are still in security and solitary confinement today because the Solicitor General and his officials, quite rightly, cannot allow these people to intermix with the rest of the prison population for fear of what would happen to them. The difficulties of identification were immense. All prisoners were interrogated and all the prisoners who were charged, the Kingston 13, were people who were in Kingston as a result of rape charges, robbery with violence charges, gross indecency charges as well as other offences. One of the 13 had previously been convicted of manslaughter. Two of the 13 had previously been convicted of murder but had had their sentences commuted.

The purpose of bringing these matters forward is to indicate the mentality of a small portion, a very infinitesimal minority, of the people of this country. There are people whose mentality is such as I have just described. They are not safe, whether they are in prison or outside of prison. As a matter of fact, one of these people has since escaped from Millhaven. I believe there are some members of the prison population of this country whom it is not possible to rehabilitate. They can be identified by medical tests and they are known to the counselling staff. They have been given every psychiatric and sociological test in our prisons, and our prison authorities know who these people are.

• (1140)

I spoke to one very well known member of the Ontario legal profession after a trial. My job was to supervise legal aid at the time to ensure that prisoners had access to it. I asked him what he thought about his client and he said: "Al, that man was pure brute". Another well known counsel came to me after the trial and indicated that his client was all animal. I simply say that when there is such a prisoner, the other prisoners and even the prison staff live in perpetual fear for their lives and safety. Some of these people are in solitary confinement. They are isolated from the rest of the prison population not for purposes of punishment or for the purpose of rehabilitation, not for revenge or retribution, but solely and simply for the purpose of protecting everyone else in the prison.

There are people in our prisons today, some of whom were involved in the Kingston riot, whose only seeming purpose in life is to kill others. One Kingston guard said to me that one of those individuals who was involved in the Kingston riot would obviously kill anyone who came within three feet of him. If anyone came within striking distance of him, that prisoner would strike. As long as there are such people alive today, whether they are in prison or outside of it, there is a real danger that other persons, in some cases innocent persons, will be in danger because of the mentality of that individual.

I say to you, Sir, forget the philosophical discussions in which we have all been engaged in the House on whether capital punishment is or is not a deterrent. Forget these claims about how hanging brutalizes our society. If you want, even forget the horrifying execution practices that still exist in this country. Forget some of the statistics that have been fed to us ad nauseam about the increase in violence and murder in this country. I ask you, Sir, and hon. members to think for just a moment of the future and of the innocent people who can still be killed, tragically maimed or injured by people who have a mentality such as I have described. There will be people who will be brutally killed in the future if people like this are left alive today. They constitute, obviously, an infinitesimal minority, but if we do not retain the death penalty for these people I think we will be abrogating our responsibility so far as the future is concerned.

Some hon. Members: Hear, hear!

Mr. Lawrence: There are some people who choose to ignore the laws of society or fail to comprehend the standards of civilization. They simply cannot, will not or do not want to be rehabilitated. I say to you, Sir, that the only way to deal with the situation is for an assurance to be given to our citizens that the crime will not be repeated. In a small number of cases where the crime is murder there can be no such assurance so long as offenders with the mentality and attitude I have described are alive.

I say to the House that by abolishing the death penalty, by continuing the abuse of the commutation prerogative, we are condemning innocent children, innocent women and innocent men to future death at the hands of this small number of people. I urge support of the amendments before the House. If the bill passes, those amendments will make it a better bill. But I also urge hon. members to vote

against the bill on third reading so that the law will return to its pre-1967 state.

Mr. J. R. Ellis (Hastings): Mr. Speaker, with regard to the amendments placed before us this morning I wish to go on record now as saying that unfortunately I will not be in the House this evening at 10.45 to vote. I have voted for the bill in the past, but there will be one less vote this evening. However, I am about to do something that six months ago I would not have thought possible. I intend to change my vote on third reading of Bill C-2. In so doing, I wish to point out with every ounce of energy I possess that I have not changed my principles. First, last and always, I deplore the taking of the life of a human being in any way, shape or form. I cannot, and will not, change this basic principle and cannot envisage any situation which would alter my determination. Coming to the decision to change my vote, however, has been a long and painful process, and I intend to delve into that process briefly to justify this action which is so unfamiliar to me.

When the bill was introduced I studied it very carefully, fully realizing all its shortcomings. I realized that similar legislation had been in effect for five years, that it had not been followed, to the everlasting discredit of the government composed in part of those opposite me—had it been followed, there would perhaps have been a real analysis of the worth of such legislation—that the bill continued discrimination between classes of people, giving protection to those who carry firearms and none to those who do not, that it did not provide the public with protection from disturbed persons with a tendency to kill, and that it did not protect the public from the abuses of the Parole Act or change it in any way. I was fully aware of all these things, and I know the feelings of my constituents. I too listened to the people in my riding and talked to them about this sort of thing.

With all this in mind, I still felt I had to support the bill at second reading for two main reasons, both of which support my initial, basic principle. I believed, first, that it was the best legislation we would get from this weak government. Second, it was my understanding that legislative safeguards would be introduced which would protect the public and put at ease the minds of ordinary men and women who read time after time of atrocities committed by parolees, of the hotel-like atmosphere of our penal institutions, of repeated leaves, and of the pampering of convicted persons, all without any visible improvement in the crime rate or the penal system. So I voted for the government bill. I did so, content that some of the men and women from both sides of the House whose opinions I respect most highly voted as I did. I did so asking for the understanding of my constituents, both those who supported as well as those who opposed my stand. I did so knowing how emotional the subject was and yet how basically unimportant the bill is at this time of frightening inflation and unemployment, at a time when amongst our native peoples more persons are in danger of death from starvation, under nourishment and neglect than from violence.

● (1150)

I did not speak on the subject prior to the second reading of the bill. I could have and perhaps have added a tiny bit to the debate. The nonsense with regard to a referendum could, I feel, be shot down easily. The weight of evidence, to a reasoning person, indicates that capital punishment is not a deterrent. I could have used the Bible as a reference manual, as both sides have done in their presentations. I could have but I did not because I felt that the time being taken could be put to a better purpose having regard to the vital necessity of discussion and legislation on economic matters. I do not intend to dwell on the amendments, although support of the motion of the hon. member for Louis-Hebert (Mrs. Morin) and the motion of the hon. member for Northumberland-Durham (Mr. Lawrence) would make as much sense to me as the two classes of people named in the bill as it now stands. I could, but for that reason I am not going to do so.

Given all the foregoing, Mr. Speaker, I am now prepared to change my vote, for three reasons. The prime reason, the overwhelming compulsion to go contrary to my initial instincts and vote against the bill, is that the fumbling and bumbling of the government have not only not produced any safeguards for the public but have allowed the continuation of practices which have produced the intolerable situations that are so evident today. We still find totally unrehabilitated criminals on the loose, either with the blessing of and at times financed by the government, or having escaped because of incredibly inept administration of our penal institutions.

There are still laws on the books that allow a man to kill two teenagers and get off with only a fine of $125, excused simply because he was intoxicated and driving a motor vehicle. If this man had soberly stopped his car and bludgeoned them to death his fate would have been far different. To me this does not seem to be any safeguard for the public. In short, instead of taking into consideration the obvious and frequently voiced requests of the majority of Canadians, the government has gone blindly and blithely on its way. It has not taken a single, serious, considered step toward penal reform that will either protect the public or, for that matter, benefit those within the institutions.

Second, in voting against this bill I am content in my own mind that I am not jeopardizing the life of anyone. Since the cabinet in defiance of its own legislation has not seen fit to carry out the death penalty, even when called for under the experimental act of the last five years, I see no imminent possibility of a reversal of its attitude. How much easier it would have been for those of us who favour abolition of the death penalty if the Prime Minister (Mr. Trudeau) and his cabinet had followed the act, because then we would have had something on which to base our decision instead of the farce we have had up to now.

Finally, and I dislike intensely using this argument, I feel that the bungling, inefficient handling of this legislation in every phase does not deserve support. That argument alone would not change my mind when the life of anyone, even of a convicted murderer, was at stake. But since, as I have said, I see no danger, it must be considered. I cannot believe that the minister was so naïve as to allow the debate to go on as long as it did without giving any indication of his intention to alter the bill drastically in committee if there had not been some intention to deceive not only members of the House but the public at

large. If the minister has no better appreciation of the problems of our penal system, of the mood of the country, or even of the rules of parliament than to make such a stupid, blundering attempt, his legislation does not deserve my support.

As I said at the beginning my principles have not changed. I still believe strongly in the futility of taking any life. In voting against the legislation I do so in the anticipation that, hopefully, with a good deal more commonsense and perhaps with an entirely new minister we may have legislation presented that will clean up this sorry mess. Hopefully we will have legislation that will provide for the people of Canada the safeguards that they expect and deserve, that will provide for those within our institutions a rehabilitation process that must surely be less costly than our present methods of incarceration, that will provide for the humane segregation of incorrigibles in institutions, thus not allowing either escapes or riots such as we have experienced in the last few years.

My family, my friends and constituents are aware of the difficulty I have had in making this decision and, while they may have tried, my colleagues have in no way influenced my change of heart. I have made my decision freely and hopefully in expectation of a new approach to this very difficult problem.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, we are now considering the amendment of the hon. member for Northumberland-Durham (Mr. Lawrence) on capital punishment.

Before the adjournment I had the opportunity to state my views to the House. Since then, we have got acquainted with those entertained here and there in Canada. As the mover said a while ago: Canadians in general object to the abolition of capital punishment. There are some exceptions. We hear sometimes that we do not have the right to hang someone in revenge. I think that we must upheld the principle of—

Mr. Lambert (Edmonton West): The abortionists have the right to do so.

Mr. Caouette (Témiscamingue): Pardon me?

Mr. Lambert (Edmonton West): The abortionists have the right to do so.

Mr. Caouette (Témiscamingue): The abortionists, as mentioned by the member for Edmonton West (Mr. Lambert), have the right to do so, but to punish a gangster or kill him if he has committed a murder, this is not allowed.

Mr. Speaker, I think that the principle is not based on revenge and I would be sorry if it were. It is not an emotional issue either but a matter of protecting the community. If, for example, an individual has a piece of land which is dangerous, he is compelled to set up a fence. For example, at my place in Hull I have a swimming pool. The law requires me to put a fence around my swimming pool so that young children for instance might not fall in it and drown. That is altogether normal and in order. And so capital punishment, in my view, is precisely a fence which sometimes keeps people from committing deeds that they would not commit if there were a barrier, a fence. In my view, capital punishment is the barrier which invites a criminal to refrain from committing murder. It is especially in that spirit that we oppose the abolition of capital punishment. We claim that the amendments now before us are not serious enough to enable us to adequately protect society.

I have received in the mail two letters and one telegram in favour of the abolition of capital punishment. One telegram from Ottawa, for instance, was sent to me by a Mr. Rodrigue Tremblay who sends me his impressions.

● (1200)

[*English*]

Mr. Caouette in regard to your meeting in Ottawa since your last three days relative to the death penalty for prisoners accused of murder you are hereby advised that I myself and my community—

[*Translation*]

I do not know what community he wants to refer to.

[*English*]

—shall fight against you because five years ago it was taken off for a good psychological purpose. I myself and other people of my community are telling you not to exercise your powers so much and keep on salesman for selling cars. Yours truly, Roderick Tremblay.

[*Translation*]

Mr. Speaker, if people in favour of capital punishment or its abolition all reason like that I think it is a rather faulty line of reasoning. On the other hand, the two other letters I have here express views against capital punishment on religious grounds: Thou shall not kill, etc. But when I consider the truly serious mail I receive from various points in Canada I see that some people are in favour of capital punishment. For example, I have here a letter from Miss Irene Bird of Regina. That person is all in favour of retaining capital punishment. Somebody sent me a newspaper clipping from the Quebec *L'Action* of July 24, 1973, where the Solicitor General (Mr. Allmand) is reported as saying in the House, on television and elsewhere, and I quote:

"How in God's name do we pretend to help the stricken family by killing another person".

That is a most nonsensical line of reasoning. We hear things like that but where is the seriousness in them?

The minister received a letter from a lawyer who is certainly as important as he is. Incidentally, I will tell the Solicitor General that there are Liberal members seated behind him or on his side who do not share his views at all. They found deplorable the approach he took with respect to capital punishment and the amendments before us.

I have here a letter from a rather influential lawyer in Montreal, Mr. K. H. Brown, Q.C. For the information of the Solicitor General, I will quote it. And that letter is dated September 25. So it is rather recent.

[*English*]

—I very much appreciated your thoughtful letter of July 26, 1973, answering mine of July 24 with which I had sent you a copy of my brief dated June 11, 1973 to the Standing Committee on Justice and Legal Affairs.

That brief was in fact a retitled version of a memorandum dated March 9, 1973, which I had sent to a number of members—

[*Translation*]

I am not the only one who received this letter. Some Montreal members have also received a copy.

[*English*]

—from whom (notably Mr. Woolliams and Mr. Nielsen)—

[*Translation*]

—two Progressive Conservatives have also received it.

[*English*]

—I had received appreciative replies. More formal replies were received from several other Conservatives, and some Liberal members to whom I had sent copies of the memorandum because they had spoken in the House in favour of capital punishment.

[*Translation*]

As I said, this letter has not been written by a nobody, but by a lawyer, an experienced man from a very important law office which employs at least twenty lawyers, Lafleur et Brown, in Montreal. The Solicitor General is certainly not aware of that.

[*English*]

I now note that the matter is to receive top priority when parliament reconvenes on October 15 and, since you and those to whom I am sending copies of this letter are clearly interested in the matter to the point of taking positive action, I venture to suggest that, apart from the obvious course of persuading as many members as possible, regardless of party, to vote against the bill, these members (or some of them) might consider advancing the arguments which I am mentioning below, which I have not seen pressed very hard so far.

I realize that Madame Morin's two amendments are still under debate, and of course they are desirable as far as they go, but I still think that the bill itself should be relentlessly attacked, and defeated if possible.

[*Translation*]

This is what we are going to help to do, that is defeat this bill.

[*English*]

I would first refer to Mr. Allmand's constant theme, last expressed I think in the House of Commons on July 23, 1973 (see *Hansard* of that date, page 5902) as follows:

> How in God's name do we help the victim or help the family by hanging the murderer? If any hon. member . . . can show me we can help the victim or the family of the murdered person by hanging somebody, I would be happy and willing to change my position.

[*Translation*]

I for one would feel uneasy to stay on such a position.

[*English*]

It seems to me that the best attack here would be to challenge Mr. Allmand, directly, to produce one single instance of anybody ever having said that killing a live man could help a dead one or his family. If he cannot (and of course he cannot because obviously nobody ever said anything so silly), it might be suggested that he stop talking as though anyone had ever said such a thing, and trying to make a case for himself by demolishing a non-existent argument.

[*Translation*]

I repeat, these are empty arguments.

[*English*]

That line of attack would of course lead directly into the argument about deterrence, and the usual figures, criminologists' reports, etc., would no doubt be invoked by Mr. Allmand.

At this juncture it might be helpful to draw an analogy based upon something which every member of parliament must have experienced in his own personal life. Often it is more useful to bring the matter "close to home" in this way than to debate on a higher but not necessarily more theoretical level.

It could first be pointed out that deterrence is obviously almost entirely a subjective area in which actual proof is next to impossible to obtain (though I did point to specific, proven cases in my brief) because people are simply not going to come forward and say "I was deterred from committing murder".

That much having been pointed out, it becomes evident that the figures, if they prove anything, can only prove that there does exist a hard core class of criminals who cannot be deterred by the death penalty or by anything else.

This is where the analogy might be brought in and I suggest that members be invited to cast their minds back to their school days, as I have done, and I think my experience was typical.

I was in a class of say 30 boys. Punishment for misconduct ranged from the strap as a maximum, down through detention after normal school hours for various periods, deprivation of certain privileges, etc.

Now in that class of 30 there always was a hard core of, say, two or three who were not deterred by the strap or anything else, but surely that would not have been a reason for eliminating it as an effective deterrent for the other 27 or 28 in the class, which it certainly was.

I think that the analogy is complete but in any case I submit it for whatever it may be worth.

● (1210)

As I said before, it is my hope that your evident interest, and that of the gentlemen to whom I am sending copies of this letter, in this matter may make it possible for you to think up some way of making a co-ordinated, organized attack on the bill by members, regardless of their party affiliations, who will have fortified themselves by searching out all possible sources of information and arguments beforehand. I am certain that a fully organized attack is of critical importance because there is certainly a powerful organization supporting the bill.

If my brief to the Standing Committee on Justice and Legal Affairs, or this letter, or any other material which I can furnish, will be of any help, please let me know. Copies of the brief are of course available from the secretary of committees of the House, and if you would like any further copies of this letter you can telephone me or my secretary "collect" and the copies will be forwarded at once.

Yours sincerely,

K. H. Brown, Q.C.

Copies of this letter were sent to the hon. member for Calgary North (Mr. Woolliams) and to the hon. member for Yukon (Mr. Nielsen).

[*Translation*]

Mr. Speaker, this letter comes from a Montreal legal firm. I have received, from Montreal also, a letter written by Mr. Bouthillier, which ends as follows:

> I believe that it was necessary to give these arguments in order to shed more light on the study of the bill which will be brought before the House of Commons and which will probably have serious consequences for the welfare of the Canadian citizens.

It seems necessary to maintain capital punishment in order not to abolish the equal rights of all citizens to life and death, especially since the extenuating circumstances stipulated in the Criminal Code have already reduced to a minimum the number of executions.

I was saying, Mr. Speaker, that the law must be amended so as to eliminate risks and uncertainties. When there is any doubt as to the guilt of a murderer, he should be given the benefit of the doubt. However, if there is no question

concerning his guilt, if the case is absolutely clear, accurate and proven, then society should be protected against criminals.

In fact, certain countries, like England, who had abolished the death penalty a few years ago, are seriously considering re-establishing it. I have right here a newspaper article stating the position taken recently by the State of California. I quote:

[*English*]

California returns to capital punishment on a limited basis.

[*Translation*]

Some countries will resort again to capital punishment. In Canada, it is right to say that "for the sake of humanitarianism", "for the sake of the individual" the one who killed, even if he were fully conscious of the seriousness of his act, he should not be sentenced to hang.

Mr. Speaker, the law is not applied or established only after someone has committed a murder. The law exists, and nobody in unaware of that. The citizen is free to respect the law or to break it. But should he transgress it, should he commit a murder, he will know in advance that the law will punish him.

Mr. Speaker, the minister says capital punishment should be abolished "in the name of God", but if Marcotte the "Santa Claus" who fired point-blank and coldly at policemen, were released today from the Montreal penitentiary after having served a seven, eight or ten year sentence and if the Solicitor General needed an honest and loyal employee, would he hire Marcotte? Surely not. Not a single business man, not a single employer would trust a murderer.

But for the sake of society and of humanitarianism, the minister says capital punishment should be abolished "in the name of God" in order to help a family. Those are false arguments, that is stupid reasoning.

Mr. Speaker, the Creditistes will not make a political stock argument out of that. Let us not play politics with it. When it was decided in this House that there would be a free vote on the bill on capital punishment, we were pleased to hear the government give us that promise and that is why Mr. Brown, the lawyer, advises us to get together, Liberals, Progressive Conservatives, NDP members—if there are some against abolition—and Creditistes, to prevent this bill from being passed by the House.

Mr. Speaker, those are the remarks I wanted to make. I have letters, another one here from Chatham, Ontario—

[*English*]

We support your stand on capital punishment—

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but the time allotted to him under the special order has expired. He may, however, continue with unanimous consent.

Some hon. Members: Carry on.

Mr. Deputy Speaker: I gather it is given.

[Mr. Caouette (Témiscamingue).]

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I am grateful to my colleague for at least letting me conclude my remarks. I shall be brief.

I received another letter favouring the retention of capital punishment. It is from Mr. Lawrence P. Ripley, 7730, 23rd Avenue, Montreal. Mr. Ripley also talks about the Solicitor General (Mr. Allmand). Would Mr. Ripley not be living in the minister's constituency? I quote:

[*English*]

Mr. Allmand described the cruel form of execution used in Spain. He did not describe the many cruel ways that a murderer uses such as a gun, a knife, strangulation, a club, rape or, worst of all, death by fire.

[*Translation*]

The minister ought to know that when a bandit armed with a submachine gun enters a bank, it is neither to say his rosary nor to do the stations of the cross, in God's name. When he does, his mind is set on killing if his robbery fails. The minister should think about this for a while. When he reasons this way, I cannot help wonder who his advisors are or whether the Holy Ghost is inspiring him in his sleep.

At any rate, we are investigating this matter everywhere in Canada. I was in western Canada during the last weekend, specifically in Edmonton and Vancouver, where I was asked lots of questions about capital punishment. I claim that 90 per cent of our population favour retention.

I have before me a letter from Mrs. Katherine Cordaro, from Georgetown, Ont., which is not even my riding. I quote:

[*English*]

There are many, many people who will back you all the way in your comments on capital punishment.

[*Translation*]

Mr. Speaker, I could quote letters all day long and pursue the debate until next week to demonstrate how much the people are in favour of maintaining capital punishment. Again, I shall repeat it: I hear New Democratic Party members speak about the humanitarian feelings we should show towards murderers and say that we should not kill those murderers but when we speak about abortion or the murder of a young child in his mother's womb, a child who never committed a murder, who never harmed anyone, who never asked to be born, they blame us. In the one hand, they say: kill the baby who did nothing wrong but protect the bandit who killed his fellowman.

As far as capital punishment is concerned, logic was certainly not born in New Democratic Party ranks.

Mr. Speaker, I have here another letter from Mr. Alvin S. Nemetz, Mississauga, near Toronto. The Solicitor General and the member for Peel South (Mr. Blenkarn) received copies of that letter. I quote:

● (1220)

[*English*]

Sir:

I regret that more urgent matters have kept me from commenting earlier on the matter of capital punishment.

I cannot possibly express adequately my disgust and disappointment upon finding that our government has sunk so low as to be guilty of a flagrant breach of ethics. Mr. Allmand's action in radically altering the bill after it received second reading strips him of any right to ever discuss or comment on ethics, morality or justice. In permitting him to do so, you have once again revealed your utter contempt for parliament and the Canadian public.

[*Translation*]

That letter was sent to the Prime Minister, the Right Hon. Pierre Elliott Trudeau and copies were sent to three other members of parliament, including the Solicitor General.

Mr. Speaker, as I said earlier, I could quote letters all day long. I would like to quote a leading article on capital punishment:

He who infringes social order deprives himself of the right to live or to be free, by committing his offence;

It is not the government, it is not members of parliament. It is he who infringes social order who deprives himself of the right to live or to be free. He is aware of it. Therefore, if he is aware of it, he must act consequently. I go on quoting:

—through the execution of the punishment, it is the property of life or freedom to which he was no longer entitled that is taken away from him in fact".

And many comments, articles, editorials, support the retention of capital punishment.

I would like now to quote a circular coming from Toronto:

[*English*]

This letter is from Miss Rita Hogg, president, Concerned Residents Action Committee:

We urge retentionist members to keep up the excellent work they are doing for we are more than ever convinced by the trend of events in our society today that it is indeed time to reinstate capital punishment.

Then a postscript:

Your leadership and solidarity have accomplished a very great deal. We are grateful to you. Keep up the good work.

[*Translation*]

This circular letter was sent to many parliament members. Probably the Solicitor General received it also. Perhaps he will speak during the debate on the amendments before us but many competent people spoke in the past; today they speak again in favour of the retention of capital punishment.

I am looking at the hon. member for Saint-Hyacinthe (Mr. Wagner) in his seat. When he was Minister of Justice for the province of Quebec, he was in favour of retaining capital punishment and after it was abolished, five years ago, he still was for retention. The hon. member for Saint-Hyacinthe is as good a lawyer as the Solicitor General. He was Minister of Justice in Quebec; it is a position as important as that of Solicitor General but the latter is speaking in the name of God. In the name of God we want justice to be rendered; we want a murderer to be punished for his crime against society. It is not as a vengeance but for a better respect of law and for the respect of the human beings who want to live in peace and order in our Canadian society.

[*English*]

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, this is the first occasion that I have spoken on this measure and I trust that it will be the last. I am now speaking to the amendment moved by the hon. member for Northumberland-Durham (Mr. Lawrence), and as I intend to speak only the once I trust I shall be able to exercise some leeway in regard to the aspects of the bill with which I wish to deal and also the amendments.

First of all, this bill is a very confusing piece of legislation. There is no need for it to be confusing. One would think the simple question whether or not certain persons should be put to death if they commit certain offences is straightforward. Yet we find ourselves in a peculiar position when we take a look at Bill C-2.

The legislation states that a certain section of the Criminal Code in the Revised Statutes of Canada will be repealed and the following substituted therefor:

214. (1) Murder is punishable by death or is punishable by imprisonment for life.

If you gave the bill to a person not used to the intricacies and the tortuous method of passing legislation through this House, I am sure that person would assume that this bill calls for capital punishment. "Murder is punishable by death", says the bill. Only through the machinations and confused operations of the present government could they have managed to bring forward a bill that calls for punishment by death and yet places parliament in a position where the retentionists are going to vote against the bill and the abolitionists are going to vote for the bill, which as I say calls for "murder punishable by death".

Given the premise that we start with a bill that says exactly the opposite to what it is supposed to say, a lot of extra difficulties have been created as a result, and totally unnecessarily. The original amendments which were submitted received a fair amount of forethought, I believe. I am sorry that the amendment asking for a plebiscite was ruled out of order because I would have voted in favour of it had it been possible to do so.

The hon. member for Louis-Hébert (Mrs. Morin) has asked for an extension of the classes of murder which could be punishable by death. I am inclined to agree that if one accepts the philosophy that murder should ever be punishable by death, then one death is not greatly different from another provided there is the intention to murder someone. While I respect the right of a policeman on duty and penitentiary guards to ask for extra protection, I feel it is possibly a more heinous crime to murder defenceless children than it is to have a shoot-out with a policeman. But this is a matter of personal opinion and I would find no difficulty in supporting the amendment moved by the hon. lady from Louis-Hébert. Having accepted the principle that it is possible to put a person to death for certain types of murder, I do not see the logic of trying to be quite as narrow as this bill is in regard to what types of murder should be punishable by death.

● (1230)

For the most part, the debate so far has been conducted with a fair amount of reason. Members appear to be divided into roughly three divisions. Retentionists are

quite happy to retain capital punishment. On their outer fringe, they appear to want to have people put to death. On the other extreme are the abolitionists who appear to have been born that way. They have never been required to search their conscience on that matter. The third group is centered between those two. They do not wish people to be put to death, but they see no reasonable or possible alternative. Others will not vote for retention.

I am disappointed in the amount of intolerance both in the corridors and in the speeches by members of all parties. One would expect the abolitionists to be a little more tolerant of the views of their colleagues than has been evidenced. I say this with a great deal of regret.

I sometimes believe that I must be the only individual in Canada who did not spend his time talking about capital punishment before becoming involved in politics. I can honestly say that I never expressed an opinion on whether we should have capital punishment until the election campaign got under way. The first few times I was asked for my view about capital punishment I was inclined to say it was my own business. That is not so. I was a candidate for political office and people presumed they had a right to inquire into my views on the subject. On consideration, I believe they were correct. They have a right to know how a candidate is going to vote on a matter such as this, although I am surprised people would change their votes for candidates for the House of Commons depending on how they were going to vote on capital punishment. I would think a voter would be interested in how a candidate was going to vote on capital punishment but, with all the other important issues with which we are involved, I was surprised to hear many people say that if I voted for abolition they would not vote for me or if I voted for retention they would not vote for me. There seemed to have been an equal division. My letters indicated they would or would not vote for people because of their vote on this measure. I am also sorry to report that.

A member of parliament must decide whether he is better qualified than his constituents in this matter, if we are going to go by the results of polls and letters. If a member of parliament is convinced he has a more highly qualified opinion on this matter than the average constituent, he should have no hesitation in voting whichever way he feels. I, personally, do not feel that way. I have no qualification that would enable me to say that I have better judgment on whether a person should be put to death for certain crimes than anyone in my constituency. The person with a menial job and perhaps very little in the way of education might very well be right on this issue and I might be wrong. Consequently, I do not hesitate to accept the wishes of my constituents in this matter as I can determine them. I make no apology for so doing.

I feel that democracy is exercised all too seldom in this country and surely the basis of democracy is rule by the people. In a matter such as this, I have no hesitation in accepting the advice of the overwhelming majority of my constituents. There are other issues on which I do not hesitate to go against the wishes of the majority of my constituents. I have done so on two occasions in this parliament. It is a matter of what you consider to be your qualifications.

[Mr. McKinnon.]

I have travelled a great deal in Canada and have rubbed shoulders with many different groups of people in various parts of the country. In certain matters of national import I believe I am better qualified than the average constituent in Victoria. I hope I will not be thought too conceited for that remark. One of the measures I am referring to is, of course, the official languages bill.

During this debate we have heard a great deal about Edmund Burke. For many years I have been fond of reading his speeches. I have always considered that he put words together in a manner that should be an example to everyone using the English language. I recommend his speeches to all. However, I think they have been used during this debate in a manner he would not have defended.

Mr. Burke was born an Irish Catholic. In 1774, he was elected to parliament at Westminster to represent the constituency of Bristol. He represented it very well for six years. In 1780, he found to his horror that the people of Bristol were not likely to renominate him. He then made his famous speech in the Guild Hall in Bristol, a speech that is often quoted and frequently misquoted in this House. It is often said that because Burke was willing to vote against the wishes of his constituents we should do the same. However, Burke did this on the very type of matter I have been talking about, a matter on which he was an expert. He went against his constituents on matters where their prejudices were prevalent, the Irish question and the American revolution.

I always thought his best speeches were on the American revolution where he took a very tolerant attitude early in the revolution and suggested there should be some compromise. He also voted according to his wisdom on the Catholic relief bill and the Irish trade bill. I think he was quite right in doing so. He had more wisdom and knowledge on these matters than his constituents, so he voted the way he felt. He pointed this out to them.

Early in his so often quoted speech in the Guild Hall he said that by all means he should consider the wishes of his constituents wherever possible and on those matters on which his constituents were knowledgeable he should consult their opinions. However, in matters where he had superior knowledge and intellect and had studied and worked, he felt quite at liberty, as do I, to vote according to his own knowledge and intelligence. As a footnote, I should add that after Mr. Burke's great speech that is so often quoted he lost the nomination and was never again truly elected. He did not get the nomination and from then on represented a private constituency owned by the Duke of Rockingham. So while he went down in history in respect of this one speech, he was a failure in a political sense.

● (1240)

Another thing that happened in the early stages of the debate on capital punishment was that capital punishment was linked to the question of law and order. At first I rejected this and said that the two were different subjects. I said that capital punishment is a subject by itself when we consider whether or not we will take the life of a human being because the state wishes us so to do. The matter kept coming up and I began to wonder if perhaps I

might be wrong and that the two are rightly linked. I was impressed by a column written by Richard Needham who regularly writes for the *Globe and Mail*. I refer to an article that was syndicated in a Victoria newspaper on September 17, I believe. He was speaking of the lack of religion in our society. I think the article was headed "Nothing Is Sacred". He mentioned that in this day and age more and more crimes, such as murder, robbery, rape and so on, occurred in churches. There was the case of a Canadian minister who was set upon in New York City while walking from one church across the street to another. Mr. Needham quoted Dostoyevsky. His version was quite abridged. I believe the entire quotation is worthwhile. It was written some time in the mid-19th century. Dostoyesky wrote as follows:

> If you were to destroy in mankind the belief in immortality, not only love but every living force maintaining the life of the world would at once be dried up. Moreover, nothing then would be immoral, everything would be permissible, even cannibalism.

In his abridgement I believe Mr. Needham said, "if there is no God, anything is permissible". I believe we have a situation today in this country that the strictures and standards that had been set for so many years, based on the law of Moses, the Ten Commandments, and which served as a structure for our social and moral life, are considered today by younger people and some not so young as being irrelevant. However, there is nothing to replace those strictures that were impressed upon people with the effect that they believed if they were evil they would suffer damnation thereafter. Several other people have been quoted on this subject. I suppose one of the best examples is Voltaire who said that if God did not exist we would have to invent him. When so many of our people appear to no longer believe in or accept religion, the lawmakers must bring in some kind of philosophy for the people to replace these strictures. We have failed miserably in this regard.

I spoke to a friend of mine in the New Democratic Party yesterday, who unfortunately is not in the House today, who said he has no problem in this regard because he believes in the rule of law and that he has almost made this belief the equivalent of that held by people who believe in the law of God. In other words, if you worship the law then you need no other strictures on your behaviour. I find that this goes a bit far, but we are faced with this dilemma and I do not know how to solve it to everyone's satisfaction. I am sure there are greater thinkers than I who are worrying about this problem. When we look round the House we realize that there are 264 members who are placed in the position of trying to represent the collective wisdom of the country. I think there may be better judges of the problem facing us or of the rightness or wrongness in respect of this matter. But it is now our responsibility.

Many members of the House have participated in state killings. I am speaking of world war II when we were sent out and, after a certain amount of what modern-day persons refer to as "being psyched up" to something, found ourselves able to take lives on behalf of the state with no particular qualms of conscience. I suppose years later some of us worried about it. However, it was done at the time. Incidentally, I was chosen to participate in the execution of General Kurt Meyer which was to be carried out by the Canadian forces in 1946. I approached this as another job. It did not bother me a great deal. I am sure, had we gone through with the execution, it would not have bothered me a great deal. As I say, we were psyched up, and we were young.

This debate has bothered me a great deal. I am sure it has bothered most members. I am glad it is coming to an end. I intend to vote against the bill on third reading. I shall vote against the amendment which is before us now largely because I do not care for its wording. The part I am most unhappy about is the part in which a second murder is not spelled out as murder but as the death of a human being. It seems to me this amendment would have to be further amended to indicate that the second taking of life must be murder. I suggest to the hon. member for Northumberland-Durham (Mr. Lawrence) that since the second part of the amendment states, "in respect of any person, where such person causes the death of a human being and has been previously convicted of murder, whether or not such murder is punishable by death", it seems to me that this would not cover the situation where a person convicted of murder, not punishable by death, was involved in an automobile accident which resulted in the death of a person. Such a situation, I suggest, should be excluded from this provision. Had the word "murder" been included I would have supported the amendment. However, I do not think it has much chance of being passed. I shall vote against the bill at the third reading stage. I hope we can then forget the quarrels and bitterness and go on from there.

Mr. Don Blenkarn (Peel South): Mr. Speaker, I propose to speak very briefly. I shall confine my remarks entirely to the amendment. The amendment presented by the hon. member for Northumberland-Durham (Mr. Lawrence) represents a conscious attempt to try to pull some reason out of a bill with which even the minister was not satisfied. When he appeared before the committee he tried to amend the bill all over again by changing its very nature and status. I am indeed surprised that the minister, having proposed to the committee that the whole concept of capital punishment should have been taken out of the bill in the first place, did not withdraw the bill completely and start again from scratch and really produce what he intended to produce in the first place—legislation which would provide that nowhere in the Criminal Code of Canada would there be a provision for the taking of life as a penalty. Having confused everybody in the committee and having stirred up the country the minister decided to carry the bill through. It was forced through the committee and reported to the House.

● (1250)

An hon. Member: It was not forced through, it was passed.

Mr. Blenkarn: Let me tell hon. members what they already know, that very close to 90 per cent of the people in Canada demand that capital punishment be put into the Criminal Code as the maximum penalty for heinous murder.

Some hon. Members: Hear, hear!

Mr. Blenkarn: That bill was forced through the committee because, in terms of ideology, the committee did not present a true reflection of the opinions of this House or a true reflection of the opinions of the people of Canada.

Some hon. Members: Hear, hear!

Mr. Blenkarn: The committee was really stirred up. An effort was made to put forward an amendment in connection with euthanasia. The hon. member for Northumberland-Durham tried to put forward that amendment. He said: "Let us get rid of the rope. Let us not be cruel in exercising the death penalty." That is not before us, unfortunately, because again it was blocked by procedure. At that time there was no reason whatsoever why the minister should not have admitted that there is disagreement and confusion in the country and that this legislation will affect every citizen in Canada. But what did the minister do? He said that in no way is he forcing it through but that it has to go through in the way he says it should and that what the people of Canada are saying does not matter.

I commend the hon. member for Northumberland-Durham and the hon. member for Louis-Hébert (Mrs. Morin) for their amendments because both these hon. members have been trying to present to the House some form of compromise. It is well known that right across Canada people demand the reinstatement of the maximum penalty because they are disturbed and incensed at the fact that some people can go out and murder and get nothing more than a nice sentence to a comfortable jail. We know that something must be inserted into our criminal law that will satisfy the people of Canada. Those hon. members have tried to do that in their amendments.

I hope that the hon. member for Victoria (Mr. McKinnon) will change his mind and vote for these amendments tonight. I hope that hon. members opposite and members of the NDP who have been adamant against capital punishment will say that at least we have reflected to some extent the opinion of our constituents. We have said that those who murder in the course of airline hijackings, which is a heinous crime, should be subject to the death penalty as well as those who have murdered again following escape from those nice, tight secure jails of the present Solicitor General. Surely these people have lost their right to be in our society.

These amendments are not good amendments; they are makeshift amendments because the bill is a makeshift bill. It should have been withdrawn and rewritten from scratch. The hon. member for Northumberland-Durham and the hon. member for Louis-Hébert have put forward these amendments to try to make some sense out of the bill and to try to solve the problems because it does not do so. But what does the minister do? He does not want these amendments. He does not want the Criminal Code of Canada to reflect the morality of Canadians and the desire of Canadians for the kind of punishment which they feel should be in their statutes.

I do not intend to say much at this time about the concept and the reason for capital punishment being in the Criminal Code. I may speak about that later in the debate on third reading of the bill. But at this point let me plead with hon. members to realize that these amendments, particularly the amendment of the hon. member for Northumberland-Durham, do make sense and will at least allow some hon. members who really do not want to see capital punishment contained in the Criminal Code to say to their constituents and to the people of Canada that they as members of the House were at least responsible regarding the matter of double murder and murder during airline hijacking. The minister cannot refuse to listen to the people. This House is not an ivory tower, although members to the left of me continue to think it is. Surely we can accept this small compromise, this small bone, if you want to put it that way, tossed out by the hon. member for Northumberland-Durham. At least we will have shown that we pay attention to the people of Canada. If we do not do so as members who represent the people of Canada I suggest that some of us had better find another job, perhaps join the ministry or become social workers. They had better not continue being members of parliament because obviously they do not really want to listen to the people of Canada.

Some hon. Members: One o'clock.

Mr. Deputy Speaker: Perhaps I could interrupt the hon. member at this time. It being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

FISHERIES

COMPENSATION TO NEWFOUNDLAND FISHERMEN AS A RESULT OF STORM DAMAGE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, under the provisions of Standing Order 43, I rise to present a motion on a matter of urgent and pressing necessity. Mr. Speaker, on June 17 and 18, the Atlantic area, and particularly the east coast of Newfoundland suffered the loss of fishing gear and property, the estimated value of which was $1.4 million, as a result of storm damage.

In view of the fact representations have been made to this government by the individual fishermen from the province of Newfoundland, the premier of the province and, as well, by myself on numerous occasions in attempts to determine what this government is doing to compensate the fishermen; and in view of the fact compensation has not yet been granted, I move, seconded by the hon. member for Gander-Twillingate (Mr. Lundrigan):

That this House direct the Minister of Fisheries and the Minister of Finance to submit immediately to cabinet all findings relating to the storm damage of June 17 and 18, and further, that the cabinet and particularly the Minister of Fisheries release

immediately to this House their findings and the actions they will undertake in order to help alleviate this situation.

Mr. Speaker: This motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: No.

Some hon. Members: Agreed.

Mr. Speaker: There is not unanimous consent.

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CONSUMER AFFAIRS

TABLING OF REPORT ON MONITORING OF EFFECTS OF SALES TAX AND TARIFF CUTS

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, under the provisions of Standing Order 41(2) I should like to table, in both official languages, copies of a report on the effects of the tariff sales and excise tax changes set out in the February 19, 1973 budget, on consumer prices.

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VETERANS AFFAIRS

REQUEST FOR WAGE PARITY FOR NURSES IN VETERANS HOSPITALS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I also rise under the provisions of Standing Order 43 to seek the unanimous consent of this House to move a motion of urgent and pressing necessity with regional as well as national connotations. It has to do with the widespread unrest of nurses employed by the federal government which has been exacerbated by a recent arbitral award.

I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the Treasury Board, in general, and the Solicitor General and Ministers of Veterans Affairs, Health and Welfare and National Defence, in particular, review present government policy in respect to national wage parity for federal government employees in this case, nurses, across the nation, with the object in mind of phasing out, in an orderly fashion, the inequities and confusion which now exist across Canada and to thus ensure with regard to the nurses that their different status, regarding salaries, compared with what is available elsewhere, in no way affects their capacity, willingness and efficiency to care for our veterans, regardless of where in Canada they may be.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

UNVEILING AND DEDICATION OF NEWFOUNDLAND BOOK OF REMEMBRANCE

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I would like to inform the members

of this House of a highly significant and solemn ceremony which will take place this Sunday afternoon in the Confederation Room of the West Block. I am referring to the unveiling and dedication of the Newfoundland Book of Remembrance which, after the dedication, will be placed, along with the four other Books of Remembrance, in the Memorial Chamber of the Peace Tower.

It was more than six years ago that the government of the day approved the plan to produce a Book of Remembrance which would commemorate the names of the Newfoundland men and women who gave their lives in the defence of freedom between 1867 and 1949, the year when Newfoundland became part of Canada. The committee which was set up to complete the project has worked tirelessly and efficiently, and the results of its work will be a lasting testimonial to the 2,327 Newfoundlanders whose names are inscribed.

• (1410)

I am sure hon. members will be pleased to know that 110 Newfoundland veterans and their wives will be among the invited guests at the ceremony. This delegation will be headed by the Hon. Joseph Harnum, Lieutenant-Governor of Newfoundland and Mr. Frank Moores, Premier of Newfoundland. The dedication will be made by the Chaplains-General of the Canadian Armed Forces, Brigadier-General James A. MacLean and Brigadier-General Joseph Cardy.

Some hon. Members: Hear, hear!

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I can do no less than commend the minister and his committee for bringing to completion their work. The Book of Remembrance has taken more than six years to compile. I am pleased to have attended many of the committee meetings which were held over those six years.

I think we should commend, too, all those who played a part in the completion of this book which is nothing less than a lasting memorial to the veterans of Newfoundland. I might add that the forthcoming dedication arises in a sense, of course, from the union of Newfoundland with Canada.

I can assure the minister that I and my colleagues from Newfoundland will be very happy to participate in this ceremony on Sunday.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am happy to join with the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) in offering our commendation to the Minister of Veterans Affairs (Mr. MacDonald) on the significant announcement he made this afternoon. We are glad to know that the names of Newfoundland veterans who gave their lives are to be, along with the others in the various Books of Remembrance, kept in the Peace Tower of this building. Like the hon. member for Humber-St. George's-St. Barbe, we welcome this further evidence of the unity of Canada from coast to coast.

[*Translation*]

Mr. René Matte (Champlain): I am pleased, Mr. Speaker, on behalf of the Social Credit Party of Canada, to join my colleagues of other parties to commend the minister

for that initiative which surely deserves all our attention and particularly all our congratulations.

[*English*]

Mr. Erik Nielsen (Yukon): Mr. Speaker, this gives me a unique occasion for bringing to the minister's attention the fact that, notwithstanding that the Yukon is part of Canada, it is not represented in any significant way, as are the provinces, in the memorial chamber, although the first motor machine gun brigade to go into action in the first world war came from the Yukon.

Mr. Speaker: Order. The hon. member for Yukon says this gives him a unique occasion. It is unique in many ways, particularly from the point of view of the Standing Orders of the House.

Some hon. Members: Oh, oh!

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FEDERAL-PROVINCIAL AFFAIRS

PROVISION FOR OBSERVERS AT TRI-LEVEL CONFERENCE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I wish to propose a motion under Standing Order 43 concerning the important national tri-level intergovernmental meeting to be held next week in Edmonton, which is to be open to the press but closed to official observers for reasons of space. I move, seconded by the hon. member for Calgary North:

That the planning secretariat be instructed by the federal government to permit one official observer from each political party in the House of Commons to attend this meeting, thereby ensuring the right of Members of Parliament to inform themselves on public issues.

Mr. Speaker: The motion proposed by the hon. member under the terms of Standing Order 43 requires unanimous consent. Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

THE CANADIAN ECONOMY

TAKEOVER BY CAPITAL AND COUNTIES PROPERTY COMPANY OF WESTERN REALTY LIMITED—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, under the provisions of Standing Order 43, I rise on a matter which I believe to be both important and pressing. In light of the takeover by the Capital and Counties Property Company, Limited of London, England, of a Canadian company, Western Realty Limited of Vancouver, recently for some $48 million, and in light of Western Realty's large land holdings in western Canada and its plans to merge with Great Northern Capital Corporation, with large holdings in eastern Canada, I move, seconded by the hon. member for New Westminster (Mr. Leggatt):

[Mr. Matte.]

That this House instruct the government to prohibit any new foreign takeovers until this House passes adequate takeover legislation.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL—REFERENCE TO MINISTER'S STATEMENT ON RATIONING—DISCUSSIONS WITH ARAB STATES ON EFFECT OF CUTBACK ON CANADIAN SUPPLIES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Energy, Mines and Resources whether he received any additional information between the time he answered my question in the House yesterday with regard to contingency plans in the event of oil from the Middle East being cut off, when he said "I think it will depend very much on the exact arrangements each company has, to be able to predict the contingency arrangements we should have", and his going out of the House immediately afterwards and saying in response to a question about the same subject in the event of "an interruption for a period in excess of 60 days, then, of course, we would have to look at some form of rationing, that is to say, rationing of less essential use of oil products in favour of more essential uses". Did the minister get some additional information from the companies in the meantime as to their plans which enabled him to go considerably further outside the House than he went inside the House?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No, Sir. It was a different question asked me outside the House.

Mr. Stanfield: That's a great way to run an oil policy.

Some hon. Members: Hear, hear!

Mr. Stanfield: I should like to ask the minister whether he has been in direct contact with the governments of the Arab states in the Middle East, or their representatives, to discuss the cutback formula that has been announced. If so, can he inform the House whether it is intended by those states that these cutbacks will affect Canadian supplies, or whether this policy will, in fact, affect Canadian supplies?

Mr. Macdonald (Rosedale): The international community generally is attempting to get a clarification of the announcement made by the Arab petroleum exporting countries as well as the statement made by the oil minister for Abu Dhabi regarding reduction of supplies. At this moment, we have not had a more precise interpretation of

the OAPEC statement that the output reduction will not affect any friendly states which will help the Arabs in a fruitful and effective manner, or the statement of the Abu Dhabi minister that the cut-off was directed to the United States and that similar action will be taken against any state which supports Israel. As I say, the international community is seeking further clarification of these announcements. As soon as we have ascertained its impact on Canada I will, of course, be happy to let the House know.

PRICE FREEZE ON OIL—POSSIBLE REQUEST FOR PRICE INCREASE AS RESULT OF INCREASED PRICE OF OFFSHORE CRUDE

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. Perhaps we will be fortunate enough to get this supplementary information immediately after the question period outside the House.

Mr. Macdonald (Rosedale): When better questions are asked.

• (1420)

Mr. Stanfield: I wish to ask the minister one further supplementary question relating to the voluntary freeze the government has requested the oil companies in Canada to adopt and the traditional exemption mentioned at that time, namely that an increase might be considered in the event the cost of crude landed in eastern Canada is increased. Has any request for an increase been made as a result of an increase in crude prices from Venezuela? If so, what decision has been reached?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker. A number of eastern refineries have sought an increase, not confined to those dependant on Venezuela crude, depending upon the source of their crude feedstock. Officials of my department have been seeking more information from the companies on the cost effect of this, but at the moment no decision has been taken by the government in this regard.

OIL—POSSIBLE EFFECT OF ARAB CUTOFF ON ANY VENEZUELAN-CANADA AGREEMENT

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. In view of the minister's attempt to get Venezuelan assurance for the supply of oil, in the event of an Arab cutoff, will any Canada-Venezuela agreement or offshore agreement be over-ridden by OECD which would be forced to initiate worldwide rationing?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The objective of Canada, of course, would be to co-operate with the other members of OECD in having the best possible arrangement to protect our supplies, as well as those of other countries. Therefore, I would have to say that any arrangement we may have directly with Venezuela would be subject to those other arrangements.

OIL—POSSIBILITY OF SUPPLYING EASTERN CANADA WITH WESTERN CRUDE—EXTENSION OF PIPELINE TO MONTREAL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I wish to ask the minister a question arising out of his statement made outside the House that it may be necessary to resort to rationing of petroleum supplies in the event the Arab states carry out their policy of restricting supplies to this country. In view of the fact that Canada is a net exporter of oil, quite able to maintain supplies for its own people, at least at the present time, is it the government's intention to meet any shortage in eastern Canada by curtailing to some extent the export of Canadian crude and making it available, particularly with reference to home heating fuel for the eastern part of Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the difficulty of that suggestion is that there is not in place a delivery system to bring any substantial quantity of either refined products or crude from the end of the interprovincial pipeline to Montreal. As hon. members know, the government has proposed an extension of the pipeline, but that has not been done as yet.

Mr. Douglas: In view of the fact that as long as the St. Lawrence River is open, very substantial quantities could be moved by barge or at least by truck to meet an emergency situation, has any firm decision been reached by the government with respect to extending the pipeline? Have the necessary discussions and arrangements been completed and how soon does the government intend to proceed with this project?

Mr. Macdonald (Rosedale): With regard to the comment made by the hon. member, we have determined that except in a very marginal sense neither by shipment on the lakes when they are open nor by rail or truck transport could sufficient quantities be moved to meet the demand. With regard to the second part, the hon. member will recall the government's decision in principle to have a pipeline extension to Montreal was resisted by certain of the provincial governments. We now have under discussion with the officials of the province the possibility of extending the pipeline. I suspect that current events will perhaps have persuaded them more closely to our concern about security.

Mr. Speaker: The Chair will recognize the hon. member for one further supplementary. I will then recognize the hon. member for Champlain and further supplementaries on this subject immediately after.

OIL—POSSIBLE ESTABLISHMENT OF NATIONAL PETROLEUM CORPORATION—GOVERNMENT POSITION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the minister's statement to a convention here on Tuesday to the effect that the Venezuelan government would like to deal with a national petroleum corporation in Canada to ensure a long-term guarantee of supplies, I want to ask the minister whether the government has now decided to set up such a corpora-

tion in line with the preliminary energy report which was diluted by the cabinet. Has a decision been made and when will action be taken in this regard?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the discussion with Venezuela in this regard concerned the period when Venezuela itself would have acquired full control of its oil industry between now and the end of the concessions in 1983. There is still some consideration to be undertaken in the Canadian context as to whether a national state company is the best vehicle for ensuring the petroleum interests of our economy.

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[*Translation*]

AIRPORTS

MIRABEL—REQUEST FOR DOCUMENTS PERTAINING TO EXPROPRIATION—MEETING WITH MINISTER

Mr. René Matte (Champlain): Mr. Speaker, I do not wish to ask a supplementary. I should, however, like to ask a question of the hon. Minister of Public Works.

Could he tell us if he intends placing at the disposal of those concerned and the general public all the papers concerning the settlement of each case of expropriation relative to Mirabel international airport?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, 3,100 different properties were involved; I think that it would be very difficult and expensive to have copies made of all the papers. However, we have nothing to hide from the population; 90 per cent of these cases of expropriation have already been settled and if the hon. member wishes to consult any particular paper, I shall be happy to make it available.

Mr. Matte: Could the minister tell us if he intends meeting with the people in charge of the Ste Scholastique expropriated owners committee in the near future if he intends meeting them at all?

Mr. Dubé: Mr. Speaker, I had the pleasure of meeting them about two weeks ago. The Minister of Transport and myself have accepted their graceful invitation to meet with them again during the next few days.

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[*English*]

ENERGY

OIL—REQUEST FOR ASSURANCE OF SUPPLY FOR THERMAL POWER PLANTS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to ask a question related to those asked previously of the Minister of Energy, Mines and Resources. In view of the fact that many thermal electric power plants in the Atlantic provinces—and in the case of Prince Edward Island I believe all of them—are oil-fired what action is the minister prepared to take to ensure adequate supplies of oil to thermal power plants in that area, which are totally dependent on offshore oil, in the case of disruption of supply.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in the case of disruption, obviously that kind of situation would be one of the priority uses for the purpose of the allocation system.

ATHABASCA TAR SANDS—FEDERAL POSITION ON DEVELOPMENT—EFFECT OF FEDERAL PRICING POLICY

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is also for the Minister of Energy, Mines and Resources. In view of the world energy situation at the present time, I wonder if the minister could inform the House whether he is doing everything within his power to ensure that the Athabasca tar sands will be developed as quickly as possible?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Well, Mr. Speaker, the decision in that regard is not totally within my responsibility, but to the extent it is my responsibility I see no difficulty in that regard. Indeed, we have proposed to the government of Alberta significant federal assistance in developing the oil sands.

Mr. Yewchuk: I will be more specific, Mr. Speaker. Could the minister indicate to the House whether during his meeting with the President of the company that is prepared to go ahead with the construction of a plant immediately—the meeting he had a few days ago—he gave that gentleman the kind of assurance he was seeking with regard to price and export of their product.

Mr. Macdonald (Rosedale): Mr. Speaker, I did not have a meeting with the president of the company. I have met with a number of the principals who are the principal shareholders of the company who have indicated that the proposals we have with regard to the price of oil on the Canadian market would be adequate to assure the continuance of the project.

• (1430)

OIL—REQUEST FOR STATEMENT ON FEDERAL PRICING POLICY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, would the minister please be good enough to take us into his confidence and tell us what his proposals are with regard to the pricing of crude in the Canadian market?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker. The comment made many times both in the House and outside has been that the pricing of oil would be founded upon a price determined by the international price of crude landed at Montreal.

Mr. Speaker: The Chair will recognize the hon. member for Calgary North on a supplementary, and then the hon. member for Vancouver-Kingsway.

ATHABASCA TAR SANDS—POSSIBLE EXEMPTION OF PRODUCTS FROM SYNCRUDE FROM SURTAX—EFFECT ON DEVELOPMENT OF FEDERAL PRICING POLICY

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the minister if I am correct in thinking that he left the impression that the surtax would not apply to crude petroleum processed from the tar sands by the Syncrude plant and now, I understand, he has reversed his policy. In the light of the fact that there appears to be a shortage, would the minister take a hard look and assure us that that development will go forward, an $800 million development guaranteeing 10,000 jobs and a sufficient supply of crude petroleum for all of Canada and elsewhere?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The hon. member is correct in saying that he has misunderstood. As I indicated, the principals of the company concerned agree that with the prospect of the international pricing determining the price in Canada, there will be no difficulty in going ahead and they need seek no exemption from the export tax.

Mr. Stanfield: Why were you so evasive yesterday?

Mr. Woolliams: In the light of the waffling which we get from the minister, I wonder if he would now come clean and tell us to what officials and to what companies he is referring, so that there will be no question in the future as to what he meant today.

Mr. Macdonald (Rosedale): I would be glad to communicate to the hon. gentleman the details of the Syncrude project, the partners, and the role that the government of Alberta proposes to take. I would have thought that, as member for Calgary North, he might have known these details already.

Some hon. Members: Hear, hear!

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CONSUMER AFFAIRS

INVESTIGATION OF MERCHANDISING IRREGULARITIES REPORTED BY FOOD PRICES REVIEW BOARD—REQUEST FOR REPORT—OTHER MEASURES TO PROTECT CONSUMERS

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In view of the minister's announcement a few days ago that he has assigned top priority to the review of more than 100 cases of alleged merchandising irregularities reported by the Food Prices Review Board, have irregularities been found and, if so, how many? Are charges being laid and prosecutions launched under the Combines Investigation Act and, if so, how many?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, officers of my department and those of the Department of Justice are continuing their work on the reports given to them, and I would be happy to give my hon. friend further information as soon as it is available.

Some hon. Members: Oh, oh!

Mrs. MacInnis (Vancouver Kingsway): Mr. Speaker, first of all, could the minister tell me when that information will be available and, second, what other steps he has in mind for the protection of consumers during this period of rising prices and rising profits?

Mr. Gray: Dealing with my hon. friend's second question first, may I refer again to the steps outlined in the statement of the Prime Minister indicating measures to increase disposable income, measures to create subsidy programs in the area of milk, bread and so on.

With respect to the other part of the question, I will be happy to give the hon. member the information as soon as I receive it from the officers of the Department of Justice.

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ENERGY

SUBJECTS TO BE DISCUSSED WITH UNITED STATES

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I have another question for that master of diplomacy, the Minister of Energy, Mines and Resources.

Some hon. Members: Hear, hear!

Mr. Clark: This gives me some indication of the government's view of diplomacy. Would the minister advise us whether his department is preparing special recommendations on energy matters for the meeting between the Secretary of State for External Affairs and Mr. Kissinger and, if so, will the minister take parliament into his confidence as to the nature of the recommendations he will be making?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we will be discussing with the United States a broad range of issues on energy questions. Perhaps I could refer the hon. member to the energy analysis for the kind of questions which are most relevant between Canada and the United States.

Mr. Clark: Does the minister intend us to understand that no matters will be raised in discussions between the Secretary of State for External Affairs and Mr. Kissinger that are not referred to directly in the studies to which he referred just now?

Mr. Macdonald (Rosedale): I think it is fair to say that we did not anticipate in June that there would be a war in the Middle East in October, so that the answer to the hon. member's question is, not exactly.

An hon. Member: You should have been ready.

Mr. Murta: Mr. Speaker—

Mr. Speaker: Order. The Chair will recognize the hon. member for Skeena, who has a supplementary, then I will see the hon. member for Lisgar.

Oral Questions

FOOD PRICES

STATEMENT BY MINISTER OF CONSUMER AND CORPORATE AFFAIRS—GOVERNMENT POSITION

Mr. Frank Howard (Skeena): Mr. Speaker, my question is supplementary to that of my colleague, the hon. member for Vancouver Kingsway, to the Minister of Consumer and Corporate Affairs about food prices. Was the minister stating government policy a week or two ago when he said with respect to food prices that an average family today has only two choices: to readjust the household budget to allow more dollars for food, or to stretch the food dollar by shopping more wisely? Does that represent government policy?

Mr. Speaker: Order, please. The question asked in those terms is not in order.

Mr. Howard: May I pose that question then to the Acting Prime Minister and ask him whether the Minister of Consumer and Corporate Affairs was expressing government policy a few weeks ago when he made the statement which I just read.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I have heard the hon. member read some words. I do not know whether that is what the minister said, and I will have to check.

Mr. Howard: May I ask a further supplementary?

Mr. Speaker: Order, please. The hon. member for Lisgar.

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TRANSPORT

AVAILABILITY OF GRAIN CARS—GOVERNMENT ACTION

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Transport. Is the government acting upon what has become a very serious problem in connection with grain movement in a good many parts of Manitoba where some points have not had grain cars for quite some time and as of today the prospects of obtaining these cars are very slim indeed. Has the minister been in touch with officials from his department in connection with this matter of grain movement, and what is the government preparing to do about moving grain out of Manitoba?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, both my colleague, the Minister of Transport, and I have been discussing this matter. We have had discussions at the official level throughout the period of, and after, the strike concerning the difficult problem regarding the availability of cars. There is a shortage of cars in relation to the demand for many products in addition to grain, and we are doing everything we can to try to facilitate the movement of products so as to get back to normal as quickly as possible.

[Mr. Speaker.]

BACKLOG OF FREIGHT AT NORTH SYDNEY—GOVERNMENT ACTION TO LESSEN—POSSIBLE USE OF HERCULES AIRCRAFT

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker—

Mr. Gleave: I have a supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. I believe the hon. member for Gander-Twillingate has a supplementary question, and he has been recognized for that purpose. I will see the hon. member afterwards.

Mr. Lundrigan: My question is related to the backlog in the movement of goods. In view of the fact that exactly a month ago today there was a backlog of 650 cars in North Sydney, at which time the minister said it would be cleaned up in two weeks, yet today there are still 650 cars there at this very minute, can the minister indicate whether he is now prepared to go along with the co-operative spirit of the Minister of National Defence expressed on Monday when he indicated he would be willing to place more department of National Defence Hercules aircraft at the disposal of east coast terminals in order to move this freight? Has he taken concrete action to put that into effect immediately?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, notwithstanding the strike in Saint John, notwithstanding the collapse of the bridge, and notwithstanding the rail strike, right now there is a backlog of a little more than 100 cars in comparison with the number last year at which time the hon. member never said anything. Last year at this time there was a backlog of 520 cars; now, there is a backlog of 670. So, I think we have brought the situation back to about normal, despite the increase in freight movement. So, I do not know what the hon. member is trying to ask. No need has been expressed by the government of Newfoundland which has not been met.

Mr. Lundrigan: I cannot understand why the minister is getting so upset.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): We have a new statesman here.

Mr. Lundrigan: Without getting into a fight with my colleague, who is noted for that in the House of Commons, may I place before the Minister of National Defence a question. Perhaps he can give me a more rational answer, being in charge of defence. I wish to ask him if he is prepared to uphold a commitment made on Monday, which is recorded in *Hansard*, that the government is willing to place certain aircraft at our disposal to help us clean up the backlog, a backlog which is exactly the same today as it was a month ago, whereas you said it would be cleaned up in two weeks. Here I am pointing to the Minister of Transport.

• (1440)

Mr. Speaker: Order, please. I will recognize the minister, but I would remind both amiable members that they should address the Chair as much as possible.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I know that the hon. member realizes that this is not a military operation. It is a problem of transport. I said in the House two days ago, and I repeat again today, that the Air Forces are prepared and ready to be of assistance whenever they can be of help in this case, but the request must come from the Minister of Transport—

Some hon. Members: Oh, oh!

Mr. Richardson: —and he has just answered the hon. member.

Mr. Speaker: Order. The Chair will recognize the hon. member for Gander-Twillingate on a last supplementary, and then I believe the hon. member for Saskatoon-Biggar has his own supplementary. I would hope we would try to make some headway with questions.

Mr. Lundrigan: Mr. Speaker, my supplementary is very straightforward. In view of the seriousness of the situation will the Minister of Transport please co-operate with his colleague, the Minister of National Defence, in order to have some more planes placed at our disposal—perhaps seven or eight planes for a couple of weeks? I am sure that would help us get 400 or 500 of these cars moving.

Mr. Marchand (Langelier): Mr. Speaker, everybody recognizes that it not just with the Hercules aircraft that we will substantially reduce the backlog. The Hercules aircraft were brought there in order to meet the urgent cases.

Mr. Lundrigan: And the cement.

Mr. Marchand (Langelier): And the cement, which you misrepresented to the House, because it wasn't cement from Newfoundland but cement brought in for Nova Scotia. Anyway, that is another subject.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): Mr. Speaker, we have a co-ordinator nominated by the government of Newfoundland, and if he indicates there is any urgency then I have the undertaking of the Minister of National Defence that Hercules aircraft will be brought there in a very short time to meet the urgency. But right now if the hon. gentleman wants to indicate some urgency, outside of the furniture car he tried to put on a priority list, we are prepared to listen.

Some hon. Members: Hear, hear!

Mr. Lundrigan: On a question of privilege—

Some hon. Members: Oh, oh!

Mr. Lundrigan: The minister's answer isn't really as concrete as the product he is moving. But on the question of privilege we all, as members of parliament, have had occasion to try to help local business firms in our areas by trying to get products moved, and that is what is reflected in the particular circumstance mentioned by the minister. We are not talking about all of the backlog being of an emergency nature. We are talking about the very inefficient nature of the operation. We do not feel we should have to call on DOT because of that. We are just asking for ordinary freight deliveries.

Mr. Speaker: The hon. member for Saskatoon-Biggar.

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GRAIN

ALLEGED OFFER OF RESIGNATION OF MEMBER OF WHEAT BOARD

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I would like to return to the original question. I direct my supplementary to the minister in charge of the Canadian Wheat Board. In view of the fact that the grain movement has been delayed to the extent that it has, and that the block system and the operation of the quota system have become almost totally paralyzed and are in a state of disorder, and in view of the statement carried in the press the other day to the effect that at least some members of the Canadian Wheat Board were offering their resignations, may I ask the minister if he has received any offer of resignation from any member of the Board, and whether or not he is considering accepting it?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I am happy to inform the hon. member that I have heard nothing about resignation from any member of the Board.

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FINANCE

EFFECT OF RESTRICTIVE MONETARY POLICY—SUGGESTED FIRING OF ECONOMIC ADVISERS—MINISTER'S POSITION

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is directed to the Minister of Finance. In view of the fact that several indicators, including the gross national product and the real domestic product, for the second quarter indicate a substantial reduction in the growth rate, does the minister intend to continue to follow a restrictive monetary policy parallel to that predicted for the United States by Arthur Burns?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the monetary policy of the United States is keeping their monetary supply growth at a negative rate. Our monetary supply is expanding at an annual rate of 15 per cent.

Mr. Hellyer: On a supplementary question, Mr. Speaker, that does not seem to be indicated by the rate of unemployment. In view of the statement by Arthur Smith that "1974 is likely to be a year not only of slower over-all growth in output and employment—

Mr. Speaker: Order, please.

Mr. Hellyer: "—but also of some increase in unemployment—

Mr. Speaker: Order, please.

Mr. Hellyer: "—during the year, relatively high continuing levels of over-all price increases—

Mr. Speaker: May we have order, please.

Mr. Hellyer: "—accelerated wage and salary advances—

Some hon. Members: Order!

Mr. Hellyer: "—generally reduced profit margins—

Mr. Speaker: Will the hon. member resume his seat?

Mr. Hellyer: "—and possibly of some further increases in interest rates—

Mr. Speaker: Order, please. The hon. member is entirely out of order. I have been calling the hon. member to order for some time, asking him to resume his seat. He is an experienced member of this chamber, and he knows that the question he is asking now is entirely out of order.

Some hon. Members: Hear, hear!

Mr. Hellyer: On a question of privilege, Mr. Speaker, I regret very much that I could not hear your intervention at all because of the catcalls.

Some hon. Members: Oh, oh!

Mr. Speaker: I accept the hon. member's explanation, but the question still remains out of order when asked in those terms.

Mr. Hellyer: Now, Mr. Speaker, I would like to pose my supplementary question, if I may.

Mr. Speaker: I certainly do not want to be difficult, but again I refer to the hon. member's experience in the House and seek his co-operation. The hon. member knows very well that he cannot ask a question which is clearly out of order and then claim a right to the automatic privilege of asking a supplementary. It is clear that if a member asks a question that is out of order he does so at the risk to his right to ask a supplementary. But to show that I do not hold this incident against the hon. member, I take it as certain that he will heed the Chair's advice in the future, and so I will recognize the hon. member, not on a supplementary but on another question which I hope will be in order.

Mr. Hellyer: I appreciate your co-operation very much, Mr. Speaker. I regret the long preamble but it seemed necessary to ask the Minister of Finance if, in view of all of these indicators, he does not worry so profoundly that he would now fire some of his advisers and hire contemporary economists who would help him prepare a rational policy?

Mr. Speaker: The hon. member for Fraser Valley West.

[Mr. Hellyer.]

CANADIAN NATIONAL RAILWAYS

EFFECT OF MANAGEMENT POLICIES ON RAILWAY SERVICE IN BRITISH COLUMBIA—GOVERNMENT ACTION—POSSIBLE VISIT TO VANCOUVER BY PARLIAMENTARY COMMITTEE

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I have given notice of my question to the Minister of Transport. In light of the fact that CN management policies have contributed to significant numbers of experienced Vancouver area yardmen, machinists and truck drivers quitting their jobs in recent months, thus adversely affecting rail service for all of British Columbia, I would like to ask whether the minister and his colleague, the Minister of Labour, are engaged in efforts to solve this problem and, if so, what specific steps are being taken?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think it is quite true that this is a very difficult situation in British Columbia. As was the case in the movement of grain, there is definitely a shortage of lumber cars in British Columbia, which is due to many reasons, such as the increase in the activity and the strike at the National Steel Corporation where cars that were supposed to be fabricated were not fabricated. Because of the seriousness of the situation, I propose to call in as soon as possible the President of the CNR and the President of CPR to see what they intend to do in order to correct the situation.

• (1450)

Mr. Rose: I thank the minister for his answer. Certainly, there are problems. They are not single problems, they are multifaceted but these have resulted in low morale—

An hon. Member: Question.

Mr. Speaker: Order, please. Perhaps the hon. member might like to ask the supplementary.

Mr. Rose: I am sorry, Mr. Speaker. I did not hear your intervention because there were so many catcalls to my right. I should like to ask the Minister of Transport, since these problems resulted in poor service and certainly low morale as well as a shortage of boxcars especially for interior forest products, if he is considering supporting a House order for the Standing Committee on Transportation to visit Vancouver for an on-the-spot investigation and a close look at the situation?

Mr. Marchand (Langelier): Mr. Speaker, I think before considering or making a decision on this I will wait until I see the report of the representatives of the Presidents of CN and CP and see if they can correct the situation. If there is still a problem after that, maybe we can have a discussion on the subject brought forward this afternoon.

ENERGY

MEETING OF MINISTER WITH UNITED STATES REPRESENTATIVE

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In anticipation of Dr. Kissinger's visit to this country in the early part of November, I was wondering if the minister could indicate if he plans to meet again with Secretary of the Interior Morton of the United States so that the wounds might be healed that were opened in their last meeting 18 months ago by the minister?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I will be meeting with the President's energy co-ordinator next week.

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AGRICULTURE

MILK SUBSIDY—REASON FOR DELAY IN APPLICATION TO PRINCE EDWARD ISLAND

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the concise and laconic Minister of Agriculture. Can the minister reveal when the federal milk subsidy will be made applicable to and operative in Prince Edward Island? Can he indicate the reasons for the delay on this serious matter concerning which Premier Campbell made strong public criticism yesterday?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the hon. member confused me with some of his complimentary remarks and I did not hear what subsidy he was talking about.

Mr. Macquarrie: Mr. Speaker, may I say the subject is milk, the province is Prince Edward Island and the problem is delay.

Some hon. Members: Hear, hear!

Mr. Fairweather: As is usual with that government.

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VETERANS AFFAIRS

POSITION OF MINISTER ON COMPLAINTS OF NURSES IN VETERANS HOSPITALS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. In light of the fact that the award of the Public Service Arbitration Tribunal pertaining to the nursing groups in veterans' hospitals has been totally unacceptable to the professional institute of the Public Service and morale and nursing attention will now only deteriorate, will the minister withdraw his public statement that the nursing groups who register complaints with members of parliament are only practising gimmickry?

Mr. Reynolds: Mr. Speaker, to the Solicitor General—

Mr. Fairweather: Wait a minute; the minister was answering.

Mr. Speaker: Order, please. Obviously, the minister wanted to reply to the hon. member's question, but I suggest a question asked in those terms is out of order and the Chair cannot allow the minister to respond. If the hon. member wants to rephrase the question he will be recognized for that purpose, following which I will recognize the hon. member for Burnaby-Richmond-Delta.

Mr. McKenzie: Mr. Speaker, the minister made a statement on a television show last night that the nurses were only practising gimmickry when they made complaints to members of parliament. I think this has to be explained, Mr. Speaker.

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PENITENTIARIES

BRITISH COLUMBIA—REQUEST FOR INDEPENDENT INQUIRY INTO ADMINISTRATION—GOVERNMENT POSITION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is to the Solicitor General regarding the riots last week in the British Columbia penitentiary and it relates to the resignation of the inmates committee. In view of the fact that the prison staff—

Some hon. Members: Oh, oh!

An hon. Member: They all want out.

An hon. Member: It is a walkout.

An hon. Member: There is no one left.

Mr. Reynolds: In view of the fact that today the prison staff announced that they would work to order, would the minister advise if he will speed up his promise for an independent inquiry into the administration of the British Columbia penitentiary?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the hon. member asked me if I would conduct an independent inquiry into the situation at the British Columbia penitentiary and I told him I would consider that. We are presently having an internal investigation of the situation there. I might say that I am not convinced that the solution to the problem at the B.C. penitentiary is another inquiry or study. The major problem is over-population and we are looking for a resolution of it. We are building a new penitentiary at Mission, British Columbia and are looking for a site for another penitentiary in British Columbia.

BRITISH COLUMBIA—SUGGESTED ADJUSTMENT OF RECREATIONAL TIME

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my supplementary question deals with one of the real problems at that penitentiary which is a lack of recreational time for inmates. Can the minister advise if any adjustment has been made in regard to the recreational

time, particularly for winter, which is one of the causes of riots?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I cannot tell the hon. member right now that there has been any adjustment in the recreational time for inmates but I will look into that. Again, I must say that the lack of time for recreation for the inmates is due to the very large population in the B.C. pen and the number of staff available to handle that population. We are getting resources now to deal with that but it will take some time to resolve the problem.

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BUSINESS OF THE HOUSE

REQUEST FOR MEETING OF JUSTICE AND LEGAL AFFAIRS COMMITTEE ON BILL C-176

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a housekeeping question for the President of the Privy Council. I wonder if the House leader would discuss with the vice-chairman of the Standing Committee on Justice and Legal Affairs the need to call the committee on an urgent basis to complete consideration of the right to privacy bill, C-176.

Some hon. Members: Hear, hear!

Mr. Fairweather: Will the minister accept our assurance or an assurance from this side that we are anxious to expedite the passage of this bill?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, the answer to both points is yes.

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BUGGING AND WIRETAPPING

SECURITY OF CAUCUS ROOMS—GOVERNMENT ACTION

Mr. Erik Nielsen (Yukon): Mr. Speaker, a supplementary question to the President of the Privy Council. Will the minister discuss with the Chair and the staff, while we are waiting for the government to get off its backside and get this Bill C-176 back before the committee so that it can be dealt with, the interim security of caucus rooms so that the occurrence that was raised by the Leader of the New Democratic Party yesterday will not happen again?

Mr. Guay (St. Boniface): It is obvious you cannot understand what you read.

Mr. Muir: Joe, you are sitting on your brain.

Hon. Allan J. MacEachen (President of the Privy Council): As is well known, the responsibility for the House of Commons and its operation does not reside within the government; it is a responsibility that is presently ably discharged by the Speaker of the House of Commons.

[Mr. Leggatt.]

TRANSPORT

TENDERS FOR BUS SERVICE BETWEEN VICTORIA AIRPORT AND VICTORIA—GOVERNMENT POSITION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of Transport. To clarify a great deal of confusion about a point of order that was raised yesterday, does the minister intend to call for tenders for the transportation contracts between Victoria International Airport and Victoria?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think that the point that was raised by the hon. member for Esquimalt-Saanich yesterday was well taken. There are a few facts on this that he was not aware of when we discussed the matter. Between the two days when the question was put and the answer was given in *Hansard* there was somebody who indicated his interest in tendering and that is why we have this apparent contradiction. When the question was put there was nobody to indicate an interest and after that somebody—I do not remember the name—was interested. That is why we indicated to the Vancouver Island Transportation Company that we were going to call tenders, because there was someone interested.

● (1500)

Mr. McKinnon: Are we then to consider that the minister's answer as reported on page 6839 of *Hansard*, is inoperative?

Mr. Marchand (Langelier): The question was put at the beginning of July and the answer was ready at the end of July when the House adjourned. This is why there has been such a long delay. In the meantime, somebody indicated he was interested in tendering. That is why the letter was sent on September 18, and that is why I think we should consider that the answer given should not be taken as the true answer.

Some hon. Members: Oh, oh!

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INCOME TAX

SUGGESTED CHANGE IN REGULATIONS TO DEFINE CORN AND SOYBEANS AS GRAIN TO PERMIT DEFERRAL OF INCOME

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to address my question to the Minister of Finance. Can the minister tell us whether the government has made a favourable ruling on representations made to his office that regulations for tax purposes be changed so as to allow corn and soybeans to be classified as grain, thus enabling payments to producers to be deferred and classified as income in the next taxation year as is the case of grains so defined under the act?

Hon. John N. Turner (Minister of Finance): We are reviewing this matter very carefully.

ENERGY

OIL—EFFECT OF PRICE OF OFFSHORE CRUDE ON FEDERAL PRICING POLICY

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question to the Minister of Energy, Mines and Resources for the purpose of clarifying a most important matter. The minister said a little while ago that the price of crude in Canada would be based upon the price of offshore oil landed in Montreal. Does he mean it is government policy that the price of crude in Canada will in fact be the price of offshore supplies landed at Montreal, adjusted for transportation costs across the country and that it will move with the price of offshore oil landed in Montreal? Or does he mean simply that the price of crude in Canada will be based upon some formula related to the price of crude oil supplies landed in Montreal?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The second formulation by the hon. gentleman is the accurate one.

Mr. Speaker: Orders of the day.

Mr. Carter: On a point of order, Mr. Speaker. I have been trying to get Your Honour's attention for the purpose of asking an important question of the Minister of Fisheries, one which affects the livelihood of a large number of Canadians.

Mr. Speaker: Of course, as usual I can tell hon. members I have no objection to a question being asked, not as a point of order, but as a straight question, if it is the wish of the House.

Some hon. Members: Agreed.

Mr. Speaker: I appreciate that the hon. member has been trying to get the floor during the whole of the question period, but so have other hon. members. I try to be as fair as I can.

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FISHERIES

COMPENSATION TO NEWFOUNDLAND FISHERMEN AS A RESULT OF STORM DAMAGE—REASON FOR DELAY

Mr. Walter C. Carter (St. John's West): My question, Mr. Speaker, is directed to the Minister of Fisheries. It follows the motion I sought to move under Standing Order 43 this afternoon and it concerns the request by the fishermen and by the government of Newfoundland for compensation to help overcome the severe losses suffered in the storms of June 17 and 18. Has a decision been made in this connection and, if not, when can we expect one?

Hon. Jack Davis (Minister of Fisheries): As the hon. member knows, the payments will be made by the provincial governments. The provincial governments are aware that the federal government will be making a substantial contribution toward these payments. The payments could, in fact, be made now, but the precise amount of the federal contribution to the province has not been determined. It will be announced in the next few days.

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Bell: I just wish to ask the regular question about House business, Mr. Speaker.

Mr. MacEachen: As hon. members know, we are under a special order today dealing with the amendments to the Criminal Code. If the debate on the report stage should terminate earlier than 10.45 this evening, I would call the CNR financing bill to occupy the House until voting time. Tomorrow we shall consider third reading of the amendment to the Criminal Code. My present plan is to keep that item before the House until it is completed. Early next week I shall be able to consider with my counterparts what further business we shall undertake.

Mr. Bell: Would the minister interpret the resolution of the House and say whether private members' hour would come up if we were discussing the CNR resolution? And if the debate on capital punishment, on Bill C-2, ended very much earlier than we all expect, what would we do?

Mr. MacEachen: My expectation is that we would not face such an issue before Monday, even in the most favourable circumstances. But in such an eventuality I would probably call the Foreign Investment Review Act, depending on the availability of the minister. I will inquire whether he will be back from Moscow.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

REINSTATEMENT OF LAW RELATING TO CAPITAL PUNISHMENT THAT EXISTED PRIOR TO DECEMBER 30, 1972

The House resumed consideration of Bill C-2, to amend the Criminal Code, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs, and motion No. 3, of Mr. Lawrence.

Mr. Don Blenkarn (Peel South): Mr. Speaker, when the House took recess at one o'clock I had almost completed my remarks and I have only one or two further comments to make. I have in mind the amendment which calls for capital punishment in the case of a person who commits a second murder having already been convicted of murder.

The issue here is a question of security for the people of Canada. When we consider the way in which the Solicitor General (Mr. Allmand) has been managing the prisons of this country, we can only conclude, I submit, that the amendment has a great deal of merit. There have been so many escapes from our prisons that a great many people have written to me from various parts of Canada expressing alarm and concern. In these circumstances, the amendment must surely commend itself even to the Solicitor General. In my view, the amendment offered by the hon. member for Northumberland-Durham (Mr. Lawrence) in connection with those who commit a second murder

deserves considerable attention even by hon. members who would be inclined to vote for the bill as it now stands.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, once more I rise to take part in the debate on Bill C-2 and to support the amendment in the name of the hon. member for Louis-Hébert (Mrs. Morin) and the one in the name of the hon. member for Northumberland-Durham (Mr. Lawrence). We have heard a great many speeches since this bill was introduced last winter; in the neighbourhood of 200, I would say. I doubt whether at this point our speeches are likely to change the minds of many hon. members of this House.

We can address ourselves to our constituents, or to those in the gallery; we can speak to the fourth estate or to the public at large, but it boils down to one factor—the 264 members of this House who will be making up their minds and deciding what is to happen to the measure before us. Many of us could be quoted as saying, "My mind is made up. Don't confuse me with the facts." I believe I have mentioned this before. Everything that can be said has been said many times. It might be a good idea for each of us to address Your Honour and say, "Mr. Speaker, my remarks can be found on page 3964 of *Hansard* of May 22, and again on page 5895 of *Hansard* of July 23." We could certainly cut down a great deal on printing and time, and get down to other business.

Some hon. Members: Hear, hear!

Mr. Darling: Those of us who feel that capital punishment should be retained should not consider themselves obliged to go into each detail of their reasoning. Those of our abolitionist friends who are misguided in their thoughts, in the minds of some of us, do not have to trot out the gory details of executions going back to the Middle Ages, and so on. I feel we should try to get this bill through as soon as possible.

● (1510)

Some hon. Members: Hear, hear!

Mr. Darling: As one favouring retention, I am against hanging. I believe it is a terrible and barbaric way of execution. But in the final analysis, when crimes have been committed such as those outlined in the motion of the hon. member for Louis-Hébert, such as rape killings, capital punishment must be applied and it must be administered as painlessly as possible. I think this is the feeling that should be presented to members of the House. I am aware that this is an emotional subject. I am also aware, as are all hon. members, that the overwhelming majority of the people of Canada are in favour of, and in fact are demanding, the retention of capital punishment.

There are some very fine members, even some not in our party, who are abolitionists and I should like to see some of them come back after the next election. This is why I hope they will give second thought to the amendments to this bill when they are finally voted upon. Whether they realize it or not, our constituents are very concerned about this question. It is all very well for the most knowledgeable members to speak at great length and to say they know a good deal better than their constituents what is good for the people they represent. That is possibly so in certain complicated cases. But there is nothing complicated about this capital punishment bill, or as our friends in the fourth estate and on television call it, this hanging bill. This is not a hanging bill; it is a not hanging bill.

The press and other members of the media would by a great majority favour abolition if a poll were taken of them. As a result, their news forecasts have been slanted, and let no one think that is not so. I have not yet seen today's newspapers, but I am sure that in some papers across Canada we will be seeing grisly cartoons portraying the terrible aspects of capital punishment. We have all seen cartoons of the cold, grey dawn, the noose and the scaffold. A great many of us who are in favour of capital punishment are at the same time opposed to hanging. We just want to see murderers dispatched as painlessly and as quickly as possible once they are found guilty of murder in the first degree.

One newscaster earlier this year, when reading the news made no mention of Bill C-2; again there was reference to the "hanging bill," and portrayed behind him was the noose and the scaffold. In all fairness, he might just as well have portrayed a murdered child or elderly person on the screen behind him. Let us not kid ourselves; the media can shape public opinion and they have done so. As I have said before, and as many hon. members have agreed, the media have never been able to sell the Canadian people on abolition of the death penalty in Canada: about 90 per cent of the people are still in favour of capital punishment.

Some members of the House to whom I have spoken since returning here indicated that they have received a great deal of flak, shall I say, or criticism from their constituents. One of our members this morning said he had had a change of heart, that he would be supporting the amendment and voting against the bill. If my memory serves me correctly, 138 members voted in favour of this bill on May 29, and 114 voted against. That is a difference of 24. So those of us who feel that law and order is necessary, and that we must retain capital punishment in the law of Canada, have only to talk to 13 people and get them to change their vote in order to defeat this bill, which is the wish of the people of Canada as the government is well aware. I am sure the Solicitor General knows the feelings of the ordinary citizens of Canada. The percentage in favour of retention runs anywhere from 90 per cent to the most conservative estimate, with a small "c" of 60 to 70 per cent.

Millions of words have been printed on this subject. Whether or not the people in the cities are aware of it, people in rural Canada are very concerned about their safety, about the fact that law and order is not what it should be in this age of permissiveness. As a result, I am sure if this parliament in its wisdom decided to defeat Bill C-2, this would truly reflect the wishes, indeed the demands, of the people of Canada.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, the two amendments now before the House are an indication that some modification must take place in relation to those in society to whom the death penalty should apply. I listened to the speech made by the mover of the second amendment and was surprised to hear him say that if he were able to get it accepted, he would vote against the main bill that he was amending. What he is suggesting is

that if a person commits murder, following which he serves a term of imprisonment, having been tried and convicted, and is released and commits a second murder, he should be hanged. Since he has already said that he wants them to be hanged the first time, that seems to me to be an anomaly.

His second point concerned the hanging of people who hijack aircraft. If there was ever a field in which more hysteria has been developed, with less justification, it is in the field of hijacking. In a very short period of time many countries passed a convention which was acceptable to most.

Mr. Gilbert: But it is unenforceable.

● (1520)

Mr. Peters: The hon. member says it is unenforceable. That is true. It is a bit like riots. You can make a lot of pious statements about prohibiting riots or you can read the riot act. You can do that with hijacking. The point I want to make is that hijacking is carried out for many reasons. The first is monetary. Some hijackers have held up aircraft for very large ransoms. That is the worst possible type of abuse. In my opinion countries should not bargain on that basis. The company that owns the aircraft should not be permitted to pay the ransom. The safety of everyone on board is sacrificed because the aircraft is worth $5 million, $7 million or $10 million. No price is put on the lives of the people on board. A great deal of hysteria has been built up around hijacking; therefore it is very easy to include this matter as an amendment to the bill before us. It involves something that is fundamental to this debate: either you are in favour of the death penalty or you are not.

When the five-year moratorium on the death penalty for murder in Canada was originally introduced, protection was given to prison guards and policemen. That was a bit like saying, "We are going to have a war, but we must provide special protection for the soldiers." However, it is the civilian, the innocent bystander who is not trained to protect himself. Civilians are not involved and in many cases are not even familiar with the problem. I was never in favour of providing that kind of protection even to satisfy those trying to put a stumbling-block in the way of total abolition. I always felt the prison guards knew what they were doing. Also, a policeman knows what he is doing. He would not command the salary he is receiving today if it were not for the fact he is taking a risk. Anyone who is afraid of being shot at should not be a policeman. Most policemen are not shot at, but they know there is that possibility. Soldiers do not think they will be killed; very few would go to war if they thought they would be. We originally had these exceptions, and now we are dealing with more exceptions in this bill.

What really bothers me is the attitude of the Solicitor General (Mr. Allmand). If he had minded his own business and did what he started out to do, namely, asked that the moratorium be extended for another five years, that would have been fine. I am sure there would not have been this great hue and cry. There certainly would not have been the two amendments that are before us today. There are other amendments that have not yet have been reached which are just as foolish. One is the female chauvinist amendment. Each amendment adds another exception and I object to them.

I was prompted to rise today by the statement of the Solicitor General. He calmly told this House that because of the great problem of overcrowding he is prepared to build more penitentiaries. However, he does not have the guts to fire Mr. Street, the man responsible for the overcrowding. The parole board is inoperative. Instead of doing something about the parole board, the minister is asking parliament to add more people to it. You can have all the people you want on the parole board, but unless a certain percentage of prisoners are released on parole in an orderly fashion it does not matter a hoot.

The minister said an additional penitentiary will be built in British Columbia and that he is looking for land for another one. He must have a hole in his head. The minister should be the last to bring forward this type of legislation. An easy way for him to get rid of some of the people in penitentiaries would be to hang them. Why has he brought forward this piece of legislation? By regulation, the minister has made it mandatory that a person convicted of murder be committed to the penitentiary for ten years. It is also suggested that the judge will be allowed to add to that an additional ten years. The minister talks about building more penitentiaries. If he continues with this kind of legislation we will have the biggest building boom in history; we will not be able to keep up with building new penitentiaries because of the numbers waiting to get into them.

By providing a mandatory prison sentence we do not allow the parole system to operate. If we are really that backward, we should do what the retentionists say—let's go back to an eye for an eye and a tooth for a tooth. If a person does something wrong, put him in jail. I presume the Solicitor General is in favour of bringing back the paddle, the lash and all the other things that go with an obsolete penal reform system.

The question is, not how many exceptions there should be but whether anyone should be hanged. It hinges on whether society believes in an eye for an eye and a tooth for a tooth. If so, it means there is no penal reform. It means the Solicitor General will be right in saying that more penitentiaries will have to be built. In that case we may accomplish something in this country which no other civilized society has ever done; we may have the largest percentage of persons in penitentiaries of any country in the world. That is a possibility. If Mr. Street remains in control of the parole board, we will certainly be heading in the direction of accomplishing that. Also, this Solicitor General has done more than his share in that regard.

Surely, in a country as advanced as Canada we do not believe in the argument of an eye for an eye and a tooth for a tooth. Surely, we believe that people can be rehabilitated. One of my colleagues told me today that he visited the penitentiary in Prince Albert. He told a very interesting story about a man who had been in solitary confinement, and segregated from the other inmates for a number of years. He said when the man got out, he was crazy. Obviously, the court did not decide he was crazy or he would not have been sentenced for the crime. However, from a layman's point of view something is wrong with this person, yet he is released and may do whatever he did

before because we have not really helped him. We do not help him by punishing him. We help him by attempting to fit him back into society. I am sure no one would suggest that we have penitentiaries for any other reason than to contain people who stray from the norms of society. They are contained there not for their own sake but for the benefit of society.

● (1530)

We place a person in segregation, we leave him there for a period of years, then at the end of his sentence we allow him to come out of segregation—where he was kept because he was considered too dangerous to mingle with the other inmates—and we put him on the street. When we do this, something must be wrong with our heads. If there is a mad dog in a pound it is ridiculous for the poundkeeper to say, "We cannot train him, therefore we will put him on the street." I do not think anyone in this House would agree that a man who for years has been segregated in a penitentiary because he is dangerous is suddenly eligible to be put on the street. However, that is what we do. In many cases we put on the street a man who is considered by all the guards and most of the prisoners in the institution to be mentally unbalanced.

The minister has done very little in this regard. He has not done anything about classification officers or improvement of psychiatric treatment. He has not done anything in co-operation with the Minister of Justice (Mr. Lang), who plays with wheat instead of looking after the Department of Justice. The Minister of Justice should be making a decision in respect of changes in sentencing people. He should be taking steps so they may be refitted into society. This is what the parole board is supposed to do but it is not what it has been doing. The members of the parole board have been going around talking to these people. It is like a premiere performance in a theatre. The man has been waiting for the day when the parole board will interview him at the penitentiary. He has rehearsed and thought about what he will say. He has been doing this for weeks and weeks. He has a command performance before the board. If there is anything more phony than this situation, I fail to see it. The inmate puts on his grand performance and the members of the parole board say, "Sonny, you can go home because we think you are reformed" or, "We do not like the show you put on, so you had better go back and try again later".

Surely we should look at the problem. There are members of the Conservative Party who say they stand for law and order. They stand for law and order like Spiro Agnew. The case of Spiro Agnew is a very good example of law and order. This is a man who should have kept his mouth shut because he had his hand in the till. I am not suggesting that the Conservatives are in that position, but they may be looking at the past rather than today in respect of this problem. It is a fact that very few people murder a second time. It is also a fact, with the exception of political terrorists, that very few people have been killed in hijackings. Hon. members know that with relation to the number of people carried by international airlines, the number of people killed is infinitesimal.

They must know that very few people have been murdered in Canada during the last 20 or 30 years. They must also know that most of us believe in law and order. Most

Canadians are proud of the fact that one can walk down the street in most of our communities at night without any danger of being robbed, mugged or raped. This is not true in other countries. It does not have anything to do with the death penalty, the penitentiary system or anything else. It is an attitude of society. It is interesting that in places like England where there are large populations in concentrated areas, the members of the police forces are not armed and very seldom are the gangsters armed. We also find that robbery with violence is seldom carried out.

I suggest that the people of Canada who stand for law and order should not relate this to belief in an eye for an eye and a tooth for a tooth. There is a more enlightened way. If the authors of the Bible were to return today, I am sure they would write it in a different way. I am sure they would not be in favour of stoning people and many of the other things which took place. We are asking for public hanging again, in the name of law and order. There is no record to indicate that this has an effect on law and order.

I suggest these amendments only add to the two or three exceptions we now have. The issue, really, is not whether more murderers should be given the death penalty; it is, rather, that we should face the problem in respect of law and order. We should face these problems as they develop. This the Solicitor General has not done. We should start to rehabilitate people on the day we put them in jail. We should provide them with sex in the penitentiaries and all the other amenities of society before we release them.

If there is anything that bothers the average Canadian, it is the differing treatment given to people in penitentiaries. What happened in respect of Mr. Ballard? He was a white-collar prisoner so he received the best treatment. What does the blue-collar prisoner get? He does not get the same treatment. He does not receive the type of legal counsel provided for Mr. Ballard, because the legal advice provided to him is free or almost free. Now we have the situation where Mr. Ballard gets out. He does not give the money back. Perhaps the income tax people will collect some of it on a sliding scale. We give him all the advantages. He is not asked to go into the ordinary penitentiary; the penitentiary people placed him in a halfway house, with a quarterway house just down the street. I do not know whether the minister is a good friend of Mr. Ballard, but what was done by the parole board in that instance was not normal. It was done because Mr. Ballard is—

Mr. Allmand: I rise on a question of privilege, Mr. Speaker.

● (1540)

Mr. Speaker: May we have order, please. The minister rises on a question of privilege.

Mr. Allmand: Mr. Speaker, the hon. member has spoken a lot of nonsense this afternoon. I was waiting to reply to him later, but on this point I feel I must reply right away. To begin with, Mr. Ballard went through the same process for parole as anyone else. He was eligible only after serving one-third of his sentence. Then he was granted parole by the board, which granted it to him as a quasi-judicial body. In addition, he paid back the debts he owed. The parole board encourages an inmate to pay back the money

he owes after having committed a crime such as the one that Mr. Ballard committed whenever that is possible.

Mr. Speaker: Order, please. I suggest to the minister, and I think he will agree with me, that this is hardly a question of privilege, although I appreciate why the minister wanted to rise at this time and make his point. However, this gives me the opportunity to remind the hon. member for Timiskaming (Mr. Peters) that in any event his time expired at 4.41. He may continue only with the unanimous consent of the House.

Mr. Peters: Mr. Speaker, I rise on a point of order. I should like to accept the correction made by the Solicitor General. I am certainly happy to learn that the information which I obtained from the newspapers is erroneous. I am also happy to learn that the parole board was responsible for the arrangement made respecting Mr. Ballard. However, I am surprised that the Solicitor General has not made this information available to the national press so the general public could be informed.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I am still puzzled about the amendments to Bill C-2, because they apparently show that we are far from agreeing on the basic principle of the legislation seeking to abolish the death penalty. It is wished to abolish capital punishment while admitting criminal liability in a larger number of cases so as to punish with capital punishment the truly capital murders. Therefore, this dilemma always brings us back to the basic questions which we must ask ourselves in order to decide how we should consider this bill.

Of course, I shall repeat what I said at an earlier stage of the debate on this bill: does our present society deserve to have capital punishment abolished? Is our society prepared to admit that we should abolish capital punishment? It is most important since it could be demonstrated *ad absurdum* that if an individual does not commit any murder, there is no need to discuss capital punishment. This, of course, is what we would like.

Even if capital punishment were maintained, even if we could improve society to the point where capital murder would no longer exist, it would not be applied.

Therefore, since the great majority of Canadians are in favour of retaining capital punishment—this seems obvious and a referendum would actually prove it no doubt—and even though we should ask ourselves whether our society is prepared to agree to abolition, we should choose retention instead while shaping the law so that crime would disappear from our society.

Mr. Speaker, this has not yet materialized. We have not yet passed enough measures in favour of the true freedom and development of the individual so that crime may disappear, but unfortunately we have not yet reached that point. But we must judge in a concrete way and say: Well, since in society, even modern society, wanton crime still exists, therefore society does not deserve the abolition of the death penalty. And it is society itself which can alone determine whether it must be abolished or not since all society has to do is to ensure that there are no more murderers, and even if one law maintained capital punishment, that law would obviously never be enforced.

In my view, it would be a mistake to abolish capital punishment on all kinds of more or less humanitarian pretexts. We would be ill-advised; we should follow rather the very evolution of society.

On the other hand, the study of the amendments now before us shows that we want the abolition of capital punishment, but that it should be maintained in such and such a case. Judgments would then have to be much more accurate and complete, which means that all the cases in which there really is a capital crime, where the crime is really foul and truly deserves the supreme punishment, should be accurately described. They would all have to be listed. Since there is the danger of forgetting some, it is much easier not to list all the cases and instead of re-establishing capital punishment, to amend the legislation so that each murder case be judged on its own value and that the judge may consider all the facts and decide whether there really was a crime, whether it was a capital or a foul murder or whether it was simply a case of self-defense, of accident, or manslaughter, etc. In fact, only judges can pass judgements in such cases once they are aware of all the facts. If they rule that the accused does not deserve capital punishment, they will simply pass judgement in consequence. And when they decide that a murder warrants capital punishment, they will give the sentence accordingly.

• (1550)

I think that presently that is the only logical way to consider capital punishment, that is to judge each case on its own true merit, under the real circumstances, so we will not continuously be forced to amend the law. That would make it truly possible to punish those who commit the most heinous crime there is.

The examination of those amendments leads us to that type of reflection, and that is why I say that we are getting lost in all that. In fact, why inflict capital punishment on a double murderer, as the amendment says, that would mean doing away with only one person who has already done away with two. It could be in both cases that they were not real capital murderers but because two crimes have been committed the supreme punishment would be approved. I find that still ambiguous. That is why we try by all possible means to bring the government to specify a few cases that could satisfy public opinion, the great majority of which favours the retention of capital punishment.

I think that we are simply losing our time and that it would be much simpler to do what most people want, that is maintain capital punishment and have each case judged in all justice to avoid forever misunderstandings or errors—we must come to that—that could lead to somebody being sentenced unjustly. I fully agree with that but, on the other hand, I think in today's society we must really punish those who deserve to be, and I would even say want to be, since when we deal with real murderers who are very dangerous, one can say that the role of society is nothing else than to get rid of them. We must not either establish a distinction that might be unfair, because when we say, as this legislation does, that capital punishment is maintained in cases of murders of prison guards or policemen, we are being unfair, in my opinion, to all other groups of people who have the same value and

who, besides, Mr. Speaker, may happen to find themselves in situations similar to those of policemen and prison guards. I refer in particular to bank managers, cashiers, all these people who never know when they can expect to face gangsters. In my view, these people run the same risk and even more—since they usually do not carry any gun—as policemen or prison guards who expect such a situation and who therefore carry a gun and may defend themselves more easily, as part of their job.

Therefore, this provision in the case of murders of policemen and prison guards is, in my view, unfair to all other groups of citizens and I do not believe that our role in this chamber is to establish such distinctions. And if we look at statistics, Mr. Speaker, we realize that there are no more murders of policemen and prison guards than of any other group of citizens. For instance I referred to one particular group: bank employees. Even a businessman may at a given time be subject to the cupidity of gangsters and his life can be even more jeopardized than that of policemen.

I wonder then why he should not have the same advantages or he would not be under the act in the same way as policemen and prison guards. Thus the law contains something abnormal if not unfair and the only correction we should bring now would simply be to reinstate or maintain capital punishment but we could spell out for the judge the way prosecutions would have to be conducted in order to discover among all the murderers in general those whose crimes deserve the supreme punishment. I think this is the part we should play, and so we would agree with those who accept it. As our society breeds murderers, we have to respect the view of the vast majority of citizens and maintain capital punishment. Consequently, I do not think the amendments refine the act in any way and if they did, we should introduce many other amendments in order to determine all cases of murder deserving death punishment. But then we risk forgetting certain categories of crimes and, once again, to be unfair. This is why by simply maintaining capital punishment and judging each case on its own according to the circumstances, we could be fairer towards everyone and we could faithfully reflect the general views of all Canadians.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I would have liked this morning to take part in the debate and I would have thought that we could perhaps have discussed the two amendments which were before us, since there is a rather close connection between both. However, we must accept the Speaker's decision, but it was ignored as soon as it was given, since almost anything has been discussed. The hon. member for Timiskaming (Mr. Peters) launched a scathing attack against the Parole Board. We have heard many other things. Several of my colleagues in the House have spoken to the bill as a whole rather than to the amendments. I would have liked to speak during the debate, because I could have easily—and I am going to do so—supported the amendment of the hon. member for Louis-Hébert (Mrs. Morin) as well as that of the hon. member for Northumberland-Durham (Mr. Lawrence) although I find some difficulties in its wording, especially concerning the proposed paragraph c) on the second death.

[Mr. Matte.]

[*English*]

I did not speak on second reading of this bill, Mr. Speaker. Some people may complain that this debate has been going on for a very long time, but I point out that it has taken place bit by bit. It started in January with the minister's speech proposing this amending bill. Then there were possibly two days of debate in February and, lo and behold, some debate in April, some in May, some in June and some in July. The government introduced the bill in January and I cannot for the life of me understand why it did not continue to deal with it at that time.

Probably these comments should be made on third reading. However, I believe that in dealing with this bill the minister has been flying kites, testing the wind and then retreating in face of the violent reaction of public opinion. Canadians, in the great majority of cases, disagree wholeheartedly with this bill and with the manner in which the administration of justice has been carried out by the government. It is like a man trying to test the temperature of his bath. He puts in his big toe, but the water is too hot so he removes his foot. He dances around a few times, as this government has done, and then puts his toe in again. This House went by dribs and drabs, and then we had that ludicrous performance in the committee hearings. I say that in all seriousness.

● (1600)

I know the Solicitor General (Mr. Allmand) is very serious and is dedicated to his job, but I suggest to him and to the administration, if it was in support of his move, that the amendment the minister put in committee was in violent contempt of parliament. I am not casting any reflection on the minister as to his own personal qualities, but he did not have the political guts, or the administration did not, to put that amendment or proposition to the House instead of asking the House to vote on a bill which was to be a mere extension. In addition, he then offered suckers or lollipops to soothe the objections of some of the abolitionists and also perhaps throwing a sop to those who believe the system was releasing convicted murderers and putting them back into society.

There were some unfortunate incidents as a result of that policy of sort of trial and error. Some uninformed, unintelligent ad hockery has been the history of this bill and what preceded it. Then there was the attempt in committee to totally abolish the death sentence. Why did they think the committee was going to be pressured, that it could be packed, that there was not to be any free vote, that party pressures would be on? Since one party in the committee, as a party position, had decided to abolish capital punishment, were government representatives going to be pressured into voting for the Solicitor General's amendment? This is where I find that this line of conduct was totally unacceptable and less than respectable.

The hon. member for Timiskaming (Mr. Peters) made sense with some of his remarks this afternoon, but unfortunately his ideological blindspots took over and he went on a trip. He is right when he says that somewhere, somehow, in the minds of a lot of people this is a debate about the abolition of capital punishment. Of course, it is

not, because since 1967 the amendments to the Criminal Code have retained capital punishment.

People are wrong when they say that decision with regard to the abolition or retention of capital punishment is an exercise of the royal prerogative. I suggest to you, Mr. Speaker, with all due deference, that this is not flaunting the law, it is flouting the law—that this is no reflection upon the royal prerogative as such. Yet we know who exercises it. For a short time I was a part of the system and I think it is wrong. But I will talk about that on third reading. This has been said before; the Leader of the Opposition (Mr. Stanfield) said it in his remarks on second reading even though he is a convinced abolitionist.

We could remove all restrictions on capital punishment, those that exist in the law that goes back to 1961, or only those that were in the amendments of 1967: we could go back prior to 1961 and it would not make any difference with an administration that says there shall be no hanging. They will rationalize and find every excuse, legitimate or otherwise, to justify a commutation. All the documentation is privileged and no one can really judge objectively whether the commutation was legitimate or not.

I am not attacking the personality of any past solicitor general. The cabinet members were entitled to their views and I do say that they held them honestly. But, Mr. Speaker, I do not think the system is right and therefore I come back to my charge. When the newspaper editorialists, columnists and the media in general refer to this as a debate on the abolition of capital punishment, they are wrong. This is merely a bill for restriction of the categories of crime for which capital punishment shall be the penalty or may be the penalty. That is all, so let us be honest.

If there is abolition *de facto*, it lies in the exercise of the royal prerogative. I know what the law was before 1961, and certainly the occasional death was carried out, but the pattern was evident before that: it depended upon the views of those who sat in cabinet—not upon the views of parliament but upon the views of the men who were the dominant personalities. I do not like a system of justice which has that basis, Mr. Speaker, but be that as it may.

The amendment put forward by my colleague, the hon. member for Northumberland-Durham (Mr. Lawrence), tries to respond, as does the amendment of the hon. member for Louis-Hébert (Mrs. Morin), to public demand for a widening of the categories of murder to which the death penalty shall apply. This is a reduction of the so-called privilege of position, the privilege of right to life that is given to categories of persons in rather more hazardous walks of life, policemen on duty and prison guards. I will withhold my argument on that philosophical stance until later.

I fully agree that the amendment of the hon. member for Louis-Hébert is merely trying to reassert a portion of the law that exists today, that of capital punishment, for the unlawful taking of life during the commission of a crime of violence. The amendment refers to rape or attempted rape, but surely there could be added other crimes of violence. My colleague from Northumberland-Durham suggested hijacking, and I agree in a way with the hon. member for Timiskaming who said that this is in response to public outcry. True enough, the crime is new and if it is a heinous crime let us recognize it as such; and if capital punishment is the answer to it in part, then so be it.

● (1610)

There is nothing so cowardly as a hijacker, whatever his motives may be. It may be a case, as the hon. member for Timiskaming (Mr. Peters) suggested, where some economic justification is supposed—a poor guy trying to get into the money. But I have never heard of that as a valid argument in favour of theft. Or it may be someone who feels that a political consideration justifies harming, threatening and even killing innocent persons who have no recourse. To this extent, I agree.

As to the second portion of the second amendment, I find the language a little difficult, though this might be corrected. The proposed amendment reads:

in respect of any such person, where such person causes the death of a human being and has previously been convicted of murder—

Very well. Suppose a man has been convicted of non-capital murder and has served his sentence. He might be out on parole, or even that period of supervision might be over. And then he is convicted of manslaughter. Well, manslaughter certainly fits into the category of cases where a peson causes the death of a human being; the amendment does not say whether voluntarily or involuntarily, and to this extent the language is infelicitous. Be this as it may, it seems to me my hon. friend is responding to a public outcry which does not want society to be unprotected in such circumstances.

I can assure hon. members that the question of capital punishment loomed large as an issue on public platforms during the last election, at least in my part of the City of Edmonton. Unequivocal answers were demanded from candidates. The feeling was overwhelmingly in favour of the retention of the present law, that is, the 1961 amendments categorizing capital and non-capital murder. If the present administration were not so blind it would know this but, of course, the election results showed it was blind to public feeling, though the climate of opinion in western Canada was obvious. Thus, to the extent that these two amendments open up the bill—an ill-devised bill, in any case—I intend to support them.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I think we can all agree with the hon. member who preceded me that, on paper, the bill before us is not one which abolishes capital punishment. But I recall very well the remarks of the Solicitor-General (Mr. Allmand) when he introduced it on second reading. I think he used the words "de facto abolition". At least, we inferred from his remarks that the bill was one along the road to total abolition. I think it is more correct to put it in that way. He said the bill before us took us along the road to abolition.

I agree with this. I believe we should be moving along the road to abolition. Most of the debate which has taken place has been concerned with the narrow issue of the death penalty or its abolition. That is as it should be. I think that is what the public are interested in and what they wish us to discuss. Before us today are two amendments. The first would impose capital punishment on

those who commit a second murder. I think I am correct in saying that in the history of this country there have only been two instances where a convicted murderer has subsequently repeated his crime. So the number of people the amendment is attempting to catch is really quite insignificant.

As to the second portion of the amendment dealing with hijacking, the security precautions now in force, causing some inconvenience at airports, appear to be proving effective. Since they have been imposed there has not been a single hijacking incident in this country, and very few internationally. Therefore, I submit that the proposed amendment does nothing to increase public safety. Nevertheless, I agree with those who say the public are justifiably concerned about this issue because of the fear they have for their own safety. The difficulty is that capital punishment does nothing whatsoever to increase the safety of the Canadian people. Remember that as a society we originally decided to give up our right to defend ourselves as individuals. We gave up this right to another authority. It was in the nature of a bargain. We said: We will no longer defend ourselves; we will give that task to the police. At the same time we made a bargain with the police, and said: We shall obey the laws if you give us protection.

One of the causes for anxiety when we consider the rising crime rate is that every level of society has violated this bargain. Offenders range from the man who tries to beat a parking ticket to the man who flashes the lights of his car to tell others that a radar trap is ahead. The law has to apply to all of us, not just to some of us. This is something Spiro Agnew has just found out to his chagrin. It is for everybody. It is not "law for you, and I will give the orders." The great authority on law and order has been found with his hand in the cookie jar.

Mr. Danforth: Trial by newspaper.

Mr. Leggatt: He was not tried by a newspaper but by a court. It is not a coincidence that most of the hard line law and order defenders are also advocates of capital punishment.

Capital punishment is not a solution. It is interesting to note the stages by which this debate developed into an emotional orgy in which members lost sight of reality. I am sorry the hon. member for Annapolis Valley (Mr. Nowlan) is not here. This is what he said in July about his decision to become an advocate of capital punishment. He said the case of Tanya Bush was the one which finally swung his opinion from abolition to retention. He said:

> My friend, a learned criminal lawyer, fully knows the facts on Tanya Bush. They fit directly into the amendment of the hon. member for Louis-Hébert (Mrs. Morin). Three child killings and then, while the culprit is out on weekend leave from a penitentiary, because he has a grudge against Tanya Bush's father, he kills Tanya Bush, who is eight or nine years old. Four child killings, three girls and one boy.

As I say, I wish the hon. member for Annapolis Valley were in the House today, because if he would examine the facts he would find that the murderer of Tanya Bush murdered only once. Yet I have received letters from people insisting that this man was repeatedly a murderer. No one will defend that kind of monstrous conduct. He was a dangerous sexual offender. With the kind of emotional orgy we are engaging in we have lost all sense of logic and reason. I hope when the hon. member for Annapolis Valley finds out the real facts of the Tanya Bush case, the case that apparently convinced him to be an advocate of capital punishment, he will equally be persuaded to return to the sensible position that he once took, that of abolition.

● (1620)

The real facts are that capital punishment does not increase public safety; it reduces it. There is every reason to believe this. First of all, the kind of person who murders is one who often has a suicidal tendency. The question of penalty is immaterial; he may commit a murder in order to seek death.

Mr. Yewchuk: Where did you get that from?

Mr. Leggatt: From 16 years of experience. That is one instance where capital punishment reduces public safety. A second, and perhaps more important one, is the refusal of a jury to convict when they know that the death penalty will compound their error if they make one. Put a person in a dock for a week, then try to convince the jury over and over again that they must be certain beyond reasonable doubt of his guilt before taking the man's life, and the chances of his being released are much greater when there is a death penalty hanging over his head. Therefore, if you want to increase public safety you do not vote for capital punishment. Under capital punishment there is all sorts of evidence that the guilty go free.

Let me give the House another example. Let me go back to the Tanya Bush case to which the hon. member for Annapolis Valley referred some time ago. This was the case that convinced him to change his position. The evidence against the accused was circumstantial. There was evidence that two Crown witnesses changed their story. There was no eye witness to the crime. The chances of that man's being freed on the basis of the case they made out against him would have been much higher had capital punishment been hanging over him and the jury had to be sure within moral certainty that they would not take his life in error.

Mr. Yewchuk: What about keeping him in jail for life then?

Mr. Leggatt: There is no doubt that if you are to sit in judgment on a man you are much more ready to send him to jail where a reasonable doubt exists than you are to take his life. Although the argument that the public are concerned is a valid one, the argument that capital punishment increases public safety simply will not wash.

I suggest we have to get back to respect for the rule of law. That means that we do not walk against a red light at Wellington and O'Connor. It means that we do not try to beat a parking ticket. It means that we do not speed. This principle must be adhered to by the whole of society. A society with a low crime rate is a society where laws are obeyed by every level of that society. One of the real problems in this country is that we are breaking society into sections and classes. Where advantage can be taken, it is being taken. It is just as wrong to beat the income tax as it is to beat your wife. You do not draw divisions on this

question. What we need to come back to is a cohesive society where we all obey the law, and capital punishment will not do anything to encourage that.

As far as increasing public safety is concerned, six million people in this country have a gun. Under the present law, any person, regardless of mental history, can walk into a store and buy a gun. He may very well have been beating his wife for the previous three weeks and have a paranoid delusion that she is about to kill him. There is no law to stop him purchasing a rifle. I suggest this is one area where we can make a positive contribution to public safety. The very minimum that we should require, surely, is that a person who wants to buy a gun should have a certificate of competence, that he be without a history of mental illness or criminal activity, and that he should be a person who knows something about the law relating to guns and their use. We do not have such a minimum standard in this country.

I rather agree with those in this House who have expressed their view that the majority of the people in this country favour retention of capital punishment. There is no point avoiding public opinion when it seems to be so obvious. Certainly, my mail reflects the fact that the majority of those in my riding favour retention of capital punishment. If this view is so important to them, if it is the most important subject on their minds at the moment, then they will defeat me in the next election, and they will have the right to do so.

Mr. Blenkarn: You had better believe it.

Mr. Leggatt: I respect the democratic process.

Mr. Blenkarn: You had better make that clear.

Mr. Leggatt: I made that clear before I ran for office. The hon. member for Peel South (Mr. Blenkarn) says I should make it clear. I made it perfectly clear before I was elected. I make it perfectly clear now, and I will make it perfectly clear in the next election. I do not think the people in my riding do believe that this is the only issue in this country. I do not believe they think this debate the most important issue facing us today. Therefore, when we stop blowing this issue out of all proportion and look at all of the issues facing us, I think the majority of the people in my riding will recognize that their member of parliament does not have to agree with them on each and every subject.

Let me give an analogy to show what I mean. In my riding the number of people who are Roman Catholic is very small. When a Roman Catholic holds a view on abortion that is different from mine, I respect that view. If he wants to run for election and holds the view that abortion is wrong, that it should not be committed under any circumstances, and he makes this clear to his constituents, after which he is elected, then I can say at least 80 per cent of the people in my constituency will disagree with him. But I would respect his right to come to this House and to vote as his conscience dictated, just as I will vote on this issue as my conscience dictates.

What we in this country need to do is to continue to seek a humane, compassionate and civilized society. Within such a society this kind of penalty has no place whatever.

I remember the emotional speeches that have been made in this House, and I still think one of the most moving statements came from the hon. member for Oshawa-Whitby (Mr. Broadbent). He asked, what did Christ say when He was on the cross and was being murdered? He did not cry: "Hang them", though certainly they were guilty. No; He said: "Forgive them, for they know not what they do". That is an attitude this House should consider.

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, in addressing ourselves to Bill C-2 and these amendments, once again before us, we realize that there are as many shades of opinion on the abolition or retention of capital punishment among members of this House as there are degrees in a compass. However, attention should be focused on the fact that there is a common link in both arguments. It is based on the fact that the compassion for human life is a basic, all-embracing tenet of western civilization, and thus the common concern in both arguments is the preservation of life itself.

• (1630)

Advocates of abolition, however, imply that a retentionist is not concerned with life and that his argument in favour of the death penalty is a barbaric and uneducated one. Typical is a speech by the hon. member for Selkirk (Mr. Rowland) who said:

> The outcome of this debate will reveal the level of civilization, sophistication, compassion and understanding in Canadian society.

Thus, abolitionists would have those who argue for the retention of the death penalty feel that their view is a retrogressive one, not compatible with the temper of the times. Abolitionists would have those who argue in favour of the death penalty feel that they have only to wait and they will see the light.

From those intellectuals who are seized with the problems of the higher civilization, an occasional tear might be looked for over the savagely mutilated bodies of victims and their mentally ravaged kinfolk. There are those who say that corpses don't talk, but as Molly Lefevre pointed out in her book entitled "Evidence for the Crown", corpses talk. They talk of stupidity, depravity, perversion. They talk of crimes of every kind and they talk of easy living in pleasant homes, of hard lives, of joys that ended in sorrow, of tragedy and of broken hearts. That we are living in the super-civilized 20th century is indeed a fact. Unfortunately, the fellow with the gun does not seem to know one century from another.

It is one of the stock arguments of anti-capital punishmentarians that the threat of the death penalty is an empty threat and frightens no would-be murderer. However, while arguments and statistics have been stacked on both sides of the balance, the deterrent effect of capital punishment remains unresolved. On these grounds, Mr. Speaker, I challenge the dogmatic assumptions of those who say the death penalty serves no purpose, as the statement has obvious imperfections.

The categorical assertion that "the death penalty serves no purpose" is contradicted by a number of self-evident facts. There is no shortage of reported instances wherein more than one homicide was committed by the same culprit, either as a result of not being apprehended on time

during an escape or after being erroneously acquitted. This being so, it is at least indisputable that a killer, once he has been liquidated, is forever incapable of killing again. Considered under this aspect alone, it would seem that the death penalty has in the past achieved at least one purpose.

With the passing of years, the character of the prison population is being increasingly tainted by a continual infusion of more belligerent inmates. It is perhaps the too-ready acceptance of the dogma that the death penalty serves no purpose that has helped to give rise to a situation in which the maintenance of discipline within prison walls is an increasing problem.

Under the morality of our time, severity in dealing with those guilty of bloodshed is stigmatized as revenge and this is looked upon as a greater crime, or at least as great as the motivating offence, but the alleged sinfulness of vengeance, revenge, or retribution—call it what you will—has never been established.

There are those who seem to think evil deeds ought to be resented, but not punished, or at least not punished to the extent of the death penalty, but should it be a wrong doctrine if we seek to impose it on those who will have none of it? To us, the legislators who urge that this moral precept be converted into an act of parliament, the following question could be asked: whose cheek is it that we are so ready to turn to the hand of the smiter? Is it your own cheek or those of the other people? Shall we admonish a distracted widow, crying out for the law's vengeance, there, there, now, you musn't be so vindictive.

Those opposed to the death penalty frequently argue that there is always the possibility of some innocent person being destroyed, either through malice or error, and that to avoid such tragedies, it is better that no one be executed. It should be pointed out, however, and this cannot be too strongly maintained, that there is not a single human enterprise or sphere of activity that is not marred at some time or another by a deplorable episode. Although much is made of the comparatively remote possibility of some innocent person being put to death for a crime he did not commit, hardly any note is ever taken of the lethal aftermath that can follow an erroneous acquittal. It is a false and utterly unattainable idea of perfect justice and unerring accuracy. It would sacrifice a hundred real and present advantages to society through the permanent removal of men who are and can be at times really no better than noxious animals, thus obviating the possible infliction of wrong upon some unknown victim at some unknown future date. To insist that the execution of specific enemies be forbidden on humanitarian grounds makes neither moral nor political sense.

In an ideal society, war would not be one of the normal activities. Violence would not be one of the normal activities of even the smallest minority of its members and there would be neither need for prisons nor for punishment. It is not to crush optimism that I say there will never be a utopian society, but that being so, it is not necessarily the best policy to endeavour to approach its imagined conditions.

What is wanted is the best possible society, and there is no reason to assume, given the knowledge that such a society will contain and endorse violence, that the best possible will exclude the death penalty. In fact, the Canadian people have indicated that they believe otherwise. Although here and there triumphant, the movement for the total abolition of the death penalty has by no means been greeted with universal acceptance.

If our parliamentary democracy is to respond to the people, our fellow Canadians have indicated—and we have heard numerous constituency polls cited in the House—that capital punishment should be reinstated. In the October 1972 *Weekend* Magazine poll of readers from urban and rural centres, some 30,139 indicated that retention is necessary compared to 3,383 who think it is not. In April 1966, 255 people voted in this House in favour of the retention of capital punishment. However, in 1967, Bill C-168, introduced by Solicitor General Pennel to confine for an experimental period of five years the possible imposition of the death penalty to the murder of police officers and prison guards while on duty, was passed by a reasonably comfortable majority.

● (1640)

On July 4, 1972, the Minister of Supply and Services (Mr. Goyer), then Solicitor General, said:

> It is difficult in the present situation to make an accurate assessment of the five year trial period since it has not ended.

He added that the required statistics which would make retrospective analysis possible would not be available until one more year had lapsed.

The year has now lapsed, the July date has come and gone and again we find before us a request for the introduction of a five-year ban on capital punishment. We find ourselves once again at square one because this government circumvented the will of Parliament by commuting death sentences in cases to which capital punishment still applied, and which in normal circumstances would not justify the exercise of the prerogative of mercy. Because it is a question so fundamental, it is the last of issues upon which a nation's leaders should abdicate, as has been the case.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in rising to speak on the amendment before us which proposes that this bill be amended to provide for capital punishment in the instance where a person already convicted of murder commits a second murder, and in the instance where someone has been found guilty of air piracy or as it is sometimes called skyjacking, I do so because I feel there are certain matters which perhaps are not properly understood by certain members of this House.

Surely, the question of the abolition of capital punishment or its retention is something on which the government in power has a responsibility to take a stand. We see in this instance that the government has chosen not to stand up and be counted, but indirectly to give the impression that there is a free vote in this House. It is granted, Mr. Speaker, that there is to be a free vote in the technical sense, but I suggest when the vote is taken later this evening concerning the amendment before us we will see the whip will be present and that, for example, every member of the cabinet will vote against this amendment. Surely, if members of the cabinet are so uniform in their

view in respect of the amendment and the bill itself, they should have the courage to endorse this measure as a government measure.

I mention this because I feel perhaps their handling of this legislation, including the unfortunate performance by its sponsor during the committee hearings, is so typical of the government's mishandling of matters generally. I see, for example, that the Minister of Energy, Mines and Resources (Mr. Macdonald) graces the chamber today. Surely, there is no other department which more clearly illustrates the lack of foresight of this government than his department. Here we are situated with a minister who, because of lack of foresight, is jumping from country to country and from province to province in an effort to solve various problems which he should have been solving months and even years ago.

To come back to the question of capital punishment, I mentioned lack of foresight because I sincerely believe that in respect of capital punishment this government again is out of step with the world. Others in the world know there is an energy crisis. It was foreseen five or ten years ago. Many governments took steps to minimize its effect, but not our government. In the case of capital punishment, we know that the world, rather than going abolitionist at the present time, is actually becoming more retentionist. Yet we find an instance here where the government indirectly—and I emphasize that—is attempting to bring in an abolitionist measure which it does not have the courage to sponsor. In doing so, it is out of step with the main trend in the world. Our honourable friends to the left have said, "Where?"

Most of us have heard of the United Nations. I think most of us have great respect for that body. I believe it would be interesting to read a current publication put out by the United Nations which indicates, contrary to the public view which people like to express, especially the academics, that the world in fact is not becoming more and more abolitionist.

Mr. Gilbert: Give us an example.

Mr. Stevens: The hon. member asks for an example. I would refer him to a publication by the Centre for Economic and Social Information dated March 29, 1973. It reads:

> Because published studies on capital punishment have tended to concentrate on the developed world, particularly the Western nations, the world has a misleading picture that there is a general trend towards abolishing capital punishment when in fact only nine States Members have totally abolished the death penalty in their legal systems, according to a new report by the Secretary-General.

An hon. Member: Tell us who they are?

Mr. Stevens: Mr. Speaker, the members of the NDP are anxious to hear this report, but I think that after I have finished quoting from it they will not be so eager if they are as sincere abolitionists as they have been implying they are. The précis to which I refer goes on to state:

> In its survey . . .

The survey done by the United Nations.

> . . . of the world situation, the study points out that periods of abolition or non-use of the death penalty in a country may be succeeded by widespread executions in a revolutionary situation or by a sudden return to the death penalty.

Then, it is pointed out that there is often an unfortunate repercussion. After the death penalty is abolished, it is restored with harsher methods of execution being introduced as a supplementary means. In dealing with this matter, I think it is interesting to note what is said in paragraphs 23 and 24 of the report of the United Nations Economic and Social Council which is dated February 23, 1973:

> An important consideration in any truly international appraisal . . .

That is of the death penalty.

> . . . is that most published studies of the death penalty have taken their data and orientation from the developed world and largely from the western world. The result has been a rather misleading picture which has frequently given an unwarranted universality to values, theories or practices prevalent in the west. In academic circles it has sometimes become unfashionable to support capital punishment: civilization is tolerance and severity in punishment a sign of backwardness and regression, and so liberal thinking and the abolition of the death penalty are expected to coincide.

Again, as an aside, I would point out that that, of course, is not so in the most genuine liberal or socialist or communist countries such as Russia or China.

● (1650)

An hon. Member: You're in good company.

Mr. Stevens: As the study says:

> Therefore the writing available on the death penalty leaves the impression that there is a certain inevitability about the movement to more "civilized standards" and fewer executions. A reader could be excused for concluding that throughout the world there is in fact an irrestible and ineluctable trend toward the abolition of capital punishment or that even where death is still a last legal resort, the penal codes have fewer offences leading to capital punishment or that methods of execution are becoming more humane or that the persons liable to the extreme penalty will usually have the benefit of the best legal safeguards.

Paragraph 24 then states:

> In fact, the world picture provides no such assurances. If one spreads consideration to include developed countries of both the east and west and the wide range of developing nations in Asia, Africa and Latin America, the picture changes appreciably. It is extremely doubtful whether there is any uniform progression toward the restriction of the use of the death penalty; progress is discernible only in the very long run and it is usually marked by many ups and downs.

Mr. Orlikow: Why don't you give us the names of the countries?

Mr. Stevens: I would be very pleased to give the hon. member the names of the nine countries. They are in the publication. I might say to the hon. member that one of his colleagues earlier asked the same question, and at that time I gave him the list of the countries.

Mr. Gilbert: When?

Mr. Stevens: During an earlier debate of the bill. But if the hon. member insists on having the list of countries read out, I will be able to read them into the record.

Some hon. Members: Let us have it now.

Mr. Stevens: Mr. Speaker, I may come back to it. I will refer to the nine countries that are totally abolitionist in due course.

I mentioned this because I believe it is important that Canada does not unintentionally get out of step with the rest of the world. At a time when the world is at least having second thoughts concerning the abolition of capital punishment, it is wise for this nation also to have second thoughts concerning any rapid turn to an abolitionist or near abolitionist state.

The hon. members to my left have asked: What about countries such as the United Kingdom? As they know well, that country is a partially abolitionist country. It is not one of the nine countries to which I have referred. But I would draw the hon. members' attention to the fact that even in the United Kingdom members of the ruling party, the Conservative party, perhaps much to their dislike, have recently passed a resolution at their conference calling for the restoration of the death penalty in England.

Mr. Orlikow: Their members of parliament will ignore that resolution.

Mr. Stevens: I see that hon. members in the socialist ranks know more about England than the Conservative members in this House.

Mr. Gilbert: Was it moved by Enoch Powell or not?

Mr. Stevens: For the record, and to protect the socialists to my left from any further anxiety, I must name for them the nine countries listed by the United Nations as being totally abolitionist. I know they expected me to read out the name of the United Kingdom, but the sad fact is that they are wrong. The truth is that the only nine countries that are totally abolitionist as listed by the United Nations are: Austria, Columbia, Costa Rica, Dominican Republic, Ecuador, Finland, Iceland, Uruguay and Venezuela.

Mr. Gilbert: Give us the crime rates also.

Mr. Stevens: I suggest to the members to my left who advocated that we should not only accept the partial abolition proposed by the government but that we should adopt total abolition in this country, that what they are suggesting is that Canada should become the tenth member and join the ranks of those countries I have just read out.

Mr. Orlikow: Yes, and we will leave you China and Russia.

Mr. Stevens: Surely, those who propose to vote for abolition should ask themselves whether they truly believe that there is no crime so heinous that it does not warrant the supreme punishment, that is the loss of one's life. I would like each of those members, when they ask themselves that question, to read the gruesome details of, for example, the candy store murders which were recently in the public news in the United States. The fact that one or more persons systematically murdered relatively young people, had their bodies mutilated and buried, numbering as many as 20 at a time, indicates that although we may wish to do away with capital punishment, although we think that it is a desirable goal to never be put in a situation of having to take another person's life in the name of the state, we would be wise to ask ourselves how we in this country would react if such a heinous crime occurred here. Is that not at least one case where the convicted person who is responsible for this crime should be asked to pay the supreme penalty, that is the loss of his life?

Having said that, I feel that it is important that we bear in mind that one of the most heinous crimes is that of air piracy where a person, for reasons of his own, is willing to murder the occupants of an aeroplane. There is little imaginable that could be worse than that type of activity. That is the partial effect of the amendment that is before us. It proposes that capital punishment be applied in the event of murder connected with skyjacking. I think it is important, in view of the general trend noted by the United Nations which is not toward abolition but toward retention of capital punishment, that we in this country make sure that Canada does not become a haven for those who conduct skyjackings in any place in the world.

Some hon. Members: Hear, hear!

Mr. Stevens: I say that the laws will toughen up on this subject worldwide, and it is not the time for this incompetent government to be taking Canada in exactly the opposite direction to the general trend in the world.

If I may conclude my comments on this amendment, I will simply refer to a statement made by the Solicitor General (Mr. Allmand). On July 23, as recorded at page 5902 of *Hansard*, he asked:

● (1700)

How in God's name does one help the victim of help the family by hanging the murderer?

With all due respect, I suggest that that is not the question. It is quite true that neither the victim nor the family is aided by capital punishment, but it is not the purpose of capital punishment to do so. The state ought not to be concerned with providing retribution for the victim. The punishment is given because the murderer has broken the law. Punishment is a transaction between the offending individual and the state, in which no one ought to interfere and which should be carried out by the state solely with reference to its own laws which have been broken and without reference to anything extraneous to that fact.

I suggest that the Solicitor General's question obscures the distinction between why one punishes a person because he has broken the law and what purpose the punishment is intended to serve, that is, deterrence, reformation or some other reason. I believe the victim or family ought never to enter into the consideration with respect to punishment. Were they to so enter, what argument could the Solicitor General provide to prevent one from applying his question to all forms of punishment? It could be asked: How in God's name does one help the victim or help the family by jailing the criminally negligent drunken driver? Punishment surely is not handed out for the benefit of certain individuals. It is the action of a state for the general benefit of its members. I believe the Solicitor General obscured this fact when he asked how it helps the family or the victim. That, I repeat, is not the question.

We need laws in this country. We need stronger laws to deal with some of the criminal activity in this country. It is up to the government in power at the time to introduce those stronger laws and to see that the penalty, be it the death penalty or otherwise, is executed. In that connection I would suggest that the present government, perhaps more than any government since confederation, has brought our legal system into disrespect through its commutation of death sentences without exception.

I see that my time is almost up, Mr. Speaker. I simply conclude by urging hon. members, before they vote on this matter, to give it serious second thought if they choose to vote against the motion proposed by my hon. colleague, because I believe that by voting in an abolitionist way we are in fact going against the world trend, and I know we are going against public opinion in this country.

Mr. Frank Howard (Skeena): Mr. Speaker, so far I have not spoken at any stage of this debate except in committee, and then only with respect to details of the bill and not on the fundamental question that we are being asked to deal with here. At this stage of our proceedings I do not expect that anything I say will overly influence anybody one way or another, either on the amendments or on the bill itself at third reading, but I feel it necessary to express my feelings on the subject as I have done in previous parliaments.

First, I think there was an element of extreme weakness on the part of the government in taking the course that it did; in other words, trying to have it both ways. I wish the bill before us were absolute in one direction or another so that it either proposed to endorse the concept of capital punishment for all murders, or proposed not to have capital punishment for any murders. In that way parliament could give a clear response to it.

It is to be regretted that the government, which was in office last year, knowing the five-year experimental period was coming to an end, sought to play a little political game and hide from the five-year termination period with the hope that the October election would return the Liberal Party with a comfortable majority so that this year it could do as it saw fit with respect to capital punishment. But that did not happen. In any event, we are now faced with this bill.

I do not favour the concept of capital punishment. I never have. I look upon this bill as posing a difficult question to hon. members, because to vote for it now and on third reading is to vote for capital punishment in a limited way, and to vote against it is also to vote for capital punishment in a limited way. Either way, yes or no, parliament is endorsing in a limited manner the concept of capital punishment. That is why I wish the government had been more determined in its approach and had proposed a bill clearly one way or the other. But it did not.

We can look at the question of murder and of capital punishment in relation thereto from the point of view of capital punishment being a deterrent, or from the point of view of it being the state responding in a vengeful manner to the taking of life. I, for one, cannot condone the idea or concept that the state—meaning the entire nation, the country, the government and parliament—can possibly think in terms of revenge. I cannot believe that the state can possibly adjust its thinking in a mass way to say: We are going to reflect the view of the injured party and wreak vengeance on the person who committed the offence of murder.

I think, with respect to what the state is, the nation is and the government and parliament are supposed to be, that we have to think in terms of the potential of a deterrent. Is the threat of criminal law sanction sufficient to deter a person from committing a particular crime? That is the way I try to look at it and that is the way I feel about it. I do not believe the threat of capital punishment is any more a deterrent to the commission of the crime of murder than is the threat of a long jail sentence—neither any more nor any less.

While we are on the subject, Mr. Speaker, let me point out that the law for the past five years has said that a person convicted of murdering a police officer while on duty, or a prison guard, shall be subjected to capital punishment. As much as I abhor the concept of capital punishment and think it is not a deterrent, as long as that provision was on the statute books then those people convicted under it should have been hanged. The government had no right whatever, and either did its predecessor nor the right hon. member for Prince Albert (Mr. Diefenbaker) when he was prime minister, to avoid a law passed by parliament by the use of the royal prerogative of mercy. If parliament passed a law to the effect that if you murder a policeman while he is on duty, are convicted and sentenced to hang, then you should be hanged, much as I detest that concept. The law should not be brought into disrepute by an action of government.

● (1710)

I am as sure as I am standing here, knowing the position of the Leader of the Opposition (Mr. Stanfield)—he has declared it and he is an honourable man—that if he became prime minister, regardless of the speeches made by members who want to retain the death penalty, he would exercise this so-called royal prerogative and commute the death sentence. He has said he would do that. Is that flying in the face of the potential law any more than the present government is? No. It is the same situation. I have the view that when parliament passes a law it should expect it to be carried out, not subverted, not distorted, not put to one side.

If we want, as a parliament, to declare that there shall be no capital punishment, then we should do so. However, we should not be hypocritical and say we are going to vote for or against a bill knowing full well that nobody is going to be hanged because of the declarations on the matter by people in responsible positions. But, Mr. Speaker, that is aside from the general question.

Let us look at some circumstances, Mr. Speaker. This is the way in which I tend to relate my feelings about whether the threat of capital punishment is a stronger deterrent than is the threat of life imprisonment. If we look at the emotions of human beings, we see that these are inflamed or distorted or advanced as a result of family quarrels, lovers quarrels or mix-ups in family life. We see that they are inflamed or distorted as a result of excessive drinking, whether it be in a tavern or a home. We see that the emotions are anaesthestized by alcohol or some other

chemical and perhaps a murder takes place. We are entitled to ask ourselves if the threat of capital punishment would deter a person, under these circumstances, from committing murder. It would not be a deterrent, it would not even be a factor in a person's thinking.

If two individuals get into a squabble after sitting in a tavern all night and retire outside to settle their differences in a physical way during which one kills the other, he has not considered the possibility of the death penalty. It was not a factor in his thinking at all. An emotional disturbance in a home, a shooting as a result of all night drinking or a reflection of what poverty does to a family, are not factors when it comes to the question of murder.

The amendment proposed by the hon. member for Louis-Hébert (Mrs. Morin) referred to rape. I suppose, but I do not know, nor I am sure does any other member of this House know from personal experience, that in the process of an act of rape the emotions of the aggressor are so distorted, inflamed and out of touch with reality, that that person is not thinking about the threat of capital punishment or any other kind of punishment but is influenced by the immediacy of the situation.

Let us put it in reverse. I do not like to do this in any unkind way to the hon. member for Louis-Hébert but I think her amendment distorts the relationship between man and woman, because it speaks in terms of a male person committing rape upon a female person. The reverse is true, Mr. Speaker; the reverse circumstances have happened. I know of an instance some years ago where a woman forced a man at gunpoint to perform the act of cunnilingus on her. That is rape. It is not rape in the pure legal sense which, as I understand it, is a penetration of the vagina by the penis. It is not that kind of rape but it is certainly forcing an individual to perform a sexual act. The hon. member for Louis-Hébert did not take that into account obviously, but it is a fact of human behaviour.

An hon. Member: She has not been around as you have.

Mr. Howard: My smart-assed friend says she has not been around as I have. Mr. Speaker, I am trying to speak on a matter that is pretty serious and not reflect upon comments anyone else has made during this debate. If the hon. member wants to make that comment during the course of a speech, all right. He may have done so, already, but let us not cast aspersions against the feelings that one individual has about something.

What I am trying to get at, Mr. Speaker, is that the amendment on the question of rape referred to a highly emotional situation. I submit that the threat of capital punishment or a life sentence would not have any relevance whatsoever in the circumstances. Even a person about to commit a bank robbery or some other kind of criminal offence is not thinking of the threat of capital punishment or of a life sentence. The criminal mind says "I have looked at all the circumstances. I can perform this robbery and if in the course of it I am about to be apprehended by a policeman and I shoot him, I can get away with it. They are not going to catch me".

The criminal sets out a careful plan for avoiding apprehension. He looks at the possibility of a life sentence but feels he is going to get away with the bank robbery because he has laid it out carefully. In the city of Montreal, the criminals have bank robbery almost down to a science and have it timed to a minute and 15 seconds or something. The bank robbery is laid out so carefully that the robbers know it takes a certain number of seconds from the time they get into the bank until the police get there—unless the police happen to be just around the corner. It is a carefully laid plan, and the threat of capital punishment or a life sentence is not a deterrent to the commission of the crime.

The psychotic, the person completely out of touch with reality, the dangerous sexual offender, the person who attacks another and cuts him in pieces, who buries him alive or performs some obscenities on the body or commits all sorts of atrocities—that person is not considering the threat of capital punishment. I do not know what factors such persons consider, and I do not know whether, even psychiatrists know, but the threat of capital punishment is not any more of a deterrent than any other form of punishment that carries with it some strong sanction, such as life imprisonment.

● (1720)

I can think of one set of circumstances in which the threat of capital punishment might be a deterrent. That is the case of an individual who has been sentenced to imprisonment for life, which means 20 to 25 years. The death penalty might be a deterrent in that instance because he can only receive one life sentence; he can only spend the rest of his life in jail. Perhaps in that situation the possibility of losing his life might be a deterrent to committing murder.

On the other hand, depending upon the individual, it might be attractive to commit murder. Talk to people who are in jail, people who are subject to sentences of 45 or 50 years. Talk to people who have been sentenced to life imprisonment because they have committed murder. Talk to them about a life-term jail sentence. They say; "I would just as soon be dead as face the prospect of life in jail." So this person might ask: What have I got to live for? And if I die, I might as well take one of those screws—prison guards—or one of those finks or informers with me.

I cannot myself think of picking and choosing instances and circumstances and saying to myself, guided by my own conscience, yes, it is all right to impose capital punishment in circumstance (a) but not in circumstances (b) or in circumstance (c). Yet this what we are seeking to do in the bill before us. This is what the minister was seeking to do when he introduced this bill. He was saying it was acceptable to impose capital punishment in two sets of circumstances but not in others. And in my view he picked the two that are meaningless, the two which have no consequence.

Is there a world trend in this regard? Does it matter to the conscience of people here whether or not Great Britain retains or does not retain capital punishment? Does it matter whether Iceland does or does not retain capital punishment? Capital punishment might be in force there one week, and the next week it might not. Attitudes throughout the world, in every jurisdiction are subject to change. Attempts have been made to deal with the question of criminality, to deal with the question of taking of life. All it proves to me, both from a logical and a statisti-

cal point of view, is that in every jurisdiction where an attempt has been made to use capital punishment as a deterrent to murder, they cannot prove it has succeeded. And in every jurisdiction where capital punishment has been avoided, they cannot show success either. In other words, it is a draw. In other words, no great deterrent to murder is achieved by the threat or imposition of capital punishment.

I had the idea that I might discuss the question of unrest in prisons, a point touched upon by one of the earlier speakers. I think, now, I shall not do so. It is beside the point. There is a reason for it, but the situation can be dealt with without the threat of imposition of capital punishment. The problem of the anger and unrest in prisons can be dealt with by a little straightening out in the department itself.

I know we all have a tendency in certain circumstances, at the moment of a heinous crime, at the instant of an atrocity against a person, to look at the circumstances and say, "My God, isn't that terrible? That person should be hanged."

Mr. Deputy Speaker: Order, please. I regret interrupting the hon. member. Perhaps I should just ask the House to give unanimous consent to the hon. member's going beyond the 20 minutes limit. Is that agreed?

Some hon. Members: Agreed.

Mr. Howard: That is extremely kind of the House, Mr. Speaker. Let me conclude by saying I hope the general public will tend to think of this issue in terms of what the state should do to advance the respect we must have for life itself, and whether or not capital punishment is a deterrent to the crime of murder. When we read of some dreadful crime, our response, in a vengeful, sudden mood might be so strong that we might want to strangle the criminal ourselves. I hope the general public would want us as legislators to look at the question in light of the deterrent effect of capital punishment and in light of the state helping to strengthen respect for life itself, and not the state operating from a sense of revenge. If society moves strongly out of a sense of vengeance and kills people out of revenge, we are helping to degrade the respect for life we should all possess and try to develop. Regardless of how this vote goes, regardless of whether the bill passes or fails to pass, because of the lack of guts on the part of government a parliament will be back again considering the same subject and engaging in the same sort of wrenching discussion and examination five years hence. I just hope that because it is the lesser of two bad situations, the bill passes, and I hope it will have some value in influencing the conduct of society and the conduct of parliament from now on.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, having spoken at length on the principle of this bill on second reading, I shall refer only at this time to the amendment put forward by the hon. member for Northumberland-Durham (Mr. Lawrence). That hon. member has offered two amendments in one package for our consideration. In one part of the package he suggests that a person be subject to capital punishment if he causes the death of a human being after having been previously convicted of murder. In the second he suggests a person be convicted of capital murder if he commits murder in conjunction with a hijacking. The wording of the second part of the amendment uses the following terminology:

> ... any person, where such person causes the death of a human being and has been previously convicted of murder, whether or not such murder is punishable by death ...

● (1730)

With all due respect, I point out that the situation envisioned by the hon. member is an extremely rare occurrence. The commonly held view of the average murderer as being one who either repeats his crime or commits other crimes is simply erroneous. The recidivism rate of murderers is among the lowest of all types of crime. Indeed, in the entire history of Canada there have been only three individuals who have ever been convicted a second time of murder. That being the case, I feel the amendment suggested by the hon. member seeks to effect a cure for a disease which is so rare as to be almost non-existent.

It is also conceivable that a case could arise where a person falling under the provisions of the amendment would have been guilty of a first murder which was considered much more heinous than the second murder. As a matter of fact, the second event might not even be a case of capital murder at all in terms of the present law. According to the hon. member's wording, he says "where such person causes the death of a human being". I suggest that that wording is very bad from the legal point of view, but I presume that according to that wording a person could be convicted of capital murder after having committed manslaughter in the second instance, or having committed non-culpable homicide according to the terms of the present law. Yet he would be executed because of the second event. I do not use the word "murder" because the hon. member who put forward the amendment did not use that term either.

With respect to the second amendment which deals with skyjacking, the hon. member seeks to extend capital punishment to the case of, again using his words, such person who "causes the death of a human being"—again he uses those words instead of "commits culpable homicide", or something to that effect—"while committing or attempting to commit an offence under section 76.1 of the Criminal Code." Section 76.1 deals with hijacking.

Before getting into the entire hijacking question, I suggest that from a legal point of view merely to say "causes the death of a human being" without defining the type of murder or offence is not satisfactory.

With regard to aircraft hijacking, I agree that this subject has sparked considerable debate throughout the world. The fact that all nations consider aircraft hijacking to be a severe threat is reflected in the fact that many nations, including Canada, have moved to take strong action to prevent such incidents from occurring. For example, in Canada in recent years we have had amendments to the Criminal Code and the Aeronautics Act; within the RCMP we have set up special constables to deal with airport security, and we have mandatory checks made to prevent hijacking. So, we have taken considerable steps to try to prevent hijacking or terrorism on aircraft.

As a further expression of this concern, the amendment offered by the hon. member is certainly understandable. However, I would argue that the benefits that may at first glance seem to accrue from this amendment are illusory. Perhaps the main objection to this amendment on purely legal grounds is the difficulty of interpretation that might ensue.

Another argument that I feel offers sufficient grounds for rejecting the amendment arises from a consideration of the very different circumstances in which hijacking has taken place. I have in mind recent examples where the hijacker was very disturbed and the hijacking was almost entirely the product of his mental disturbance, although his mental state was not such as to make him unfit to stand trial. If by some mischance his action had caused death, it would not seem that his case should be one to which the death penalty should be automatically applied. James A. Arey, who has written a very detailed book on the subject of skyjacking, offers us his opinion that skyjackers fall into five major categories, which he defines as, first, losers and misfits; second, emotional disaster cases; third, criminals on the run; fourth, individuals with personal, political reasons, and fifth, people or groups with organized political motivations.

With specific respect to hijacking, I feel it vital to emphasize again that it is the almost unanimous consensus of the experts that hijackers are best deterred by preventing them from getting on an aircraft in the first place. That is the best deterrent to the hijacker and the best prevention of the problems he may cause.

In the past year, as hon. members will recall, elaborate ground security installations have been made in airports across Canada and the United States, as well as Europe. I think it should suffice to say that since those security checks were begun there has been only one Canadian hijacking: the attempt by a man to divert a Quebecair flight from its scheduled Wabush to Montreal run on December 14 last. Before those measures were introduced there were seven hijackings over Canadian territory. Mr. Ted Abrams of the International Civil Aviation Organization in Montreal was quoted as saying that "1973 was a good year" with respect to hijacking. He said that hijackings have decreased mightly around the globe. And a Federal Aviation Administration spokesman in Washington, D.C. confirmed that since January 5, when the FAA made pre-flight security checks mandatory for all passengers and baggage, there have been no hijackings of U.S. planes.

In the light of these facts, I think it is fair to say that the amendment offered by the hon. member for Northumberland-Durham is again a case of much too much too late. The problem of hijacking appears to have been controlled by much less severe measures than those which he advocates. Furthermore, the usefulness of a death penalty in connection with hijacking offences is seriously questioned by experts in the field. Mr. Arey, in summing up the opinions of experts with respect to this problem, finds "general agreement in regard to a multilevel approach." He suggests that a consensus can be found concerning the following important points:

[Mr. Allmand.]

> The act of skyjacking must be recognized as a crime by all aviation bodies and all governments; severe punishment should be swift and inevitable.

I stress the next sentence of Mr. Arey's conclusion most emphatically:

> Punishment should not include the death sentence, because that penalty is unlikely to have any effect on extremely unbalanced or desperate individuals. It should consist of long incarceration in a prison or a mental institution. Sentences should be made as uniform as possible throughout the world.

Again, Mr. Speaker, I call upon hon. members to heed the words of experts in the field, experts who feel that the death sentence would simply have no effect on the sort of person who engages in the crime of hijacking in the first place. In view of the fact that some of the skyjackers are severely unbalanced individuals bent on suicide, a death penalty may actually serve as incentive to the commission of the crime.

With these arguments in mind, I feel that an overwhelming case can be made that the suggestions offered by the hon. member for Northumberland-Durham, while offered for our consideration with the best of intentions, simply cannot stand up to examination on legal, psychological, or statistical grounds. I stress again that these arguments can be made against the amendment irrespective of one's view on the general question of capital punishment.

Before I close I should like to respond to a few of the remarks made earlier this day in the debate on these amendments. The hon. member for York-Simcoe (Mr. Stevens) was quoting from a document which pointed out that there were only nine countries in the world that have completely abolished capital punishment. I think that is probably true if it applies to all crimes; but if he considers the complete abolition of capital punishment for cases of murder, which is what we are considering in this House, then he will find that there are many more than nine countries. For example, the United Kingdom has completely abolished capital punishment for murder but not for treason, and this is why it is not included in the group of countries that he put forward. Many of the states of the United States have completely abolished capital punishment for murder, but in the United States generally they have capital punishment for treason and perhaps other offences, very rare offences, against the state.

● (1740)

In Canada, with this bill, we are only considering capital punishment for murder. Whether the bill is carried, or defeated, we will not touch upon the question of capital punishment for treason which exists under another section of our Code, or the old crime of piracy which also still exists: it is sort of an anachronism in our law, but it still exists.

In quoting the cases, I think the hon. member may have misled the House to a certain extent. The important question is, how many countries have completely abolished capital punishment for the crime of murder? He also referred to my statement in which I asked, "How in God's name does it help the victim or the family of the victim if we maintain capital punishment?" In stating that, I was merely replying to some arguments of members of this House who suggested it was helpful to the family of the

victim and maybe to the victim himself. That is why I phrased my reply in that way. That certainly is not my principal argument on the question of capital punishment.

The hon. member also wanted to know why we had not taken a position as a government. The bill before the House is a government bill; it was put forward by the cabinet. Under our constitution, the cabinet is legally the government. This is a cabinet bill, approved by cabinet. In that sense it is the same as the bill put forward in 1967. However, it is different from the motion of 1966 which was put forward by four private members of this House. In all cases there was a free vote, but in 1966 there was not a government bill. In 1967 there was a government bill. This is a government bill. For the members of our party and all other parties, as far as we are concerned it is a free vote, but not for the government, meaning the cabinet. This is a cabinet, government bill. Cabinet discussed this question and we decided to put forward this bill. I put it forward on behalf of the government.

The hon. member for Edmonton West (Mr. Lambert) and the hon. member for Témiscamingue (Mr. Caouette) referred to the amendments I attempted to put forward in committee. They referred to that as contempt of parliament. In one other case the hon. member suggested that it was unethical. There is nothing in our rules to suggest amendments cannot be put forward either in committee of the whole House or in one of our special or standing committees. As a matter of fact it has been done many times, not only by members of the opposition but by members of the government and its ministers.

If I remember correctly, during the tax reform bill several amendments were put forward by the government. The hon. member for Edmonton West did not complain at that time. No one has complained about the other amendment I put forward in committee, the one to restrict the parole eligibility provisions for murderers. If members are against the principle of ministers putting forth amendments in committee, they should object to that amendment as well. They object to the amendment they do not like, but not to the one they like. It has not even been mentioned in this debate.

Mr. Stevens: Mr. Speaker, I rise on a point of order. During his remarks, the Solicitor General (Mr. Allmand) suggested that I had sort of misled the House by my reference to the fact there are only nine abolitionist countries in the world. Those are total abolitionist countries and do not include countries which have abolition with respect to murder in the sense that we are contemplating in this amendment and the bill.

I would like to reply, to clear the record. If the Solicitor General wishes to take the expanded definition to which he referred, there are still only 23 countries in the world in that category. This is in table 2 of the United Nations' list. Very few of those countries have brought in abolition in the sense the minister is speaking about. Those countries are the United Kingdom, in 1969; Malta, in 1971; and Peru, in 1971. I simply make the point that I do not want the House to believe that my reference to nine countries was misleading. If the minister wants to extend it to 23 for all crimes, the fact is the same; we are out of step with the rest of the world.

Mr. Allmand: Mr. Speaker, there is quite a difference between nine and 23, but the fact is this: I do not have the list before me, but I know that in western Europe, where most of the people of this country originate from, only three countries have not completely abolished capital punishment for murder. Many of them have it for other crimes. The three countries are Ireland, France and Spain. Africa, Asia and many communist states have capital punishment for many crimes. In South Africa they hang people by the dozen from month to month; but I do not think we should emulate that country.

I wish to refer to some of the remarks of the hon. member for Peel South (Mr. Blenkarn). He said we must support the amendment of the hon. member for Northumberland-Durham (Mr. Lawrence) because the government had not done anything to deal with the question of security in penitentiaries, and that murderers were escaping on a large scale. I wish to point out that since the rash of escapes in April and May—one of which was an escaped murderer—namely, in June, July, August and September we had a 75 per cent decrease in escapes from Canadian penitentiaries in comparison with the year before. This is because we took very serious measures to deal with the problem of security. We increased the number of guards, the perimeter of security by erecting extra fencing, and so on. We have dealt with that problem. If that is the reason the hon. member is supporting the amendment, it is not very good because we have already taken steps. I regret we had to do that, but it was necessary.

The hon. member for Timiskaming (Mr. Peters) said he supports the bill. I thank him for his support. He made some points in his speech with which I should deal. He referred to answers I made today in the House in which I said we were looking for new penitentiary space in British Columbia. He thought that was a very bad move. In the penitentiary at New Westminster, B.C., there were approximately 630 inmates last week. This is in a penitentiary that is supposed to hold approximately 550. It is a maximum security prison. The hon. member seemed to imply that we should put these maximum security inmates on parole. He blamed the cutback in parole on the chairman of the parole board. I should point out that under the present chairman paroles reached an all-time high in 1970. They increased at a very extensive rate between 1965 and 1970. However, after 1970 they found there was a very high rate of violation. The people who are back in penitentiary are for the most part there as a result of violation of parole.

Over the 14-year period the parole board has been in operation, the failure rate has been about 20 per cent. However, last year it was 56 per cent. We are very concerned about that failure rate, as is the chairman of the parole board. He is re-examining the position he took in 1968, 1969 and 1970 to try to see what went wrong during those years in order to correct some of these matters. In the meantime we are faced with a situation in British Columbia where the prison population last year increased by more than 14 per cent when the usual increase is only 4 per cent. Many of these people are maximum security risks. We cannot place them on parole. We must find institutions in which to put them. That is what we are trying to do. I think I have dealt with some of the remarks made in the debate. I suggest again to the House that the

amendments before us at this time are poor in law and in social policy. I ask the House to reject them.

Some hon. Members: Question.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Agreed.

Mr. Deputy Speaker: If a division arises from the motion I shall now put, it will take place at 10.45 p.m. this evening. The question is on motion No. 3 (Mr. Lawrence). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: No.

Some hon. Members: Yes.

Mr. Deputy Speaker: Those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: The recorded division will take place, as agreed earlier, at 10.45 p.m. Since the House has concluded the consideration of the report stage of Bill C-2, with the exception of the division to take place later today, and since it is understood that the required recorded divisions have been deferred as noted until 10.45 p.m., the House will proceed to another matter of government business, namely government order No. 26.

Mr. Lefebvre: Mr. Speaker, may I call it six o'clock.

Mr. Deputy Speaker: At the time of adjournment the hon. member for Regina-Lake Centre (Mr. Benjamin) had the floor on the bill. Is it agreed that it is six o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: I now leave the chair until 8 p.m.

At 5.55 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed, from Monday, April 16, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-164, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

[*Translation*]

Mr. Fernand E. Leblanc (Laurier): Mr. Speaker, the CNR financing bill has appeared on the order paper for several years, and for reasons that need not be repeated since most members are aware of them, it has yet to be called and passed. Now during that period, it has been impossible to submit to the consideration of the Standing Committee on Transport and Communications the annual reports of the CNR as well as those of Air Canada, because under the law, before being tabled in the House, those reports must be audited by firms of accountants recognized throughout Canada. Now, precisely on that point the Parliamentary Secretary to the Minister of Finance who introduced the bill in April 1973 mentioned that it might be advisable to make some changes in the appointment of auditors. I think that the first change that we should make—and I am pleased to see here the Minister of Finance (Mr. Turner) responsible for the bill—would be to delete in the legislation the provision requiring Parliament to appoint the auditors of the books of the CNR and Air Canada.

I believe, Mr. Speaker, that among all Crown corporations that come directly or indirectly under the federal government, this is the only case where Parliament has to appoint a firm of auditors in order to have these two corporations' books audited in an efficient way.

In my opinion, the first change that should be made would be to remove from Parliament the responsibility for appointing auditing firms in order to let private enterprise and other firms of auditors the opportunity to enter into competition with the auditors appointed by Parliament.

If we go back several years, we notice an anomaly: the auditors appointed to audit these corporations' books were always employed by English firms, which means that there was never an opportunity for a French firm to get the auditing contract for the CNR or Air Canada.

I think that this is an anomaly that should be straightened out as early as possible because we certainly cannot by an act of Parliament rule out the possibility that qualified French firms, which have expanded in this country, might compete with these two firms.

As I said earlier, the fact that Parliament has to appoint auditors is delaying the procedures of the Transportation committee, including consideration of the annual reports of these two firms, and I believe that passing of this legislation is urgent. By my action tonight, I certainly do not intend to delay referral of the bill to the committee, which should take place at the earliest opportunity, but rather to point out that this bill contains an anomaly which should be straightened out as soon as possible.

Let us now take the examples of some Crown corporations, the Central Mortgage and Housing Corporation and the Industrial Development Bank, to name only two. We note that the auditors are appointed alternately, as suggested by the Parliamentary Secretary to the Minister of Finance (Mr. Comtois), but the alternance is based on bilingualism, in that an English-speaking firm alternates

with a French-speaking one, which means that those firms which have reached a certain level of maturity and importance in respect of their personnel may hope to obtain contracts for auditing the accounts of the Central Mortgage and Housing Corporation or the Industrial Development Bank or the Bank of Canada, which is not the case for two large corporations, namely the CNR and Air Canada.

I should like to deal also with the competition on the commercial routes of the CNR. As it had done many times before, the Canadian Trucking Association and the Quebec Trucking Association have stated recently that because there is no separate accounting for the money received by the federal government and the CN and that paid within their own operations, it is very difficult to determine whether the federal government is now advancing money to help competition against private enterprise. If such were the case, I believe that it would constitute another injustice to be rectified.

If you refer to the 1972 Canadian National Railways annual report under consolidated income statement, you will note that the net revenue of separately operated trucking companies amounted to $1,766,180 in 1971 and $2,464,306 in 1972, which means that at the present time, the CN are competing more and more against private trucking companies which are not subsidized by the federal government. For instance, I believe that we should perhaps obtain figures showing how the National Railways spend the subsidies which they receive, and if these subsidies are used to promote competition with private businesses, we should rectify this failing of the legislation and propose an amendment. Obviously, this amendment should be submitted by the Minister of Transport (Mr. Marchand) when the bill concerning the Canadian National Railways is studied, and not in relation with financing. Such amendment should be submitted in order to stop this organization from having trucking activities and, consequently, to prevent it from competing against private enterprise.

● (2010)

[*English*]

Mr. J. H. Horner (Crowfoot): Mr. Speaker, this is the first time I have risen to speak on this particular CNR financing bill. I have reviewed the debate that has taken place on it, going back to last April when it first came before the House, and so far as I can gather an adequate explanation has not been given, to the House and the country, on the need for this bill, or of how the CNR and Air Canada operated without a financing bill being passed by the House of Commons for over two years.

At one time we were presented with Bill C-4, dealing with loans and expenditures with respect to CNR and Air Canada, for the period January 1, 1971, to June 30, 1972. It was not passed by the House, yet both companies managed to continue their operations. Now, we have Bill C-164 which deals with CNR financing from January 1, 1973, to June 30, 1974. What has happened to the intervening six months from June 30, 1972, to January 1, 1973? What is the explanation for that gap? How did the CN and Air Canada finance their operations during that period? I suppose there is an adequate answer, and members of parliament are entitled to the explanation.

There is a further question with regard to the audited statement of the companies. Ever since I first came to the House of Commons, the annual reports of the CNR and Air Canada have been referred to the Standing Committee on Transportation. Now, the story is that the annual report was tabled but the auditors have not been assigned. The Auditor General, because of some mix-up at the time of the change over, brought about to satisfy the new Minister of Transport (Mr. Marchand)—

An hon. Member: Now, don't get political.

Mr. Horner (Crowfoot): I am just asking for an explanation of this. The government switched the auditors. The Auditor General has not examined the CNR statement, so it is not an officially audited statement. Yet, it has been laid before the House without any full explanation.

Now, we have Bill C-164 before us, providing for capital expenditures of $75 million, including $8 million for branch lines. We want to examine the details of that $8 million for branch lines. In western Canada we are continually told that branch lines are to be abandoned, but here we find $8 million allocated for construction of branch lines. Then, there is the provision of $167 million for new equipment and $140 million for Air Canada. These expenditures have not been fully explained in the debate to date.

When parliament was called back to settle the railway dispute the Minister of Transport made a great speech about labour trouble. It was a very emotional pitch. He referred several times to blackmail being threatened. Blackmail is not a very common or polite word, but certainly political pressure was placed on the government for eight weeks and it failed to act quickly to settle that strike. As a result, the revenues lost to the railroads were greater than would have been the case had parliament been convened earlier, or had a suitable settlement been reached prior to that. I only hope that judge Hall, in his review of the matter, will find a settlement satisfactory to both parties.

When we talk about CNR financing, we are often told about the heavy burden of debt, that nobody has yet lifted from the back of the CNR. We are repeatedly told that it is an old debt, the debt incurred in the building of the defunct railroad which were taken over by Canadian National in the period 1917 to 1922. The fear is that this debt is too great a burden for the CNR to carry, and that is why they have to come to parliament for financial assistance from time to time and why the final accounts are in the red.

● (2020)

This thought, I believe was best expressed by the hon. member for Regina-Lake Centre (Mr. Benjamin) on April 16, 1973, as recorded at page 3353 of *Hansard*:

> Under successive old style governments it has been a tradition since 1923 to establish a public corporation to which they pay lip service and then refuse to let it function as it can and should. They handicap it with a debt structure that makes it impossible for it to succeed in any meaningful way . . .

He goes on to suggest that this debt was incurred in the building of the Grand Trunk Railway and, as a result of the union of the Grand Trunk with the Pacific Railway and so on. If one stopped in the middle of the sentence in which he referred to the debt structure, one might think he comes very close to Social Credit thinking that group always accused the old style governments of operating in a debt structured economy. What he was really referring to, however, was the burden of debt incurred by the CNR during the early years of settlement in western Canada between 1917 and 1922.

What was the amount of that debt and where is it now? In 1936, the debt of the CNR stood at $2,435 million. The Dominion of Canada reduced that debt by roughly half to $1,184 million. That is the outstanding long-term debt brought about by the creation of the CNR. In 1951, the House of Commons passed the National Railway Revision Act, and the long-term funded debt of the company was again cut in half. I am rounding off these figures, Mr. Speaker. In 1951, the long-term outstanding debt of the CNR was cut from $1,472 million to $615 million. Then, that amount was further reduced by another $121 million.

Accepting the long-term debt of the CNR in 1951 as $615 million, we must still ask why it is as large as it is today. What is the problem? Shortly after Donald Gordon took over, he brought in what was called the complete dieselization of the Canadian National Railways. That was embarked upon in 1950-51 and cost the CNR $630 million, more than the long-term debt at that time. Mr. Speaker, any efficient business should be able to pay off its own capitalization, and it is important that this fact be pointed out so that we realize it is not necessarily the long-term outstanding debt of the CNR that causes it to finance as it does.

When Mr. Gordon took over the CNR in 1950, he complained about the outstanding debt until he got the House of Commons to reduce it by more than one-half, but as he pointed out succinctly at that time, much of this indebtedness arose out of bad bookkeeping. That may be so, but what are the bookkeeping practices of the CNR today? A close examination of the ledger would show how it is done.

When the dieselization program was inaugurated, many steam engines had been purchased and some had only served 10 years but were being amortized over nearly 40 years. Naturally, when they were retired after only ten years the bookkeeping debt against them was quite large. Mr. Gordon revamped the bookkeeping system of the CNR. He did not want the same thing to happen to the diesel engines, so they were amortized for one-third of their expected life of 35 years. Amortizing the purchase of machinery over one-third of its life expectancy makes the bookkeeping and the debt look very bad. One could almost call it creative bookkeeping and, in effect, that is what it is. The CNR financing system is programmed to show a gross national revenue of a little over $1 billion. By the time expenses are deducted, the revenue will exceed the operating expenses, but along comes a $42 million interest on debt and that puts the company in the red. They do not mind being in the red because the federal government picks up the tab.

I do not necessarily say this should not be so, but I do say that it was to Mr. Gordon's advantage to bring in a

creative bookkeeping system. It did not bother him to do that because he knew if he painted the picture in the red the government would pick up the tab. That is part of the motivation and it should be understood. The men charged with the operation of the CNR were motivated to conduct the bookkeeping that way because of the lesson learned in having to scrap the many useful steam engines and the heavy expenditures caused by dieselization.

I think we are coming to the point in our society where many people are suggesting that governments can run things as well as private enterprise. That feeling is apparent in some of the socialist provinces. Somewhere along the line we have to look at that picture and decide whether it is true.

It is interesting to note that in Kenneth Galbraith's book on the new industrial state he makes the statement that in the western world, the United States and Canada, highly skilled executive types have been developed and that they probably work just as hard for a government as for private enterprise because they feel that they can thus maintain their stature as the elite of executive management. This is not borne out when one studies the other great railroading problem of recent times, the wreck of the Penn Central. This company was the result of a combination of two great railroads in the United States, the New York Central and the Pennsylvania Railroad. All the facts were fed into a computer and it took ten years to make the decision that those two railroads should work well together. They complement each other. Why, then, did Penn Central go bankrupt shortly afterwards? It was because the personalities managing the two railways were not compatible. The trackage may have been, but the personalities were not. It is still people who in the end decide what will happen—people and what motivates them. Some of the brilliant men on the one railroad would not co-operate with those on the other.

● (2030)

In Canada, in 1967, the National Transportation Act was passed, designed by people who thought they had the answer. It was, indeed, a common notion in Canada, Britain and a number of other countries that if we could simply free the railroads from controls of one kind or another they would become competitive with other forms of transport and all would be well. Since 1967, the railroads have been given a great deal of freedom. Ask the minister a question about freight rates or schedules and he replies by saying the matter is out of his hands; parliament has passed the legislation and all he can do is ask the companies about it. It seems the idea of competition will not work in connection with a national transportation system which is supposed to serve the whole country.

The railroads were getting a subsidy of $108 million a year back in 1967, and the legislation passed in that year was designed to reduce the amount of that subsidy by about $14 million, so that inside of eight years no subsidy whatever would be forthcoming. This reduction would be accomplished by allowing the railways to charge whatever rates they wished. Well, we have seen the reduction of subsidies in one form and the building up of subsidies in another. It is time Canadians realised that we have to do much better than we have done so far in managing the railroads. We have to accept the fact that living in a

country four or five thousand miles in breadth, a country which needs to be tied together, the subsidy idea was not bad at all.

If we study the operations of some of the finest railroads in the world, we find they are subsidized. Even in Japan, with its heavy population, railroad operations have to be subsidized to a large extent. This is true of railways in the United States, too. I have already referred to Penn Central. I should like to read what Mr. Perlman, one of the brilliant railroaders of his day, had to say about the decline of that railroad.

I say that under the present system of regulation, under the present system of subsidies to the other three forms of transportation, under the system where we are not allowed to make rates competitive with other modes, it is a dying system. I still say the steel wheel on the steel rail is the most efficient form of transportation in the world. And it is being killed. We are not letting it die, it is being killed. I think it is a tragedy today to see it being killed that way. All I say, as a taxpayer, is: Treat them all alike. Don't give any of them subsidies—or subsidize them all.

Those views are still current in the minds of many people. Recently the government held a western economic conference and one of the subjects discussed was the transportation problem we encounter in the west. The act of 1967 has proved a colossal failure. It might have worked all right in other parts of Canada, but in the west it has been a colossal failure. The government has not even attempted to wrestle with this issue. Railway finance bills are brought before parliament. None of them are getting passed. No logical answers are given to explain how the railways are financing their operations without them. The government is reluctant to amend the transportation legislation of 1967 in any way. At the same time, the indebtedness of Air Canada has grown and parliament has yet to conduct a searching examination of the direction in which the corporation's affairs are going.

In 1967, the interest on Air Canada's debt amounted to $13.9 million. Today, it is $20 million. It is time we took stock of the direction in which we are moving, both in railroading and in air transportation. I spoke earlier about the long-term debt of Canadian National which has grown to around $1,894 million. In 1951, it was down to $615 million. Then, with the heavy expenditure during the years of dieselization in the 'fifties it rose by $630 million. Today, as I noted, it is $1,894 million, another $600 million between the 'sixties and now.

I see the purpose of this legislation is to provide funds for the building of more railway track and the purchasing of more equipment at a cost of $167.5 million. As late as last year, we were concerned in the Transport Committee about the accident rate of the CN and I was surprised to learn that only 19 per cent of the rolling stock of that company has Timken bearings in it. There is still 81 per cent of the CN rolling stock—or it might be this figure relates to all railroads—which has the old hot box problem, and most accidents are caused by this defect. Where has the company been spending the money? We do not seem to be getting value for it when, on examining the expenditure made by the CNR on equipment, we find we are still with the old hot box problem.

We see the CN developing turbo trains. Every now and then they make an experimental run from Montreal to Toronto to determine whether or not any improvements have been made. No one appears to have questioned this expenditure and considered whether this form of turbo train is feasible. The Japanese are experimenting with the magnetic train. The power of magnets is used to run these cars; there are no wheels on the trains at all. I note that the CN is taking a look at the possibility of running such trains at speeds up to 300 miles an hour between Toronto and Montreal using the magnetic track principle. If this turns out to be feasible, surely we do not need two airports in Montreal and two in Toronto. But no one has really examined the proposal yet.

● (2040)

Recently some new bilateral air agreements have been completed with the United States, and it is of interest to note that the U.S. got the first jump at servicing Canadian cities. The odd thing about these agreements is that because of shortage of fuel in the U.S. they may not be able to take advantage of this part of the agreements. Certainly we should have had the opportunity of servicing American cities to the extent the United States has of servicing Canadian cities. I think the whole series of agreements was a mistake and should be re-examined as soon as possible.

At times I wonder how Air Canada operates. A few years ago it introduced what was called a regional air policy, which I thought was a good concept. But the surprising thing about it has been the growth of regional air lines. We gaves these regional air carriers all the short, non-profitable runs with perhaps one or two good ones thrown in, yet they made a real success out of these short and mostly poor runs.

Why, then, is Air Canada still piling up its present debt structure? Pacific Western, an airline operating between Calgary, Edmonton and Vancouver and places in northern Canada, has developed into the third largest airline in Canada. It is almost of national status. That airline operated an airbus service between Edmonton and Calgary that was so successful that Air Canada quit running between those two cities completely; they just could not compete with the managerial expertise of private enterprise.

I am suffering under the illusion that if we allowed private initiative to develop a similar airbus service between Montreal and Toronto, it would immediately prove to be a successful arrangement and Air Canada would have difficulty competing. A few years ago Air Canada declared it would commence an airbus service between Montreal and Toronto, but it has never come about. At least, any time I have tried to get on it I have been unable to do so.

The old story that has been running around here for years is that we should sell Air Canada. It was never explained whether or not Air Canada was to be taken over by the Canada Development Corporation. Is the financial structure of Air Canada to be separated from that of the CNR? That question has not been answered either. If Air Canada continues to relinquish some of its routes within Canada to some of the regional airlines, I would not be a bit surprised if the growth of the airline industry of this country proved to be second to none in the world. I say this because we are fortunate in having fuel for our

planes. The United States might have to shut down a lot of its big jet routes this winter owing to shortage of fuel.

Another matter that has always bothered me is this. Generally speaking, when aircraft become too small for the national airline they are sold to one of the regional air carriers. Why was not the Viscount sold far earlier to some of the regional air carriers? Air Canada kept the Viscounts flying until they could hardly fly any longer. The regional air carriers never bought them. As soon as they came up for sale, the regional carriers said that although it was a sturdy aeroplane to fly, it was the most expensive aircraft to keep in the air anywhere in the world and therefore they would not touch it. They said it was uneconomic and they would go broke trying to run it. Yet Air Canada kept them for 22 or 23 years; they were their real workhorses. Was this contented socialism at work, or is it a bad example of a contented management that was not prepared to scrap an aircraft and to use initiative? I really question the motivation of the management of that airline in regard to that particular decision.

Then instead of getting rid of the Viscounts earlier than they did, Air Canada bought a bigger Viscount, the Vanguard. They could not sell the Vanguards at all on the North American continent; they had to give them away, almost, to a country in Africa. The aircraft just could not compete economically. It was not a bad plane to fly in, but it just could not compete economically with other aircraft that were for sale. So the Vanguards had a very short life. They should never have been purchased in the first place; that was a colossal error. Here again, was this the action of a contented executive that was not prepared to look around or try a little harder?

These are some of the questions that arise when we examine air policy. Perhaps the regional air carriers should have a little larger share. According to an article not long ago in the Montreal *Gazette*, Mr. Pratte said, "We can do better", meaning that Air Canada can do better. I am glad he thinks so, because it is obvious to a lot of people that they should be doing better.

Then the government built the No. 2 air terminal at Toronto, and every member of the House of Commons has had a kick at this one. Most people consider it an inefficient terminal, difficult to manage and expensive to run. Again, was this government interference in the management of an airline which is government-owned but which should be run independently of government?

I think it is high time the officials of Air Canada and the CNR appeared before the transport committee of this House so the committee can examine their operations very carefully. Just recently Mr. Baldwin, one of the chief managers of Air Canada, took an early retirement. Was this the result of disagreement or disharmony within the executive of Air Canada? To me, his action was suspicious and requires examination.

There is one other point I want to make before closing. I return to the concept of socialism with which I started. It is high time we examined this concept, and for two reasons. We know that the present government is able to do things with the help of its partners on this side of the House. The Prime Minister (Mr. Trudeau) and his cabinet are able to do more with the present marriage in the House of Commons so far as socialism is concerned than they could prior to the marriage. The socialist transportation experts of the NDP say that the trouble with the CNR is its national debt. The national debt of the CNR is 2.2 per cent of its gross operating income.

[Mr. Horner (Crowfoot).]

● (2050)

I ask my friends to our left whether they would advocate that any corporation cannot give up 3 per cent of its gross income and not go broke, but can continue to operate with a profit. They are always talking about the large corporations making a big rip-off, but 3 or 4 per cent is peanuts to them. That does not bother a big corporation at all. Yet the members of the NDP try to say that the long outstanding debt of the CNR is the cause of the CNR's poor financial showing. It amounts to only 2.2 per cent. The CPR's interest on debt is greater than that. Those members must examine the whole problem a little further.

The CNR is very labour-intensive; labour plays a very prominent role. In his book "Canadian National Railroad History," G. R. Stevens suggests that almost $2 out of every $3 that the railroad earns is spent on labour. That gives us some idea of the prominent position that labour plays in the success story of the CNR.

During my remarks a while ago hon. members to my left were worried when I referred to Penn Central problems in the United States. They said the railroads in the United States do not have a public conscience. That party and the main support of that party, the unions, must also display a public conscience if they seriously want the CNR to come up with a better financial picture. Having said that, I will allow someone else to continue this debate. Before the debate closes or the bill is allowed to pass, surely we should have an explanation as to how CNR and Air Canada have been financed without a bill such as this, for three years.

Some hon. Members: Hear, hear!

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, in participating in this debate I wish to say that a number of the questions put forward by the hon. member for Crowfoot (Mr. Horner) are most pertinent. Many times I have a little difficulty agreeing with the hon. member's questions. Where I have my difficulty is dealing with the conclusions he draws from them. I think the hon. member for Crowfoot is one of the most knowledgeable members of this House of Commons on railway matters. In fact, I have so much confidence in his ability, knowledge and experience in this field that I nominated him as chairman of the Standing Committee on Transport and Communications. Someone across the way says the committee was a disaster. I would not disagree with that too much.

Some hon. Members: Oh, oh!

Mr. Rose: However, I would not suggest that the disaster can be laid completely at the feet of the hon. member for Crowfoot. One of the reasons for the disaster, if that term is to be applied to the Standing Committee on Transport and Communications, was the fact that the committee had very little work referred to it by this House precisely because an opposition member was chairman of the committee.

The hon. member for Crowfoot is knowledgeable. He is from western Canada where we have severe transportation problems. In fact, that was the motivation behind my nominating him as chairman of the transport committee. If it did not work out that way, we can blame the government or this parliament because the committee, in spite of the massive transportation problems we have in this country, had no work to do except examine some piddling little bills on which weeks were spent.

The committee did not have an opportunity to look at the CNR financing bill. It was never brought before it for debate. We are only on second reading of this bill. This is the first such bill we have had for 2½ years. The hon. member for Crowfoot asked the germane and crucial question, how have Air Canada and CNR been financed in the intervening months not covered by either previous legislation or this legislation? What are they doing—going into debt even further?

An hon. Member: You know that.

Mr. Rose: We do not know how they are being financed. We do not know why there was never an audit of the CNR financial statement. Because there was no audit, the annual report could not be referred to the committee for discussion. I said that I agree with a number of questions asked by the hon. member for Crowfoot, but I have a lot of difficulty with his conclusions. He spent a good deal of his time making what I felt to be a snide attack on the concept of socialism and socialistic thinking. He was very gentle about it, in contrast with his usual stand; he was most gentle about it tonight.

To back up his argument he used some quotations, out of context, from Mr. Gaibraith's magnificent book entitled "The New Industrial State". I read that book past page 2. What Mr. Galbraith was principally concerned about was the fact that the multicorporation, the private enterprise business corporation, was stronger than national governments. It was not that socialism had the upper hand, but the multicoporation, operating with massive capital in various countries, was going to be a threat to the national or sovereign governments of those countries. He was concerned about the fact that private enterprise, which has no democratic roots, was going to be stronger than freely elected governments.

The hon. member said—this amused me—that individuals, industries, concerns and enterprises paid out of the public purse lacked incentive and because of that were not efficient. He cited a number of examples which he used to explain why Air Canada and CNR might have had some problems. If that argument is going to be applied to those industries or crown corporations paid out of the public purse, it might as well be applied to the hon. member for Crowfoot. Outside of his cowboy business he is paid out of the public purse—and no one would want to suggest that the hon. member for Crowfoot lacks incentive.

An hon. Member: He lacks sense.

Mr. Rose: He may, but he does not lack incentive; he has a great deal of incentive. We should bear in mind which government nationalized the CNR. I can recall a conversation with that celebrated Canadian, ex-Premier W. A. C. Bennett. I was his neighbour in Kelowna. He used the CNR as an example of how the Conservatives were really the first socialists. I realize that this was not really an intervention in the form of toe-testing of the water of socialism for any particular reason in terms of public consciousness or concern, but rather to bail out their buccaneer friends who got in trouble with organizations like the Grand Trunk Railway. As the hon. member for Crowfoot says only 2 per cent of the CNR debt was needed to take care of Donald Gordon's diesels and so on which will be obsolete soon. We hear of electric trains being tested and so on.

● (2100)

So far as the hon. member for Crowfoot, and many members of his party are concerned, they do not want anything to do with crown corporations or public ownership in any form. As a matter of fact, they feel that all schools and hospitals should be private. I suppose we should go back to toll roads and toll bridges and perhaps the ferry service to Newfoundland should revert to private enterprise. Then, we could not bother the Minister of Transport if they were not working properly. These private enterprises would make fantastic profits. We would forget about the concept of linking our country together because all we would be concerned about would be the profit figures. Let us not forget this and get lost in all the mythology we hear from them, because unfortunately they formed the government for a number of years. Why did they not sell Air Canada and the CNR? They had the opportunity. Nobody would buy them. The only sucker who would take over that outfit was the government which did so in 1921 or 1922.

Mr. Speaker, the foregoing is known as the introduction to my speech or the pleasantries. I am about to get to the main body of my address. This will give some people an opportunity to get back to their correspondence and to their reading. Last Friday night, along with the hon. member for Surrey-White Rock (Mr. Mather), I attended a meeting of about 30 men in the municipality of Surrey. These men were railway workers. We listened for two and a half or three hours to a litany of complaints and concerns expressed by these men, many of whom had spent a lifetime working for the CNR. They were embittered. They were very lacking in any kind of morale. One might say they had a rather hopeless concept of what might be their future.

Today, in the House, I raised a question with the Minister of Transport (Mr. Marchand) as did the hon. member for Lisgar (Mr. Murta), the hon. member for Gander-Twillingate (Mr. Lundrigan) and the hon. member for Saskatoon-Biggar (Mr. Gleave). These questions and replies indicated that the service of these railways, particularly the CNR, from Newfoundland to Vancouver Island was an absolute shambles. What is behind this absolute shambles of the CNR? What is the matter with that railway? Is it because it is a public corporation; is it because there is inept management; is it because there is constant government interference? Have we not been subsidizing the railways enough or have we been allowing them to use obsolete equipment such as the Vanguards and Viscounts which have been mentioned in respect of Air Canada?

Perhaps the reason is much deeper than that. Perhaps it is because secretly we wanted the Canadian National to

fail so that our private railway could become more successful. I think that is an essential question we should be studying. Are we looking into the problems in the Committee on Transport and Communications? Of course not! Why not? Because the hon. member for Crowfoot is chairman of the committee. Because he is the chairman, the government refuses to send any kind of issue of importance to the committee.

Mr. Horner (Crowfoot): Mr. Speaker, I rise on a point of privilege. The member has referred to my chairmanship of the CNR—of the transportation committee.

Some hon. Members: Hear, hear!

Mr. Horner (Crowfoot): He suggested that because I have in some manner been less than diligent in chairing that committee, the government has refused to co-operate with it. That certainly has not been the case. I could not let that reflection upon the manner in which the chairman of the committee has carried out his duties pass.

The Acting Speaker (Mr. Boulanger): I do not suppose the hon. member wishes me to make a ruling, but if I were to do so I suppose I would say that it was very improper for the hon. member to refer to himself as president of the CNR. However, this was accidental. I do not see any real point of privilege, but there could be a point for debate.

Mr. Rose: Mr. Speaker, I think the hon. member for Crowfoot knows I would never question his diligence, his competence, his conscientiousness or anything else publicly.

As a result of the meeting with a number of men who have had up to 30 years experience with the railway, I think I can say with a good deal of sincerity that they want the railway to run successfully. I was a little disappointed to hear the hon. member for Crowfoot, at the conclusion of his address, suggest that the men also had a responsibility to see that the railway is successful, almost implying that somehow because of their lack of co-operation they were responsible for the problems associated with the railways. I think the situation is quite the reverse. I believe it is the errors of management which have caused the difficulty, and now management wants the men to bail it out and subsidize transportation by means of the payment of lousy wages.

We tried to correct that situation through a special debate and found that when the vote came there was a difference between 34 cents and 38 cents. We know how the Conservative Party voted. However, that was better by four cents than the Liberal Party proposed. I do not have any figures, because it is almost impossible to obtain a statement from Canadian National in terms of a cost accounting, certainly on a regional basis, but it has been suggested that because of problems in respect of transportation in the Vancouver area the CNR in that region has lost $3 million.

● (2110)

The Canadian Pacific Railway is working to overcapacity and Canadian National Railways are not able to deliver the goods. We are concerned about a shortage of boxcars for B.C. interior lumber and for prairie grain. Do you know where those boxcars are? They are on the sidings, loaded. There is no room in the Vancouver yards and they are stored in many small, out of the way places because they cannot unload the cars in Vancouver.

Management is blaming the rail strike for the delay. The cause is not the rail strike at all. The cause is the wages paid to the truckers which are so low, about $1 an hour below the prevailing rate, that fully one-third of the truckers who would unload the cars have resigned in the last four months. This is why they cannot unload those cars. The truckers went to work for private industry and private truck lines under a Teamsters Union contract which rewards them a good deal higher.

Where are the 200 cars we need so desperately in the interior of British Columbia? My answer is that they are sitting on the sidings, loaded. That may not be of any concern. In the last few months 90 switchmen or yardmen, experienced men who can achieve the productivity which we need, have resigned because of poor morale. I have a list of these experienced people and the number of years they have been on the job. If I had time I could read out their names and when they joined the company.

When you lose such people, how can there be high productivity? How can the company retain these experienced people if the working conditions and pension benefits are so poor? I will deal with that matter in a little while. I have another list of employees, machinists in the Vancouver port yard, 20 per cent of whom have quit their jobs in the last few months. They include machine apprentices. Also, 18 per cent of the electricians in the Vancouver port yard have quit. There are 40 carmen of whom 10 have quit, or 25 per cent, after a minimum of four years and a maximum of 15 years experience.

I asked today whether the standing committee on transport could go out to look at this one problem. Of course, there are many other problems. All you have to do is ask the Minister of Transport or the Minister of Labour (Mr. Munro). We have had the Harbours Board problem and many other problems. We also have many benefits. Just living there is a benefit. But we must not forget the problems.

Four months ago I put forward a motion in the standing committee on transport that we appoint a travelling committee to go out to hear these concerns and complaints. We are still considering it. The minister did give us some hope. He said he will contact the CNR management and ask them for an explanation. I know what kind of an explanation he will get. No more than a week ago the CN management told the union representatives that nobody was quitting and that they really did not have any problems. Yet I have a list of the men who have quit. At least 100 of the approximately 400 men in the Vancouver yard have left the work force.

We have no money for the men, but we can pay the hotel expenses of management personnel, those snoops, those promoters and master mechanics, who come out of Edmonton, Regina, Moose Jaw and other places to supervise and spy on the men. Do you know what they are doing? They are working to rule. The rules are the uniform code of operating rules. If the men break those rules, they get demerits; but if the company breaks those rules they get profit, because the company is its own policeman. There is

constant pressure and harassment of the men to break the rules to improve productivity. There are officials following the men around. They are just waiting for Chief Justice Emmett Hall's report and the Deutsch report, and I predict that if the reports are not favourable we will lose a lot more of them.

How can you increase productivity, have the boxcars unloaded, and provide boxcars in a boxcar-short country if there is that kind of low morale and lack of experienced people working in the yards? The philosophy outlined by the hon. member for Crowfoot is all very well, but these are practical problems that are bothering these people every day. They are resentful, bitter, and they are right; no one will get around that one. They also have other problems. They are in a minority in Canada. The railroad workers in British Columbia are in a minority among railroad workers in Canada. It is impossible for them to have any say in such unions as the IWA, the United Auto Workers, and perhaps the steel unions as well. It is impossible for them to gain their own autonomy, to gain control of their own union in Canada.

There are impediments in making any move under IRDI to get any kind of reasonable and meaningful Canadian autonomy in their union or even to influence their western chairman or national officers. They have to win a 25 per cent referendum among all the UTU workers or, in general, all the workers in both Canada and the United States, and they cannot even get the list of membership from the grand lodge. So what have they done? They have stopped paying their dues. They said to themselves that the only way in which they could get these people to listen to them was to hit them where it really hurts, which is in their pocketbooks. When they stopped paying their dues, CNR became worried because they have had a happy relationship with some of these rail unions. So the management said, "All right; if you do not pay your dues you do not get your seniority rights." So they will have to go back to paying their dues or they will lose the better jobs.

That is not all. The international office in Cleveland, Ohio—the international president, in fact—decided that some of these dues payers, or non-dues payers, are all in one locality and they should be disciplined. So they wrote the members of the CN local 1747 and the treasurer of CP local 442 and said that from then on all CN yardmen and yardmasters would be transferred to CP local 422. As if that was not enough, they said that none of the present officers on CN local 1747 would be permitted to seek office in the expanded CN-CP local 442 unless specifically approved by the Cleveland office. The officer who is in charge of CN local 1747 has never held back on his dues, yet because those two locals have been merged in a high-handed, bureaucratic and foreign manner he cannot even seek office.

I have outlined the litany of complaints against management. Here is their problem with their own union. So we see that they have a lot of trouble and no chance of winning any kind of change within 18 months because they are prevented from doing so by national legislation. Therefore they are fed up. That is why they are leaving, and that is why there is loss of productivity on the railroads. That is why they are embittered. They have agreed to work to rule and to withdraw their dues because they have no other way of fighting.

In addition, they have had an increase of only 34 cents in the last package, and we directed them back to work as if they were slave labour. The best estimate is that the men are subsidizing the CN by about $500 million a year in underpaid wages. In addition to that, CN has $900 million of the men's pension money. The board of directors has invested this matter. I do not think there are any CN men on the board of directors of the CN pension plan. The hon. member for Winnipeg North Centre will certainly correct me if I am wrong on this, because he is our expert on pensions as well as on many other things. That money is invested at 8 per cent to 14 per cent interest by the CN pension board. But anything over a 3 per cent return to that fund reduces CNR's obligation. That is criminal and fraudulent. It is the men's money, $900 million, yet they have a niggardly pension.

• (2120)

The other day the hon. member for Winnipeg North Centre (Mr. Knowles) pleaded with the Minister of Transport (Mr. Marchand) to abase himself before the CNR pension directors so that the retired men can get a little bit more. All he got was a lecture about the work being done by Mr. John Deutsch. That indicates lack of understanding of the question asked by the hon. member for Winnipeg North Centre.

People get extremely angry about this subject. The union officers in the western region can sign on behalf of the men for anything, and their contracts can be legal without any ratification of the members. That is not good enough. How on earth can you ever have any kind of morale, spirit, joie de vie or anything like that in such a situation? The whole thing stinks, and it is time we did something about it. That is why I am trying to do something about it now. I want to apply some pressure, if ever this little diatribe of mine gets out of this building, on the CNR management in Vancouver. Incidentally, I hear that a committee of parliamentarians is going out to Vancouver this weekend. Perhaps there is something that 60 or 80-member committee could do.

Much more could be said about the CNR. I do not know how long I have been speaking, perhaps for half an hour—

Mr. Paproski: Carry on.

Mr. Rose: The hon. member for Edmonton Centre (Mr. Paproski) is always pleased if I get up to throw a rounder at the unions. I don't blame him. I do not think they have the answers to everything. No one has. But there are things here that, as Canadian nationalists, we should be doing something about, and there are things we should be doing to satisfy these people's grievances.

For a few moments I would like to speak about the Air Canada situation, following the general line of the hon. member for Crowfoot. I am not going to discuss the technicalities of the archaic Viscounts and Vanguards. With respect to the reluctance, I suggest that maybe the management was a bit gun-shy when it came to a decision on spending money because it felt some parliamentarian would get up and say the public corporation was wasteful, or maybe management was just being thrifty; it may have

been a bad decision by management. Mr. Speaker, if there were no bad management decisions, why would we need bankruptcy legislation? We need it to assist private corporations to bail themselves out when they make bad decisions. No company, private or public, has a monopoly on bad decisions or on good ones. Nevertheless, there is concern about Air Canada among some of the people I represent on the west coast.

In this connection I would like to read from a letter received from an Air Canada pilot. Naturally for reasons best known to myself, I would prefer to make him anonymous. I might say that I have had conversations with others who are a little concerned about the situation, especially people who live in the west. Here I am speaking not only of pilots but of the general cabin staff. This pilot is concerned that the "gravy runs" are not going to Air Canada. That is one of the reasons Air Canada's profit picture is not as bright as it might be. He suggests that when it comes to passing out new routes, whether to Milan or China, Air Canada is usually last in line. In fact, it could be argued that regional air carriers are getting good routes and are skimming off the profit. I am not making that statement in this context but I know it has happened in other fields. I know that the cable companies serving our cities get their profit by skimming the populous regions and not giving service where the population is scarce.

This pilot also says that aside from Air Canada being last in line when it comes to handing out the juicy routes, it is "a very eastern-oriented airline, as demonstrated in the latest aircraft and pilot assignment list." He enclosed that list. Obviously, 1974 is going to be a big expansion year for airlines. According to this list, 28 crews are to be added to Toronto and 28 or 29 crews to Montreal, bases which are just 400 or 500 miles apart. But in terms of expansion there is not one extra crew member going to Vancouver for the 1974 season.

Pilots with three or four years training can operate out of central Canada, if they care to live there; but people with that kind of experience can never become much above a first officer in western Canada. This is basically inequitable and unfair. I think the Toronto and Montreal bases tend to be favoured. Whether this is because representatives from those areas have more political clout than westerners, I do not know; but we do know there are 23 representatives from the city of Toronto and 27 from Montreal and we cannot match their voices in western Canada.

The pilot I have referred to writes:

> While countries like New Zealand and Australia ponder the right of CP Air flying into their countries, possibly Air Canada should have the door of the Orient open to them via the Vancouver airport. This leads us to wonder how and why the China run was ever awarded to CP in the first place. Using the reasoning that they already fly to the east is not valid. It might apply to a shipping company, but not an airline flying 550-mile an hour jets.

This and a number of things I have said this evening will indicate why we are not very pleased about seeing this Air Canada financing bill only from time to time. It is like the magicians' card trick—now you see it, now you don't. It is used as a sandwich-filler. If there is nothing more to talk about, let the boys whack away at it. I am sure the President of the Privy Council (Mr. MacEachen) must say to himself, "Let the boys hammer away and get it out of their systems, as long as we do not have a debate that is too concentrated."

The government does not really care whether we deal with this bill or not. But in the meantime the CNR is losing 18 per cent of its work force, some 7,000 men, each year. As a result of recent attrition, 23 per cent of the CN work force have been on the job less than two years. There is no way in which we can increase productivity of this national railway and provide Canada with the services it needs if we have an inexperienced work force. Here we have a work force that is inadequately equipped, that is bitter and has low morale.

The new training scheme for engineers is an example of the frustration which is experienced. For the past three years I have been trying to get an answer from the regulatory body known as the CTC on the question of who is in charge of a train when a student is abroad with the engineer, along with a master mechanic. We cannot get that answer from the CTC. Mr. Speaker, you may recall that every winter we lose railroaders in the Fraser Canyon because of snowfalls. There is an example now of a man being charged because he refused to hand over the running of his train. He was the engineer, and the master mechanic ordered him to hand over to a student. He refused because it is not clear who would have been responsible had the train been involved in an accident while the student was at the controls. You would think that would be an easy thing to straighten out. Just call the CTC and get an answer: find out who is in charge of the train, the engineer or the master mechanic. But we cannot get an answer, Mr. Speaker, so these frustrations pile one upon the other. These molehills build up into mountains of dissatisfaction and are bound to have an effect upon the railroad.

● (2130)

If we put the two systems together we might find that we have a rationalized transportation system, half private and half public, and it might work to the advantage of the Canadian public. It is certainly not working to anybody's satisfaction, today.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, after the last two speakers it looks as if we might make the vote at a quarter to eleven by the time I get through, if things go as they normally do. It is no coincidence that we have the CN financing bill before us tonight at the same time as the fifth game of the world series. It seems to me that nobody wants to interfere with the world series, so it is a case of let's bring on the CN financing bill and maybe make a few frivolous remarks and pass a few jokes, then get on with more serious business tomorrow. Indeed, it seems that some members treat the occasion of the CN financing bill as an annual joke. When we speak we know that not much is going to come out of it. At least, that is the feeling I get this evening. Even the Minister of Transport (Mr. Marchand) has not thought it necessary to be here.

A couple of evenings ago I was in the company of some friends from western Canada and one was asking, "Where is my wandering bull tonight?" I am wondering where the Minister of Transport is tonight.

Some hon. Members: Hear, hear!

Mr. Lundrigan: He should be here taking part in the CN financing bill. I wonder if the government is trying to switch the ministers around again. They got into all kinds of trouble when they had the Minister of Transport and the minister of DREE occupying their previous roles, so they were switched. I do not know what is happening now, but transportation is becoming a colossal joke in the House of Commons day after day. We see evidence of this every day with the Minister of Transport.

A few weeks ago when the strike was on I saw a clip on one of the national television programs. I believe Norman DePoe was doing the voice-over. It was bits of an old film about the original railroading days. It gave me a feeling of nostalgia and identification with the railwaymen, and a remembrance of the old cowboy movies and the part the railwaymen played in them. Do hon. members remember the sounds and the music of that era? Even today you can turn on the radio and hear Johnny Cash or the blues singers with their beautiful railway songs about the times when people were building something. People across the nation were opening up our frontiers, allowing the country to grow and develop.

Today one TV commercial talks about building "the Canadian dream". Mr. Speaker, if you say that and were from some other country, you might believe it. You might believe they are building the great Canadian dream, seeing the prosperity and involvement across the nation, with CP and CN building that dream. I would like some of the people who get hundreds of thousands of dollars for such advertising to go to some parts of Canada that have made the headlines, and see the extent of this great Canadian dream. I think we are going to get a revival of the blues for a different reason—people are going to mourn the passing of the great transportation days. The blues singers are now singing the blues about what is happening today. When we talk about transportation, we talk about the future of our country, Mr. Speaker. I doubt if an industrial nation has ever grown to greatness without a transportation system that was modern in that day and age.

At a meeting of the Atlantic Advisory Council last week the chairman said something to the effect that the transportation system in the Atlantic provinces in no way impedes the economic growth of that area. I can speak with some knowledge of the Atlantic area, Mr. Speaker, and I say we cannot reach any great level of economic growth unless we take issue with the present transportation system.

Some hon. Members: Hear, hear!

Mr. Lundrigan: I have listened to members from the Prairies and British Columbia speak, and it seems to be the consensus that we are wasting our time with all our talk about economic policies and DREE programs unless we are willing to provide the country with a modern transportation system. I believe it was in 1885 that the last spike was driven in the national railway. Mr. Speaker, almost a century ago we had a national transportation system, a brand new system. It had taken the imagination of our greatest leaders of various political stripes decades to put it into effect in face of the financial difficulties, scandals and political upheaval that surrounded it.

Imagine the railwaymen of that day. The railwayman's cap is to me a symbol of the workingman and the growth of industrial development. These people put together a system that must have been a hundred years ahead of what we have today, in terms of the comparative economic needs of the country. We hear talk of the Department of Regional Economic Expansion, their industrial incentive programs and loans programs, but we hear nothing about transportation except that a province is willing to negotiate an extra bit of blacktop somewhere on a road in an Atlantic province. Our transportation system is archaic compared to conditions of a decade ago. If I may be forgiven for being a little parochial, I will tell hon. members something of our own transportation today compared to ten years ago or longer. I would like to get this on the record and in some small way try to tell the Canadian people of a problem we have. I do not think it is unique, but it is an indication of the seriousness of our transportation problem.

● (2140)

In 1949 we became part of Canada. Under term 32 of the Terms of Union we concluded an agreement with the federal government which was signed by our Fathers of Confederation who certainly could not look forward many generations. Nor can anybody look ahead, today, to the future with any great certainty. But in that day and age they realized transportation should remain some kind of government responsibility and they placed in the act, under term 32, a provision that Canada should provide a link between mainland Canada and the island part, the province of Newfoundland, and arrange for the existence of a transportation system carrying goods and services commensurate with the needs of the province.

This was spelling out in the Terms of Union between Newfoundland and Canada, the marriage contract, if you want to call it that, in 1949. In that day and age we did not depend very much on a modern transportation system. We were more involved in coastal trade because we had literally hundreds of our own freighters, schooners and other ships which used to provide us with goods from Europe, the Caribbean, the New England states and even from that foreign country which was called Canada. But we did have a fairly adequate transportation system. As a result of our entry into confederation we got a "Go" ferry operation which provided a link over 100 miles of water from North Sydney to Port aux Basques. Today, in 1973, we are almost totally dependent on outside sources for all the goods which are needed to serve 500,000 Canadians on the east coast of this country. I should like mainland Canadians to recognize this.

If we were arguing in support of a transportation system to ship goods in from Japan or some other foreign country, I would expect some Canadians to get their backs up. But today we are almost totally dependent as a province on goods shipped from central Canada. We are the most captive of all the parts of Canada in terms of consumer demand. We are virtually non self-supporting in all areas of consumer goods. We are an exporting province. We export a variety of raw resources. We export a large amount of mineral resources, mainly from Labrador and

some from the island part of the province, and a tremendous quantity of fish products which go mainly to places in the United States. We are beginning to export a variety of wood products, paper from both the east and west coasts, and linerboard which, by the way, is going to Montreal now and serving the needs of some of the strike-ridden parts of Quebec.

We are an exporter of raw resources to other parts of Canada and North America. We are an importer of every type of consumer goods. We get up in the morning, and all the dishes we have come from Ontario; the knives and forks come from Ontario. The stoves we use come from somewhere in Ontario or Quebec, or some other part of this industrial nation of ours. We go to bed in the evening, and all our bedclothes, the bed, television set and furniture come from central Canada. Everything we have in our provinces is imported. We are a captive market, and our imports from mainland Canada over the last ten years have about doubled. I calculated a few weeks ago that we have in the last 12 months increased our imports from central Canada by about 15 per cent.

We have a transportation system today which is grossly inferior to what we had in 1969. First of all, in 1969 we had a passenger service which ran across the whole of the 580 miles of the island. At that time the minister of transport was Jack Pickersgill who used to be the member for the riding I now represent. He afterward became the czar of transport as chairman of the transportation commission. I have admiration for him as a parliamentarian, but I lost a great deal of respect for him as a result of transportation decisions which he made.

The CNR, under the calculated guidance of the minister, cooked the books in such a manner as to enable Canadian National to argue that the rail transport service was a non-paying venture—as if it was a paying venture anywhere in Canada. The end result was that they abandoned the rail passenger service and gave us a bus system. Every time I talk about the bus system I am reminded of an old colleague of mine with whom I had a bite to eat about a week ago, the former member for Grand Falls-White Bay-Labrador, Mr. Ambrose Peddle, who sat in this House and made a tremendous plea. I would call him the father of the effort to get back a rail system when he spoke out in almost his first speech against the decision of Canadian National to abandon this service. We did everything in our power, next to short-circuiting the whole activity of parliament, to get that system back. But we lost.

The CN had decided, with all the inside track it had with the Canadian Transport Commission, that the service was going, and it went. I can remember rolling a barrel full of signatures collected from 31,000 Newfoundland people—the biggest petition ever taken up in Canada—protesting the abandonment of the rail passenger service. The petition could not be presented to the House because the rules provide that petitions must be presented in such a magnificent fashion, under such formal conditions, that it is not feasible to do so. So what we did was to present a token petition to symbolize the 31,000 petitioners who protested the abandonment of the service. And we still lost, because CN decided that we were not going to get any rail passenger service in the future.

[Mr. Lundrigan.]

I have perhaps put my finger on one of the most significant aspects of the matter we are discussing today. Do you think, Mr. Speaker, that we in this chamber have any control over the transportation system in this country? Do you think that even the Minister of Transport is able to exercise any control? So we get ourselves a big department of government. Most of us haven't enough ability to run the average office. I find myself struggling from day to day to keep two people functioning efficiently, let alone manage a department of government. Yet a minister takes office; and if he is in office for 25 years he might know about railway operations as much as an experienced railway worker, let alone the manager of the corporation. Consequently, this being only one of a minister's responsibilities, he is bamboozled into believing whatever he happens to be fed.

I found myself during the last few days trying to get some kind of responsible reaction from the Minister of Transport. But he is so defensive of CN you would think his grandfather owned it. He stands up in the House of Commons and loses his temper. Have you seen him? We had a little Pekingese one time. He would bite your legs off if you looked at him the wrong way. That is what the Minister of Transport reminds me of. When you ask him about the CN you would think you were asking about his closest relative. This is as a result of what they are feeding him. I remember last Thursday. By the way, I have been the best dispatcher the CNR has had for some time. In the last six or seven weeks I have been involved in trying to route a carload of goods out of North Sydney over to Newfoundland. I think there would have been almost an economic standstill on the northeast coast of our province if I had not become a CN dispatcher. The only thing is, I didn't get paid for it.

Last week a businessman phoned me and said, "We have a hotel ready to move into. Our move has been delayed for over a month. Is there any way you can put a spark under the rear ends of CN people to move a carload of freight for us?" I phoned and I said, "Boys, can you move this carload?" And they moved it. They phoned the minister immediately and he said, "Look, if he ever throws anything at you, just tell him that the only thing he has ever had moved, or the thing that he classifies as an emergency, is a load of furniture." This is what is surprising to me—that the communication I had with the North Sydney agent got up to the Minister of Transport to the point at which he was to be armed with his defences—"You moved a carload of furniture". He also had the statistics on the number of backlogged cars in North Sydney a year ago.

This is the way they have armed him, and instead of saying to those fellows, "Look, you bunch of beggars and you deceitful fellows who are trying to sell me this line of goods, we want something done about it," he stands up and tries to protect the Canadian National Railways. I would like to see people in other countries like Japan, which has one of the most modern transportation systems in the world, especially the monorail system, and even England, which has a railway system which would put us to shame, come in and analyse what we have got going in this country of ours. I think that even Newfie jokes would have nothing on that. These people would laugh at us for weeks; indeed, it might almost stop the war.

● (2150)

We are not able to handle goods and services adequately with the present transportation system in the Atlantic provinces. We are not able to develop economically as we would like. Yet in this part of Canada there is one of the highest unemployment rates in the western world, and this has been so since day one, 1867. You would think that one government at least would have the imagination and vision to recognize that lack of economic growth is the reason for our high unemployment rate. This is why the government should harness a program that would not only give us the transportation facilities we need but would in the process help us overcome our unemployment difficulties within five or ten years.

I just want to set the record straight on a few things, Mr. Speaker. I am disappointed that the Minister of Transport has not had the decency tonight to be here and take part in this debate, placing on record the argument for CN. He is the spokesman in this House for CN and his absence is a disappointment to every member of the House. Ten years ago CNR guaranteed three-day delivery of express goods from points in Toronto and Quebec to Newfoundland. I know this is a frivolous subject to the sophisticated members from the large centres of Canada. One of the problems in this House is that we have now become such a great nation that divergent parts of the country are almost like ruptured appendices: they should be cut out.

I have gone off at a tangent and I will get back to my point, but first let me say there does not seem to be any responsiveness on the part of the federal government to the different needs of the regions of this country. If there is a problem in a major area with a large population which would have a tremendous effect on the political fortunes of a particular party, then the attention paid to that problem is magnificent. But if the member from the Yukon raises a problem, or there is a problem in the riding of Skeena, in Prince Rupert, in the Athabasca area, in Timiskaming or in some other part of northern Ontario—it almost seems to be out of order these days to talk about northern Ontario—then the situation is entirely different. One almost hears a groan from the House these days when northern Ontario is mentioned. There are only four members from P.E.I.—and do they have a real voice in this House?

I have talked about problems till I am black and blue in the face. I am getting completely frustrated and so are the people I represent. I see the Minister of Transport making a momentary appearance for 60 seconds. He will be back again in a moment because I see he has his notes all ready, prepared for him by Mr. MacMillan of Montreal, no doubt.

I am concerned that the problems of my region are not being properly received or transmitted. I am sure that in the last five years the seven members from the province I represent have had their say in this House; I am convinced of that. I am convinced they have told their stories about our problems. But I am equally convinced that there has not been much reception of those problems. Unless there is a better way in this federal system for the government to recognize the legitimacy of what we say, then I do not feel like tearing around the countryside in my eagerness to be a Canadian.

Canadian National Railways and Air Canada

Recently a little strike took place. As a Canadian, I was embarrassed to see the Prime Minister (Mr. Trudeau) get up in the House and try to say the reason for the strike was that the workers would not move our goods. Even Newfoundlanders can go on strike, he said. No one bothered to tell him that at no time was there any agreement during the strike to move goods across 100 miles of water. Unfortunately there was an agreement with regard to passenger service, but because of some upheavel that agreement was broken and as a result personal hardship was caused. But there was no agreement to move freight. Along with the Premier of P.E.I. we argued constantly that the federal government had an over-riding responsibility, under the constitution, to see that goods were able to move between the provinces of Canada. As a result of a three-week strike there will be a backlog of freight until the spring of 1974.

I know it is a waste of time talking about this. I am not saying it is the media's fault, but I am sick and tired of going outside this House and finding a cubbyhole to talk into the tape machines they have about this problem. For one reason or another the government will not recognize that we do have a second-class system, one that is worse than the system we had 50 years ago. Then today the minister had the absolute gall to say that if there is an emergency he will make some special effort. He does not recognize the fact that goods have been tied up in our transportation system since September 3, six weeks ago, which in itself is an emergency.

I can tell hundreds of stories concerning the impact that the transportation system of this country has had on the economy of our coast in the last number of years. It got to the point last year where one small businessman who had been receiving fresh goods shipped in from Toronto found they were arriving so late so frequently that the shipper decided not to ship to Newfoundland any more. The only compensation he was offered was that CN or Air Canada agreed to pay if the goods were spoiled. But we have to wait so long for our money that these goods are now shipped south of the border where the market is just as good.

Ten years ago, in 1962 or 1963, we were guaranteed three-day delivery of goods sent express to Newfoundland from central Canada. Today the minimum time express goods from central Canada take to get to Newfoundland is ten days. I have been told by people on the firing-line, people right in the sheds who receive the freight, that they are lucky to get it under two weeks; usually it takes much longer than that. That is the quality of the service we get.

I am disappointed that "his nibs" was not in the House earlier to hear some of the complaints that we have brought to his attention as the eminent Minister of Transport. We are not standing up in this House because we like to hear ourselves talk; we have legitimate complaints to make about the quality of CN service. Instead of attacking members of parliament who say they have a problem, why does not the Minister of Transport call some of the fellows in charge of this great national system into his office and start asking them some questions?

Mr. Marchand (Langelier): It sounds like playing games.

Mr. Lundrigan: They are playing a political game. If we had not kicked up the fuss we did, we would have 1,500 cars in North Sydney today. Can you imagine CN officials saying to the Minister of Transport that they want a special effort made because they are not moving the freight fast enough? September 19 was the day the minister told us to learn to swim, and since then I have been taking swimming lessons every day. He said the backlog would be moved in two weeks. That was on September 19. Today is October 18, one month later. There are exactly the same number of cars today in North Sydney. Cars are sitting in the Moncton system.

● (2200)

Hon. members may be interested in knowing what happens to goods leaving Toronto or Montreal destined for the Atlantic region. The Atlantic region is able to accommodate only so many cars. The first delay is in Montreal. The cars then go to Moncton, where they are again delayed. That is the second stage of delivery. I have been told by businessmen that cars have been sitting in Moncton since September 3. They eventually move to Truro and then to North Sydney. Halifax is another terminal point. After that, someone eventually recognizes the problem and they get to Port aux Basques, a western terminal, then on to the southern centres of distribution.

No matter what is done with the existing boats and existing facilities, there is practically no way of improving the transportation system into our province. That is a fact. The only thing that could be done in the short haul, and this could not last very long, would be to keep it at the level it is now, with a backlog of 500 or 600 cars. If 10 or 12 Hercules aircraft were put into operation for a couple of weeks, we might be able to move the non-essentials. They are non-essential in the sense that people will not starve if they are not moved, but they are essential because people demand and need the service. Also, many things are important for our economic growth. This would clear up the problem in the short haul.

Some fairly major decisions will have to be made with regard to the province I represent. More ports will have to be opened. Some will have to be winter ports such as there are on the south coast, perhaps at Bay d'Espoir. Others will have to be built on the east coast. There is a harbour facility which was hardly completed when the government took out Clarke Steamships. Clarke Steamships was receiving a subsidy which was taken away three years ago. There are multimillion-dollar storage facilities there, with nothing moving through them because neither this minister nor anyone else is willing to go there and find out what is the problem unless people like myself take up the time of the House to bring it to the attention of the minister. Tomorrow there will be 15 people from CNR feeding the minister junk and garbage about the quality of service they are providing. Sometimes I do not blame him for accepting that. As I have said before, he is one man, with a big department.

If the minister would recognize the urgency of what we are saying, I would be very happy. Some major changes have to be made if our province is going to survive as an economic entity in Canada. For the past five years CN have let the whole thing slide. It has become one big mess. No one bothers about it too much unless there is a real logjam like there is at the present time. That is why we are in this House every day, crying about the problem. We will be here every day until someone does something about it. I cannot wait to get my teeth into some of those CNR fellows when they appear before our committee to explain the mess on the east coast today.

I am very serious when I say that our people are becoming extremely frustrated. The situation is becoming almost contradictory. We should be, and have been, the most exuberant Canadians in this nation. We have the spark and fire of Canadianism throughout our whole province. However, we are getting to the point where we feel ours is a voice in the wilderness. No one listens to us and, even more important, nobody gives a damn. I hope the minister will consider our economic problems and look into the serious backlog that will take until the spring of 1974 to clear up. If we were a powerful part of the country with 50 or 60 members, we could handle ourselves easily. We would defeat this government and get in somebody else. If they did not handle our problem, we would get rid of them as well.

We have the most problems and the least amount of power. Our problems are almost boring because they affect so few people. It is like someone talking about the Indian problem or problems in the Yukon. People are bored because it affects too few people. Because of psychological irritants, some patients end up going batty. It is these little things that are causing a tremendous amount of damage to the fabric of confederation.

My time is almost up. I want to say something which I have thought about for some time. What would happen to some central Canada industries if we were not a market for them? What would happen if we could negotiate our own trade deals with the European Economic Community and other parts of the world? What if we had our own currency and controlled our imports? I wonder how much would be lost to central Canada. I suppose no one has ever done the research to find out the impact that 500,000 people have on the market. What would happen if this market were lost to central Canada? What would happen in Oshawa? Cars stream into Newfoundland every day. What would it do to the employment situation in that part of Ontario? I do not know how much 500,000 people consume in food and material goods, but obviously this is a fairly important factor.

Every now and again we hear about equalization payments. Some members from Ontario get their backs up. It is as though we are the welfare part of the country. One fine day they will recognize the value of our great untapped resources, minerals and oil, to the economic security of North America. Perhaps then the mentality will change. In the interim, it might be wise for the government to have a bit of vision. We do not see this in governments today. Governments do not think a decade or two ahead. Most think about and react to yesterday's problems.

Has anyone ever given serious consideration to some form of subsidized freight rates in order that we may buy a car or other goods at the price they are being sold for in central Canada? Is this what Premier Lougheed talked about at the recent western economic conference? He talked about the need for major changes in transportation

costs to points divergent from central Canada. Not only do we buy our goods from Ontario, such as cars from Oshawa and washing machines from Toronto, but we have to pay substantially higher prices because of the freight costs involved. We are thankful that we can provide jobs, but we feel freight rates should be equalized so that goods cost the same in one part of the country as in another.

This is a big country, 5,000 miles wide and thousands of miles from north to south. Something should be done about our transportation system so that people in all parts of the country will feel they are part of Canada. At present, this is a real disadvantage. On the northeast coast of Canada, the north shore and possibly northern Ontario, people feel they have to pay a price for being part of confederation, without receiving the benefits.

● (2210)

I know I am wasting my breath in speaking to the minister along these lines. If he would even solve the problem of the backlog in North Sydney he would feel as good as Napoleon did after his escape from Elba. That would be an achievement for him. I do not expect him to become involved in the matter of monorails and cross-subsidies, because that would be an exceptional challenge. But he might keep this matter in the back of his mind, and some day when we stand and ask a question about the backlog, he might recognize it is legitimate and start talking to the big guns in Montreal who manage the great system of CN and are building this great dream for us in Canada.

Why does he not call them all in, put his finger in their mid-sections and say he is not satisfied? Why does he not look at the legislation to see whether he can pull a few strings in respect of these people? He must have some control. I get the impression that in talking about the railway we are talking about some little prince in the wilderness over whom no one has control. I should like to think that this spirited minister from Quebec, for whom I have great respect, would manifest some of that spirit when dealing with the great monopoly called Canadian National Railways and drag these people into his office and lay his cards on the table, so that some day he would be able to come here and tell us that these things will be done. I can tell him that if he did this we would have much more respect for him as the spokesman for Canadian National Railways.

Mr. Marchand (Langelier): I did so many times.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, Bill C-164 contains some recommendations regarding the state-owned corporations, the CNR and Air Canada, and when you study those recommendations you find that they are a bottomless pit able to swallow up any amount of money. We are given a forecast of possible expenditures between now and June or July 1974, but it is added that Parliament may be asked to vote additional moneys should those state-owned corporations be unable to finance themselves through their operating revenues. I would like to quote the following recommendations:

His Excellency the Governor General has recommended . . .

Canadian National Railways and Air Canada

. . . to extend the limit of refunding under the Canadian National Railway Refunding Act, 1955, to one billion dollars; to authorize Her Majesty to make loans to the Canadian National Railway Company and Air Canada to meet deficiencies in operating revenues to June, 1974 . . .

This means that should the amount now being requested, namely $669 million for the two State-owned corporations, be inadequate for their operations, we are empowered to vote additional amounts to meet the requirements. And I quote further:

. . . any such loans to be repaid from revenues of the Railway Company and Air Canada or, if revenues prove insufficient . . .

When the 669 million have been eaten up . . .

. . . if revenues prove insufficient by subsequent deficit appropriation by Parliament.

This means that there are no limits. Therefore, if it is considered that there are no limits, then why give the figure of $669 million?

However, we are asking Parliament to standardize freight-rates throughout Canada so that western people do not have to pay more than the eastern Canadians for transportation from one area to another within Canada. If it costs a little more, what can the minister say for himself?—We have the power to vote supplementary credits! There is nothing to prevent us from doing it, but let us let justice prevail in all areas of the economy with respect to freight rates in Canada. That would solve the problem concerning the famous feed grains we wish to carry from west to east, that would solve the transportation problem from the east to central Canada as far as fish is concerned. Even if the minister said: We need $225,500,000 for extension and improvement purposes, etc. Out of that amount, $75,000 are allocated to new construction. I refer here to branch lines, etc. In clause 3 the government gives the estimated amounts for 1973 and I quote:

Road property	$138,978,000.10

Those 10 cents are important.

Branch lines	13,000,000
Equipment	31,897,000
Telecommunications	25,946,000
Hotels	5,679,000
CN Tower Limited	8,800,000.15

As far as hotels are concerned, they have precious little to do with transport: Parliament is asked to vote $14 million to complete what is connected with hotels in Canada.

● (2220)

We are no longer dealing with the CNR or Air Canada but, after consideration of the government we must still compete with private entreprise and with the hotel trade in general. Thus, with respect to transport by the CNR or Air Canada, we are asked to vote such fabulous estimates to compete with private entreprise which is faced with increases in prices, taxes and cost of materials. Mr. Speaker, the bill now under consideration is an impediment to private entreprise. It is not honest competition.

Those who must buy trucks worth $40,000 or $50,000 to pull trailers have seen the price of their licence plates triple in the past seven or eight years; diesel oil now costs about twice as much as it did five years ago. The carriers must incur cost increases, while they have no other

income than the freight or transport rates they charge in their business. In addition, they must balance their budget and also pay fantastic amounts in income tax to the federal government which introduces a bill designed to compete instead of walking on one's feet, I wonder what it is, if not an unfair competition for private enterprise in the field of transportation.

As regards the services provided by these means of transportation, we have been asking for years that more suitable trains be put into operation between Ottawa and Montreal, Montreal and Quebec City, Montreal and Toronto, that the Trans-Canada, for instance, which runs between Halifax and Vancouver, be improved. Mr. Speaker, there is room for improvement and I feel that we should not be satisfied to provide hundreds of millions, even almost $1 billion a year at present, to enable them to pursue their unfair operations as regards private enterprise. This is where politics comes in, of course. Whether you call it the Canadian Transport Commission, with its control over the Department of Transport, those state-owned corporations have too many employees compared to private enterprise. Employment security is given as a pretext! Employment security paid by the Canadian people, no way! When there are too many employees in an area, they should be allowed to go and work somewhere else. It is simple as that. Mr. Speaker, one cannot always try to make his way through the economic conditions that prevail in crown corporations. Where there is one man employed in private enterprise, there are five in a crown corporation, in an attempt to secure votes for the next election. It has reached such a point that people must wear steel-tipped shoes so that their toes are not crushed when they tread upon one another's feet. We do not have anything against employment but this is an undertaking that is not economic, and the proof of this is that we are asked $100 millions every time to make up deficits. Moreover, they meddle in almost every field, including the hotel trade.

Mr. Speaker, the Creditists want better railway services across Canada. Let Parliament not only pass votes. For example, some say that useless expenditures are made. I will merely give you an example. Air Canada has three daily northbound flights: two Viscounts fly during the day and at night a DC-8 leaves Montreal flying directly to Val d'Or and then Rouyn. There, the aircraft empties and passengers embark for Montreal at 8:55 p.m. That is flight 553. It leaves Rouyn, stops again at Val d'Or and then flies to Montreal. When one knows that the take-off is the major cost element in a flight why does Air Canada not schedule a flight that would go directly to Val d'Or letting off passengers at that point and flying back to Montreal with new passengers. The Rouyn-Montreal flight would be shortened by at least three quarters of an hour and the corporation would save thousands of dollars.

Air Canada tells me that the Rouyn runway might not be long enough for a full plane. I talked to the Minister of Transport but he says that the runway is long enough. The pilot up in the air tells me that the runway might be a bit too short. I ask that that runway be extended, and I am told that there is no money available. It would cost less to extend the landing strip in Rouyn then it would to make the repeated stops at Val d'Or, Rouyn, Montreal, Val d'Or, Rouyn, and Montreal. That is the kind of economy practised by Crown corporations.

Quebecair serves Val d'Or and that company makes money. Air Canada and the CNR make deficits. They are asked to improve their service in our areas. The CNR complains that people no longer use its trains to go to Quebec City or Montreal. Mr. Speaker, let them come with me on the CNR in the North and it is clear that they would not do it again. Only one trip would suffice. In fact, the service is not improving. There is the whole staff, all the employees who are travelling from Noranda to either Quebec City or Montreal. The train is divided first in Senneterre, and then in Hervey-Junction. One part of the train proceeds towards Montreal, while the other goes to Quebec City. The cars are almost empty, except for lumberjacks in the Clova area, but there are hardly any at all now.

Still, there is the transport of wood supplies towards either Montreal or Quebec City. Mr. Speaker, if the passenger service were better, the CNR would operate at a profit in these areas.

As for freight, the CN operates at profit. This is perhaps one of the most profitable activities of this Crown corporation in the field of lumber or mineral ore transportation from the North West. The Minister of Transport (Mr. Marchand) is not aware of that and neither is the Canadian Transport Commission. And that Crown corporation, the CN, does not realize the possibilities—in that area, especially with the James Bay development which will last for more than 3 years. It may be a matter of 15, 20 or 25 years considering the new mines which will be discovered in that area. The CN might do well to get off the pot and ensure that their services improve rather than content themselves with asking for votes—to pay their good-for-nothing people or make up for their deficits due to poor management. To ask that votes be passed to improve services would be more encouraging.

I maintain, Mr. Speaker, that these Crown corporations should not be used to compete unfairly with private trucking enterprise, which is a viable and a worthwhile industry. Because it is that, it is made to compete against an unfair rival which depends on moneys voted by Parliament.

Every year, the same thing happens. I have been here for 15 years and every year we are asked to make up the CNR and Air Canada deficits yet we hear my socialist friends attack the Canadian Pacific and CP Air because these two concerns are making profits.

Private enterprise carries on a profitable business while the Crown corporation registers deficits. And yet, we are not convinced. Rather than say: Let us improve the Canadian National services, we say: Nationalize the Canadian Pacific to make it like the Canadian National.

For our part, we say: Either abandon the Canadian National or force it to continue its operations in the same manner as the Canadian Pacific. Then, we shall have fewer budget allowances to vote and we shall not have to support the insatiable spenders that government corporations are.

Mr. Speaker, enough is enough and I sincerely believe that there are abuses as concerns the expenditures of

government corporations such as Air Canada and the Canadian National. I think that the time has come for the government to accept its responsibilities and protect private initiative and enterprise in Canada.

It is not by giving billions of dollars to deficit ridden corporations that we shall promote the normal development of a country like ours. We often hear complaints such as those expressed a while ago by the hon. member for Gander-Twillingate (Mr. Lundrigan). He speaks of Newfoundland and says that it is a new Canadian province and that Newfoundland alone is different from other provinces. The same thing is said about other areas.

In western Manitoba and Quebec, you can hear the same complaints. Things will continue to go badly as long as we do not have a uniform policy for all Canada, including Newfoundland and British Columbia, and as long as we do not realize that when you step on the tail of the dog owned by the hon. member for Gander-Twillingate, the same dog barks in Vancouver.

Do you understand? This means an equal and uniform policy, one that is beneficial to all Canadians, and that is what the Creditists wish with all their hearts for Canada.

● (2230)

[*English*]

Mr. Don Blenkarn (Peel South): Mr. Speaker, I was very happy to hear the hon. member for Fraser Valley West (Mr. Rose) indicate to this House that men were leaving the CNR to work for private truckers because private truckers manage their businesses well, as private enterprise can, and provide better working conditions and pay. I hope this indicates that the the NDP are finally seeing the light and realize that some of the management techniques of public ownership are not very good and the working people of this country would be far better off if they did not have to put up with some of the things that happen in the public management of business. I was also happy to hear the hon. member for Fraser Valley West talk about American control of unions and control of pension funds, and to hear him criticize the unions. That was a refreshing theme to hear from the NDP who so often seem to be under the thumb of the unions. In our debate of just a month ago in settling the railway dispute, that party did everything possible to prevent the settlement of the dispute by voting against the bill and against the amendments produced by this party.

To give some further information and light with respect to the pension fund held by the CNR, I want to tell the House that in the financial statement of the Canadian National Railways the total amount of reserves in the pension fund as of December 31, 1972, was $1,454 million, a considerably larger amount than indicated by the hon. member for Fraser Valley West. Further concerning pensions, I note that in 1971, while $261,800,000 was put into the pension fund only $75 million was paid out to workmen who are retired or have otherwise left the CNR. Clearly, the pension fund is growing like a monster, and clearly retired workmen are entitled to something better. I hope the investigation by John Deutsch will show that this kind of money should not lie dead and that men who contribute should get a decent pension.

Canadian National Railways and Air Canada

This bill, which is of a similar nature to those produced by ministers of finance in the past, permits more money to come from the public till to Canadian National Railways and to Air Canada. In analysing the need for money, I think it is high time we said something about what appears in the balance sheets of the CNR and Air Canada. For a moment I would like to deal with those balance sheets and put on record some of the financial facts as they really are. They are pretty hard to find in the balance sheets, but let us see what we can do.

Before I do that, however, I want to tell you, Mr. Speaker, that when I was a young fellow going to high school and eventually to university, they kept telling me it was no wonder the CNR kept losing money. After all, it had to take over all these bankrupt railway lines, bail out these foreign capitalists and take over all this property that wasn't worth a darn. They had to run horrid transportation lines through uneconomic areas, through towns that were not "making it," and areas that were no good for agriculture, mining or anything else. My investigations show that that is not so.

We all have had something to do with real estate. Just look around at some of the real estate held by the CNR, real estate in downtown Toronto, not cheap real estate but about the most expensive you can possibly buy. Mr. Speaker, the debt of the CNR is more than covered, many times more than paid off in the inflated values given to the CNR in the enormous properties they hold in every city in Canada in downtown locations. There is absolutely no reason, if those assets were used properly, why the corporation should have any debt at all.

Let us get into the debt factor. From the CNR's financial statement we find that the corporation has gross assets with a book value—remember, the land we are talking about did not cost a dollar in many cases and the rights of way were given them free; a great amount of the property they have is totally depreciated and was written off long ago—of $4.2 billion and it owes approximately $1.9 billion. You can say that that is a lot of debt. It is a lot of debt. But of that $1.9 billion, $1.1 billion is owed to the government of Canada and much of it on terms that bear no interest whatsoever. So when we talk about the real debt of the CNR, it is about $800 million and the highest interest rate paid on that debt to the public market—that is the only real debt there is, the public market debt—is 5¾ per cent per annum. Any other debt of the CNR, if interest is paid on it at all, is paid into the consolidated revenue fund of Canada, as I say, at rates that bear no relevance to the cost of money. Having analysed that, we find that the interest paid on this $1.9 billion debt was only $66 million.

Let us go on to the next question. Look at the revenue of this national railway. I am rounding the figures off because there is no point in filling *Hansard* with long, detailed figures. We find from the financial statement that the CNR took in gross revenue, from its operations last year, $1.4 billion. As was pointed out by the hon. member for Crowfoot (Mr. Horner), the debt charges, compared with the gross income of the corporation, for the year ending December 31, 1972, were 2.1 per cent of the gross revenues. Any corporation can certainly afford to carry that small debt factor.

But what does the CNR do? What do these directors do with their fancy annual balance? They produce a table and show that if they did not have to pay any interest, they would make a profit. And what interest do they have to pay? They pay $66 million in interest, and they say that is why they lost $17 million. They did $1.4 billion worth of business. Their debt and their interest costs represent only 2.1 per cent of their total revenues, and they cook their balance sheet to show that that crushing debt is hurting them.

● (2240)

When analysing the situation, Mr. Speaker, I think we should look at the balance sheet of that other railroad in Canada which for some strange reason always makes a very good profit. I went to the library and got the balance sheet of the CPR for the year ending December 31, 1972, and found that it had a gross revenue in that year of $709 million—half the gross revenue of the CNR—and it had a debt of $267 million on which it paid interest of roughly $25 million. The debt ratio to the gross business done by the CPR was not 2.1 per cent of the gross but 2.8 per cent. In other words, Mr. Speaker, the CPR did not complain about the fact that it had to pay interest. It showed a profit. The cost of money borrowed by the CPR was 2.8 per cent of the gross revenue, but the cost of money borrowed by the CNR was 2.1 per cent of its gross revenue. That clearly indicates to me, as it should to every member of this House, that it is not the debt that causes the problem in the CNR but is, perhaps, inept management. The CPR, paying a greater share of its gross revenue to service the interest on its funded debt, makes a profit; and the CNR, which ever since I can remember has been screaming about the horrid cost of its debt, has only 2.1 per cent of its gross revenue going to service its debt.

In making this interesting comparison between the private railroad and the public railroad regarding profit and revenues and other business aspects, I found it is very difficult to discover the right figures because of the way the companies set up their balance sheets. Some adding and subtracting is necessary. Consolidated balance sheets of corporations reflect the consolidation of a number of operations, and consequently one has to realize that what is treated as one item in one balance sheet may not be the same item in the next balance sheet. As I mentioned, Mr. Speaker, at the last year-end Canadian Pacific Railway had done $709 million worth of business.

Mr. Speaker: Order, please. It being 10.45 o'clock p.m., it is my duty, pursuant to the special order made July 27 last, to interrupt the proceedings and put forthwith every question necessary to dispose of the report stage of Bill C-2, an act to amend the Criminal Code.

* * *

CRIMINAL CODE

REINSTATEMENT OF LAW RELATING TO CAPITAL PUNISHMENT THAT EXISTED PRIOR TO DECEMBER 30, 1972

The House resumed consideration of Bill C-2, to amend the Criminal Code, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs; and

motion No. 2 of Mrs. Morin and motion No. 3 of Mr. Lawrence.

Mr. Speaker: The question is on the motion standing in the name of the hon. member for Louis-Hébert (Mrs. Morin). May I suggest to hon. members that when the vote is called, those supporting the motion vote as we do in committee of the whole, starting with the first row to my right, followed by the other rows to my right, then the first row to my left, and so on consecutively.

● (2300)

The House divided on motion No. 2 (Mrs. Morin) which was negatived on the following division:

(Division No. 41)

YEAS

Messrs.

Alkenbrack
Andre
Arrol
Beattie (Hamilton Mountain)
Bell
Blenkarn
Campbell
Caouette (Charlevoix)
Caouette (Témiscamingue)
Carter
Clarke (Vancouver Quadra)
Crouse
Danforth
Darling
Dinsdale
Dionne
Dupras
Epp
Frank
Gauthier (Roberval)
Godin
Hargrave
Higson
Hopkins
Horner (Crowfoot)
Horner (Battleford-Kindersley)
Hueglin
Hurlburt
Jarvis
Knowles (Norfolk-Haldimand)
Lambert (Edmonton West)
Laprise
La Salle
Lawrence
Lessard
L'Heureux
Loiselle
MacInnis (Cape Breton-East Richmond)
MacKay
MacLean
Madill
Marshall
Masniuk
Matte
McCain
McCleave
McKenzie
McKinley
McKinnon
Mitges
Morin (Mrs.)
Muir
Munro (Esquimalt-Saanich)
Murta
Neil (Moose Jaw)
Nesbitt
Nielsen
Oberle
O'Sullivan
Paproski
Patterson
Portelance
Reynolds
Schellenberger
Scott
Smith (Saint-Jean)
Stackhouse
Stevens
Thomas (Moncton)
Towers
Trudel
Turner (London East)
Wagner
Whicher
Whittaker
Wise
Woolliams
Yewchuk—78.

NAYS

Messrs.

Allmand
Atkey
Baker
Baldwin
Barnett
Basford
Beatty (Wellington-Grey-Dufferin-Waterloo)
Bégin (Miss)
Blackburn
Blais
Boulanger
Breau
Brewin
Broadbent
Buchanan
Cafik
Chrétien
Clark (Rocky Mountain)
Corbin
Corriveau
Côté
Cyr
Danson
Davis
De Bané
Demers

Messrs.

Douglas
Drury
Dubé
Dupont
Ethier
Fairweather
Faulkner
Firth
Fleming
Foster
Fox
Fraser
Gauthier (Ottawa East)
Gendron
Gilbert
Gleave
Goyer
Gray
Grier
Guilbault
Haidasz
Harding
Harney
Holmes
Howard
Hymmen
Jamieson
Knight
Knowles (Winnipeg North Centre)
Lachance
Lalonde
Lang
Laniel
Leblanc (Laurier)
Leblanc (Westmorland-Kent)
Lefebvre
Leggatt
Lewis
MacDonald (Cardigan)
MacDonald (Egmont)
Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacGuigan
MacInnis (Mrs.) (Vancouver Kingsway)
Mackasey
Macquarrie
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
McRae
Morgan
Munro (Hamilton East)
Neale (Vancouver East)
Nelson
Nesdoly
Nystrom
O'Connor
Olaussen
Olivier
Orlikow
Ouellet
Pelletier (Sherbrooke)
Peters
Poulin
Prud'homme
Railton
Reid
Reilly
Richardson
Ritchie
Roche
Rodriguez
Rooney
Rose
Rowland
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Northumberland-Miramichi)
Stanbury
Stanfield
Stewart (Cochrane)
Stollery
Symes
Turner (Ottawa-Carleton)
Walker
Whelan—115.

● (2310)

Mr. Speaker: I declare the motion lost. The Chair will now put the motion standing in the name of the hon. member for Northumberland-Durham (Mr. Lawrence). I gather it is the wish of the House that we proceed with this division as we did on the first division, with those in support of the motion rising by rows, starting with the first row to my right.

The House divided on motion No. 3 (Mr. Lawrence) which was negatived on the following division:

(*Division No. 42*)

YEAS

Messrs.

Alkenbrack
Andre
Arrol
Beattie (Hamilton Mountain)
Bell
Blenkarn
Campbell
Caouette (Charlevoix)
Caouette (Témiscamingue)
Clarke (Vancouver Quadra)
Crouse
Danforth
Darling
Dinsdale
Dionne
Dupras
Epp
Frank
Gauthier (Roberval)
Godin
Hargrave
Higson
Hopkins
Horner (Crowfoot)
Horner (Battleford-Kindersley)
Hueglin
Hurlburt
Jarvis
Knowles (Norfolk-Haldimand)
Lajoie
Lambert (Edmonton West)
Laprise
La Salle
Lawrence
L'Heureux
Loiselle
MacInnis (Cape Breton-East Richmond)
MacKay
MacLean
Madill
Marshall
Masniuk
Matte
McCain
McKenzie
McKinley
Mitges
Morin (Mrs.)
Muir
Munro (Esquimalt-Saanich)
Murta
Neil (Moose Jaw)
Nesbitt
Nielsen
Oberle
O'Sullivan
Paproski
Patterson
Portelance
Reynolds
Schellenberger
Scott
Smith (Saint-Jean)
Stackhouse
Stevens
Thomas (Moncton)
Towers
Trudel
Turner (London East)
Wagner
Whicher
Whittaker
Wise
Woolliams
Yewchuk—75.

NAYS

Messrs.

Allmand
Atkey
Baker
Baldwin
Barnett
Basford
Beatty (Wellington-Grey-Dufferin-Waterloo)
Bégin (Miss)
Blackburn
Blais
Boulanger
Breau
Brewin
Broadbent
Buchanan
Cafik
Chrétien
Clark (Rocky Mountain)
Corbin
Côté
Cyr
Danson
Davis
De Bané
Demers
Douglas
Drury
Dubé
Dupont
Ethier
Fairweather
Faulkner
Firth
Fleming
Foster
Fox
Fraser
Gauthier (Ottawa East)
Gendron
Gilbert
Gleave
Goyer
Gray
Grier
Guilbault
Haidasz
Harding
Harney
Holmes
Howard
Hymmen
Jamieson
Knight
Knowles (Winnipeg North Centre)
Lachance
Lalonde
Lang
Laniel
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lewis
MacDonald (Cardigan)
MacDonald (Egmont)
Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacGuigan
MacInnis (Mrs.) (Vancouver Kingsway)
Mackasey
Macquarrie
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
McKinnon
McRae
Morgan
Munro (Hamilton East)
Neale (Vancouver East)
Nelson
Nesdoly
Nystrom
O'Connor
Olaussen
Olivier
Orlikow
Ouellet
Pelletier (Sherbrooke)
Peters
Poulin
Prud'homme
Railton
Reid
Reilly
Richardson
Ritchie
Roche
Rodriguez
Rooney
Rose
Rowland
Roy (Laval)
Saltsman
Sharp
Smith (Northumberland-Miramichi)
Stanbury
Stanfield
Stewart (Cochrane)
Stollery
Symes
Turner (Ottawa-Carleton)
Walker
Whelan—114.

Capital Punishment

● (2320)

Mr. Speaker: I declare the motion lost.

Hon. Warren Allmand (Solicitor General) moved that Bill C-2, to amend the Criminal Code, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs, be concurred in.

Motion agreed to.

Mr. Speaker: Is the hon. member rising on a question of privilege?

Mr. Lundrigan: Just to indicate that I was present for both votes but did not register a vote.

Mr. Speaker: It being after eleven o'clock, this House stands adjourned until tomorrow until 11 a.m.

At 11.25 p.m. the House adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Friday, October 19, 1973

The House met at 11 a.m.

[*English*]

PRIVILEGE

MR. ROCHE—OPPORTUNITY FOR MEMBERS TO ATTEND TRI-LEVEL GOVERNMENT CONFERENCE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I rise on a question of privilege affecting all members of parliament.

Two days ago I asked the Minister of State for Urban Affairs if members of parliament could be accredited as observers at the national tri-level intergovernmental meeting to be held in Edmonton next week. This meeting is to be open to the press but closed to observers. The minister replied that observers could not attend because "there is just not sufficient room available."

Yesterday, I moved a motion that the government direct the planning secretariat to permit one member of each of the four parties in the House of Commons to be accredited as an official observer. This motion was blocked by the government supporters.

Following this action, I consulted with the management of the Macdonald Hotel in Edmonton, where the meeting is to be held, and I was informed that the extended Tonquin Room holds 1,100 people theatre-style or, for a dinner setting, 800 persons. The suggestion that four members of parliament could not be fitted into a room of such dimensions is ludicrous and underscores why I am raising this question of privilege.

The meeting next week will be the second national tri-level conference. It will deal with the super-problem of urbanization, considering such issues as management of growth, land use, housing, transportation and finance. These are problems that parliament as a whole has a responsibility to solve, not just the government. It is vital, and within our rights, for members of parliament to have first-hand information on the various points of view presented by all governments. If members of parliament are forced to rely on press reports we may get a picture that is incomplete, to say the least.

For example, the Western Economic Opportunities Conference in Calgary last July was open to observers. It is a good thing it was, for the day after the Calgary conference I was able to come back to the House and report to all members my impressions and evaluation of the conference which were quite at variance with the slick, co-operative image of the federal government conveyed by the communications media. That speech is reported on page 6054 of *Hansard*. If members of parliament had not had direct access to the western conference, we would not have known the full story.

Of course, the government does not want opposition members of parliament around when they are doing business. The record of this government has been one of continual downgrading and diminishment of the role of the member.

Some hon. Members: Order!

Mr. Roche: The case I am presenting to Your Honour today—

Mr. Speaker: Order, please. The hon. member should indicate as soon as possible the nature of his question of privilege. The hon. member did give me notice of his intention to raise this matter by way of a question of privilege and I had serious doubts whether it was. I think hon. members who claim to have a question of privilege should indicate to the Chair as quickly as possible the nature of that question so as to give the Chair an opportunity to make a ruling. The hon. member might wish to conclude his remarks as soon as possible.

Mr. Stanfield: Mr. Speaker, with your indulgence, I might be of some help in this situation. I received a letter from the Minister of State for Urban Affairs (Mr. Basford), delivered to me last evening, which I have not had an opportunity to convey to the hon. member who is raising this question of privilege. The contents of that letter might be of interest to him.

Mr. MacEachen: Mr. Speaker, I want to make two points. The first point, which has been referred to by the Leader of the Opposition (Mr. Stanfield), is that the Minister of State for Urban Affairs (Mr. Basford), after consulting with the co-chairmen of the tri-level conference has extended an invitation to each of the parties to provide observers to this tri-level conference. So, as the Leader of the Opposition has stated, the member who has raised this question of privilege has not been fully informed of events.

The second point I want to make is that I take very strong exception to the growing practice of members making straight political speeches and attacks on the government under the guise of a question of privilege.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Fairweather: The nobodies have become somebodies and you do not like it.

Mr. MacEachen: If this practice is to continue, if members of the opposition are allowed on questions of privilege to make political speeches, we shall demand the opportunity to reply on each and every occasion.

Some hon. Members: Hear, hear!

Visit by Prime Minister to China

Mr. Bell: I have two points to make. First, if it had not been for the initiative of the hon. member for Edmonton-Strathcona, nothing would have been done.

Some hon. Members: Hear, hear!

● (1110)

Mr. Bell: I think he deserves a great deal of credit for getting up in the House and making democratic representation at this meeting possible. Second, the House leader can tell us when we are supposed to bring up these matters of justifiable complaint and we will comply if we are out of order in the opinion of the Chair.

ROUTINE PROCEEDINGS

[*English*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

Fifth report of Standing Committee on Health, Welfare and Social Affairs—Mr. Railton.

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

* * *

EXTERNAL AFFAIRS

REPORT BY PRIME MINISTER ON HIS VISIT TO CHINA

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should like to report to hon. members on my visit to China which, as the House knows, concluded just a few hours ago.

The invitation to me to visit the People's Republic of China was first extended by Premier Chou En-lai in 1971 and was renewed again several months ago.

We left Canada with high expectations. I am able to say, Mr. Speaker, that the willingness of the Chinese government to accept our point of view and to engage with us in activities of benefit for the people of Canada more than met those expectations. The high degree of interest of the Chinese government in Canada and the willingness of that government to work toward the maintenance and strengthening of friendly relations with Canada were made evident by the amount of time they, the Chinese leaders, were willing to devote to me and to my party. Chairman Mao Tse-tung extended to me the courtesy of a long conversation. Premier Chou En-lai met with me for many hours of formal discussions over the course of several days and chatted with me at even greater length in informal circumstances on a number of occasions.

One of the main objectives of any visit by a head of government, whether a Canadian travelling abroad, or a prime minister coming here, is to ensure that each country understands the policies of the other and the circumstances which give rise to those policies. It is seldom possible to come to agreement on the wisdom or the effectiveness of all policies, nor would one expect that this could be the case in a world in which the vagaries of history, the realities of geography, and the variations of social systems lend distinctive directions and points of view to governmental policies. What I found most heartening, however, in my discussions with the Chinese leaders, was their understanding of, and sympathy for, Canada's foreign policy. In particular I was not subjected to any demands that future Canadian relations with China would depend for their warmth on our attitudes toward any other country. I stated in Peking, both in the privacy of conversation with the Premier and on public occasions, that Canadian foreign policy seeks to avoid tension, to strengthen the institutions of international cooperation and to assist the economic development of the newly independent countries. I said as well that, in my belief, the true measurement of national greatness was found not in military might or in political hegemony but in the willingness of a country to recognize the importance of individual welfare, human dignity and a sense of personal accomplishment and fulfilment.

Many of the issues which were discussed with the Chinese leaders, and in the several committees of officials that were established during the course of the visit, reflected these beliefs and the desire of Canada to expand its international trade.

[*Translation*]

Mr. Speaker, Premier Chou and I signed a formal trade agreement which will serve as a framework for the development of trade between Canada and China for the next three years. I should like to table now, in both official languages, copies of this agreement.

Hon. members will find that this agreement established a joint trade committee which will meet annually. The Canadian suggestion that the committee address itself immediately to the areas of transportation, forestry and agriculture, was accepted by the Chinese. Agreement was reached as well that detailed discussions be initiated quickly in the fields of aluminum and wood pulp. We also agreed that further discussions take place soon with respect to potash, sulphur and nickel. The Canadian side was heartened by the obvious Chinese interest in increasing the purchase of Canadian manufactured goods and contemplating the purchase from Canada of complete plants. Throughout our discussions in this area, emphasis was lent by both sides of the mutual benefit to be gained from long-term commercial agreements.

Satisfying as were the discussions on trade and commercial relations, I was moved most by the several understandings reached in the areas of medicine and human relations. Hon. members will be familiar with the important work done last spring in China by a joint governmental and professional medical mission to China led by Dr. Gustave Gingras, the then President of the Canadian Medical Association. That mission recognized the immense benefits that could be realized in health care services in Canada if more were known about several areas of Chinese medical techniques. The hope was subsequently expressed by the two major medical bodies in Canada that the Canadian government attempt to encourage the Chinese to engage in co-operative activities with Canadian doctors to these ends.

I am delighted in the progress that we were able to make in this respect during my visit, which provides for teams of Canadian and Chinese physicians visiting one another's countries to study advanced techniques in each place. The field of interest chosen by Canadian doctors in this first phase is that of acupuncture analgesia. I am informed that if this technique proves as successful in the Canadian social environment as has been the case in China, its contributions in the elimination of anaesthetic complications, in the reduction of costs associated with surgery, and in the extension of surgery to elderly and high-risk patients now denied treatment, will rank it as one of the major contributions to Canadian medicine.

I am particularly appreciative of the willingness of Premier Chou to agree to my request that facilities be instituted which will lead to the reunion of families. Just as I regarded this question of reunification as one of the most important of the subjects in which I engaged Premier Kosygin in discussion—and which has since led to the exit from the Soviet Union of several hundreds of persons to join relatives in Canada—so I emphasized to Premier Chou the importance with which Canadians as a whole viewed this aspect of Canadian-Chinese relations.

I have instructed Canadian officials to waste no time in the implementation of this new understanding which permits Canadian immigration officers to proceed to China to process applicants for entry to Canada. An officer of the Department of Manpower and Immigration is already on his way from Ottawa to Peking.

Understandings were reached in other fields as well: cultural and sports exchanges, for one, consular arrangements for another, and science and technology for still another. The latter was made possible by the extensive work done in advance of my arrival by the Minister of State for Science and Technology.

● (1120)

[*English*]

My visit to China, Mr. Speaker, leaves me without any doubt of the wisdom of the decision of the Canadian government to reverse the longstanding policy of ignoring the People's Republic of China.

Some hon. Members: Hear, hear!

Mr. Trudeau: Because that immense country of talented and industrious people will have an increasing impact on world affairs, and because a strengthening and enrichment of the bilateral relationship between Canada and China can be beneficial to Canadians, that decision was right and will increasingly prove to be right. The presence of China in the United Nations and in other international councils makes it vital that Canada's interests and Canada's views be understood and, hopefully, supported by the Chinese government. It will be of increasing advantage to Canada that Canadian leaders have opportunities to explain Canadian attitudes and policies to Chinese decision-makers just as, amongst other things, I exposed to Premier Chou the positions Canada will advocate at the forthcoming Law of the Sea Conference.

In conclusion, Mr. Speaker, I wish to say that I was heartened again and again by the genuine friendship extended toward Canada and Canadians by the leaders and the people of modern China. I am confident that the diversification and enjoyment of our new ties with China will not interfere with the longstanding friendly relations which we enjoy with those several countries with which we have special ties. Nor will it detract from our efforts to seek, to our advantage, the easing of tensions and the increase of contacts with other parts of the world.

It has not been the vastness of the Pacific that has acted as a barrier between Canada and China. The gulf has been found all too often in the minds of those of us who are unwilling to recognize the magnitude of one of the most significant revolutions in the history of the world and the extension of basic human amenities to hundreds of millions of persons to whom they had been denied for millennia.

The name of Canada is held in high respect in China, Mr. Speaker, and as a consequence Canadians are beneficiaries. It is the aim of this government that this reputation, and those benefits, increase and continue.

Some hon. Members: Hear, hear!

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, before commenting specifically on the visit of the Prime Minister (Mr. Trudeau) to China I should like to take this occasion to congratulate him belatedly on his birthday.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, I think that the good wishes of the House on the Prime Minister's birthday are really quite relevant to any discussion of the China visit because of the right hon. gentleman's published tributes to the aging leaders of that centuries old society. The Prime Minister is quoted as saying in regard to this aging leadership: "It is this kind of faith that leaves me full of admiration when I see these really aging leaders prepared to begin all over again." Along these lines, Mr. Speaker, I feel obliged to remind the Prime Minister that, while he has had another birthday, I am still older than he is. Of course, I am doubly pleased that the Prime Minister's remarks indicated an appreciation of all leaders who are capable of beginning all over again. Here again, I might claim membership in that club.

When I visited China in 1971 it was a wonderful, illuminating and fascinating experience, but I encountered somewhat the same difficulty that I faced on a visit to the Soviet Union in 1970. This related to clarifying my position as Leader of the Opposition. I found on both occasions that, while I was most hospitably received, within the systems of government operating in those states an identifiable and active leader of the opposition was a rather foreign concept. I came to understand that in certain parts of the world it was accepted that by the time you found out there was an effective opposition, it was perhaps too late. The relevance of this observation to the contemporary Canadian scene is perhaps, I think, self-evident.

Some hon. Members: Hear, hear!

Visit by Prime Minister to China

Mr. Stanfield: The exchanges of people and ideas in the areas of medical science, health care technology, culture, education, sports and the media should be very beneficial. There is much that we can learn from one another. There is no doubt about that. In the technique of acupuncture alone we have already seen remarkable results in Canada. Just look at what it has done for the Ottawa Rough Riders.

Our economic and diplomatic relations with the Peoples Republic of China are only beginning to develop fully and to offer significant potential benefit to our country. I feel it is helpful and timely that the Prime Minister, the head of our government, participate directly at this stage of the relationship. Therefore I offer the Prime Minister my congratulations on his visit.

Some hon. Members: Hear, hear!

Mr. Stanfield: I feel that the visit further demonstrated that our two countries are building friendly and constructive relationships and that Canada has a growing commitment to expand its activities on the Pacific rim.

I am sure that all Canadians were pleased to learn of the various projects between our two countries that were formally announced during the Prime Minister's visit to China. With regard to trade and economics, we welcome the agreement establishing a joint trade committee which will meet annually. The understanding of both governments to increase and widen trade between our two countries can be of great importance. Interchanges suggested by the Prime Minister in the areas of transportation, forestry and agriculture are certainly appropriate. However, the agreement really only establishes a framework to develop our trading opportunities. It provides a challenge to Canada and should be seen in that light.

While we expect a significant increase in the volume of trade with China next year and have long supported the continued growth of our wheat exports, Canadian trade with China, and with everyone else for that matter, must involve a far greater proportion of manufactured products. We are faced with extremely energetic competition in this new market. If we are to realize our true potential with regard to China, decisive strategic leadership must be taken at home. Any effective long-term trade relationship with another country must also be a two-way relationship. With that in mind we accept that part of the agreement, of course, which extends most- favoured-nation tariff treatment to Chinese goods entering Canada. This is realistic and quite equitable, because it should be pointed out that Chinese sales to Canada totalled only about $48 million last year, less than one-fifth of our sales to China.

● (1130)

I touch on only one disturbing note, Sir. There was no mention in the Prime Minister's remarks today or in his Peking communiqué of nuclear bomb testing in China. I would sincerely hope that our new relationships as well as our older ones would permit us to be prepared to be frank and open on matters of Canadian and world-wide concern. I felt that we were less emphatic than we might have been in our protests to the French government over their latest test series. I hope the Prime Minister will be able to give the House some assurance that he did convey to the Chinese leaders the very deep concern of the Canadian people about continued nuclear bomb testing.

Some hon. Members: Hear, hear!

Mr. Stanfield: I do not wish to be misunderstood, Sir. I repeat what I have said in the past: The comments of Canadian leaders on sensitive issues do not have to be rude or offensive, and I do not expect them to be, but they must be firm, they must be unequivocal and, most important, they must be made.

In the consular field we welcome the simplification of visa procedures and the provision for each country to set up a consulate general in the other country. I welcome fully with the Prime Minister the fact that it will now be possible for the Canadian government to process within China applications for the reunion of families. This, of course, is of deep concern to many Canadians, and I trust this long hoped for opportunity will be acted on energetically and as a high priority.

I again congratulate the Prime Minister. I am pleased to see that the Prime Minister and Mrs. Trudeau have completed their long journey and returned home in good health.

Some hon. Members: Hear, hear!

Mr. David Lewis (York South): Mr. Speaker, I join the Leader of the Official Opposition (Mr. Stanfield) in congratulating the Prime Minister (Mr. Trudeau) belatedly on his fifty-fourth birthday. I merely add this: In his statement he talked about the realities of geography. He experienced those realities himself, as I understand he celebrated his birthday twice.

Some hon. Members: Hear, hear!

Mr. Fairweather: He was making up for all his earlier years.

Mr. Lewis: He celebrated two birthdays without any advance in age. He did so as a result of the realities of geography in this world. He did so in China on October 18, and he did so in Honolulu on the same date, October 18.

I also want to join the Leader of the Opposition, although I shall put this in slightly different language, in welcoming the Prime Minister and Madam Trudeau back to Canada. I think all Canadians recognize the role Mrs. Trudeau played in the success of the Prime Minister's visit.

Some hon. Members: Hear, hear!

An hon. Member: He should have taken Justin, too.

Mr. Lewis: What this trip and what the last two or three years indicate is the unwisdom of Canada and other countries in having refused to recognize the Peking government of China for so many years. As every member of this House knows, my party has been advocating that recognition since 1950. I think the value of recognizing a large country, despite the disagreements we may have with some aspects of the social system there, has been fully justified by what has happened, culminating in the trip the Prime Minister has just made to that country. I

express the hope that other countries, particularly our powerful neighbour to the south, will see that any attempt to isolate any country, large or small but particularly an important country like China, is harmful to the future of the world and to the relationships that must be developed in the world. I look forward, if I may say this as a Canadian without trying to interfere, to the day, I hope soon, when the United States of America will also recognize China. We will then have a situation in the United Nations in which no one fails to recognize the importance and place of the Chinese Republic in the present world situation.

The modern world, Mr. Speaker, has produced new problems as a result of technological and industrial development and it has inevitably produced different social systems and different social ideas. One absolute precondition for peace in the world and for the possibility of the world's continued growth and development is that all of us must accept the fact that there are differing social systems and differing social ideas in this world and not make them an issue for war or conflict or a refusal to deal with each other as citizens of the world.

I note that toward the end of the Prime Minister's statement there is a very important sentence which may have escaped the attention of hon. members. I congratulate the Prime Minister on using these words:

> The gulf has been found all too often in the minds of those of us who are unwilling to recognize the magnitude of one of the most significant revolutions in the history of the world—

Note the following words, Mr. Speaker:

> —and the extension of basic human amenities to hundreds of millions of persons to whom they had been denied for millennia.

I take from those words a recognition that the government and the people of China is doing its best in its way to improve the standard of life of its people, and the Prime Minister congratulates them for the progress they have made and wishes them well in future. As a fellow Canadian I join him in those congratulations and in those wishes.

The Leader of the Opposition has dealt with most of the important, relevant details of the agreements as set out in the statement, all of which my colleagues and I support wholeheartedly as, indeed, did the Leader of the Opposition. There are times, Sir, when partisanship is pushed aside, and those times are probably the best in the history of our parliament.

I want to say this in conclusion. No one in Canada who knows anything about foreign affairs has ever had any illusion that our country can play the role of superpower, can play the role of imposing ideas on any part of the world, or that we are able, because of our economic and military power, to push people in a right or wrong direction as we see our interests to be. No one has ever had that kind of illusion about Canada's role. But some Canadians underestimate the role that Canada can play. Canada is an important middle power. Canada has a history without any colonial connections. Canada has a history of supporting all peoples around the world seeking independence and freedom. Canada has no black pages in its history of colonizing people or exploiting them from the centre of some imperial power. Because it is a middle power, because it has that happy history, Canada can play a significant role in relations among the governments and nations of the world. I am delighted that our Prime Minister has tried to play that role in his visit to China.

Some hon. Members: Hear, hear!

● (1140)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, like the hon. members who have just spoken, I am glad to see the right hon. Prime Minister returning in such great form.

We are happy to see him and Mrs. Trudeau in perfect health and happy after an excellent journey.

May I take this opportunity, Mr. Speaker, to congratulate the Prime Minister on his birthday. We have something in common: we are both Libra. As there is a two year difference between us, he must certainly be older than I am. Being both Libra probably means that we are the two better balanced hon. members in the House.

Mr. Speaker, the Prime Minister's statement certainly gives us food for thought. Approximately twelve years ago, I heard about and read a book entitled "Two Innocents in China". As I was reading a few days ago about one of these innocents who had certainly never expected to return as Prime Minister of Canada, I could somewhat envision what had happened previously.

Mr. Speaker, here is what riveted my attention and which makes sense in the Prime Minister's statement.

> I said as well that, in my belief, the true measurement of national greatness was found not in military might as in political hegemony, but in the willingness of a country to recognize the importance of individual welfare, human dignity and a sense of personal accomplishment and fulfilment.

Those thoughts should be pondered over not only in Canada but also in other countries.

Mr. Speaker, the Prime Minister then stated that trade agreements have been concluded with China. He said, for example, that the Canadian delegates noted, to their great satisfaction, that the Chinese were anxious to increase their purchases of Canadian manufactured goods and that they were considering the purchase in Canada of complete industrial facilities. Throughout those talks, emphasis was laid on both sides on the mutual advantages of long-term trade agreements. In my opinion, it would now be necessary to know exactly what we could exchange with the Chinese from the technical or technological point of view. But the cultural and scientific agreements are quite valuable; they will greatly help Canadians learn about China and the Chinese to learn about Canada. Acupuncture, which was a laughing subject for years, and which is now considered with greater attention and seriousness in Canada, is mentioned here. Moreover, the Prime Minister says that some Canadians have ensured him, and I quote:

> —that if this technique proves as successful in the Canadian social environment as has been the case in China, its contributions in the elimination of anaesthetic complications, in the reduction of costs associated with surgery will be remarkable—

Mr. Speaker, these are essential points, and when I was questioned during the Prime Minister's visit in China, I answered unequivocally that not only did I not object, but that I would also encourage these scientific, technological

and cultural exchanges which could increase not only our own knowledge but also that of other people.

However, I did find the following comments, which have also been mentioned by the leader of the New Democratic Party (Mr. Lewis), somewhat revolutionary, and I quote:

It has not been the vastness of the Pacific that has acted as a barrier between Canada and China. The gulf has been found all too often in the minds of those of us who were unwilling to recognize the magnitude of one of the most significant revolutions in the history of the world and the extension of basic human amenities to hundreds of millions of persons to whom they had been denied for millennia.

I am rather skeptic about these remarks contained in the Prime Minister's statement. The Prime Minister did certainly not see a parliamentary system like ours in China. There are no leaders of the opposition in China like there are here. There is no freedom such as ours in China. I therefore think that it is a bit much to praise a revolution because the country which made it is large. This is the same as saying: We are happy about what happened in Cuba and Czechoslovakia. We welcomed the events which took place in Chile and China. If we consider what is happening closer to home we would be glad to have the separatists controlling the province of Quebec for the very same reasons as those mentioned in this statement!

The freedom of speech and action we are enjoying in Canada must be respected and we should not yield to anybody through any system imposed forcefully through revolution while there is so much room for agreement, comprehension and co-operation.

I do not accept the Quebec separatists nor their spirit of revolution and the violence they use and I will never approve violence in any country whether it be China or Russia. Even though the Prime Minister's visit was beneficial in certain areas, if we must recognize a forcefully imposed political system I disagree. For instance I agree in the case of—

Some hon. Members: As in Chile.

Mr. Caouette (Témiscamingue): Certainly, the very same thing happened in Chile. When it happened in Cuba our NDP friends did not object. When communists are responsible for bloody revolutions, they are applauded by Canadian socialists.

Mr. Speaker, I have seldom seen liars of this kind. In Parliament we are shown a window display but they do quite the reverse outside.

When I mention revolutions it is to state clearly that I object to them and when I say that we should not encourage those revolutions in Quebec—they raise fear throughout Canada.

Should the Prime Minister say: At last, Quebec which has been misunderstood would do well to separate from the rest of Canada because since Confederation it has been under the tutelage of the federal government, we would not accept that.

Mr. Speaker, I believe in exchanges while having our identity respected, but our identity is characterized by freedom which allows us to breathe freely as human beings can and must do in the world.

[Mr. Caouette (Témiscamingue).]

● (1150)

[*English*]

FISHERIES

EFFECT OF UNEMPLOYMENT INSURANCE REGULATIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I rise pursuant to Standing Order 43 to present a motion of urgent and pressing necessity. In view of the fact that a large number of Newfoundland's inshore fishermen are adversely affected by the existing Unemployment Insurance Commission regulations, and in view of the federal government's obvious lack of concern and understanding for this problem, I move, seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

That the Ministers of Manpower and Fisheries, in their collaboration in working out changes to the existing Unemployment Insurance Commission regulations as they apply to fishermen, be instructed by this House to adopt the recommendations of the Newfoundland Fishermen, Food and Allied Workers Union which are as follows:

"1. That the date of eligibility for benefits be advanced to October 15 from the present date of December 15.

2. That the maximum period of eligibility be increased by one month to a total of 24 weeks.

3. That benefits be calculated on an average of all stamps rather than on 20 as is now the case."

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

FOOD PRICES

ALLEGED STATEMENT BY CONSUMER AFFAIRS MINISTER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise pursuant to Standing Order 43 to seek leave to move a motion on a matter of urgent and pressing necessity, namely, the continuing attitude of the Minister of Consumer and Corporate Affairs (Mr. Gray) with regard to the matter of food prices. I therefore move, seconded by the hon. member for Vancouver Kingsway (Mrs. MacInnis):

That the Minister of Consumer and Corporate Affairs be required to appear before the Committee on Trends in Food Prices to explain his statement that—and I quote: "With food prices going up the way they have been lately, the average family today has only two choices: readjust household budgets to allow more dollars for food, or stretch the food dollar by shopping more wisely".

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

Mr. Gray: Mr. Speaker, I should like to rise on a question of privilege. On two occasions I have sent a note to the hon. member asking him to give me the page number and exact reference to demonstrate where I am supposed to have made that statement, and as yet he has failed to do so. I ask him to do so now.

Mr. Howard: Mr. Speaker, if I can speak to that point of order since it has reference to me, it is a sad state of affairs when a minister of the Crown has to write to a member of this party—

Some hon. Members: Oh, oh!

Mr. Howard: —and ask where those offensive statements made by the minister appear. I will gladly give him the documentation right now.

Mr. Speaker: Order, please.

[*Later:*]

Mr. Howard: Mr. Speaker, I rise on a point of order. I feel I have to do so directly in this way since I was not able apparently under the rules to get my point across. My point of order relates to the attempt by the Minister of Consumer and Corporate Affairs indirectly to leave the impression that he did not in fact make the statement I have attributed to him which was the substance of a question I asked him yesterday, to which he declined to reply and of my motion today. I think the minister should be required to state directly that yes, he did make that statement or no, he did not.

Mr. Speaker: Order. The hon. member knows full well that is not a point of order nor a question of privilege.

ORAL QUESTION PERIOD

[*English*]

ENERGY

NATURAL GAS—ACTION TO AVERT POSSIBLE SHORTAGE FOR BRITISH COLUMBIA CONSUMERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask a question related to our petroleum problems and I direct it to the Minister of Energy, Mines and Resources. It arises from the fact that the chairman of the National Energy Board and the chairman of the British Columbia Energy Commission met, I think two days ago, to discuss the problem of alternative supplies to avert the possibility of a gas shortage for gas customers in British Columbia. Can the minister now tell the House what action will be taken on this matter following that meeting?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, my understanding of the report of that meeting is that the chairman of the British Columbia Energy Commission agreed with the position of the National Energy Board that the first immediate step should be for West Coast to secure alternative supplies of gas, principally from Alberta producers. My understanding equally is that those discussions are continuing at the instance of West Coast; I understand there is no conclusion to report at the moment.

OIL—POSSIBILITY OF EXPORT CUTBACK BY ARAB COUNTRIES APPLYING TO CANADA

Hon. Robert L. Stanfield (Leader of the Opposition): With regard to security of supplies of petroleum in the east, has the Minister of Energy, Mines and Resources now been able to ascertain whether the declaration made two days ago, I believe, by the Arab Middle East countries regarding a cutback in exports of oil will apply to Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): As I indicated yesterday, and again this is the situation today, the international community generally has been having some difficulty in clarifying the exact impact of these various announcements by the Arab oil producing states.

MINISTER'S PROPOSAL TO SYNCRUDE RESPECTING PRICING OF CANADIAN CRUDE—RELATIONSHIP TO LANDED PRICE AT MONTREAL

Hon. Robert L. Stanfield (Leader of the Opposition): In relation to the statement made yesterday by the Minister of Energy, Mines and Resources that the principals of Syncrude had found that his proposal for the pricing of Canadian crude would permit the continuance of that project, involving an investment of about $1 billion, I should like to ask the minister what proposal he described to the principals of Syncrude, since this is of great importance to all Canadians, and whether in fact he proposed that the price of crude in Canada will move up or down to the extent that the price of crude landed at Montreal, measured by some index, moves up or down. What precise proposal did the minister describe?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it was in terms no more specific than in talking to the various parties. In essence, it was that the price of crude oil products in Canada should be related to international prices at Montreal. The difficulty in calculation is, of course, with the great variety of sources of oil at Montreal and the great variety of freight rates. As the hon. member suggested yesterday, a formula will be required for the purpose of determining a fair average price which in turn will determine the Canadian price.

Mr. Stanfield: I have one further supplementary question, Mr. Speaker, in view of the importance of this matter being fully clarified. Does the minister mean that, once an index is worked out for measuring the price of offshore crude landed at Montreal, the price of crude in Canada will move up or down as the index of the price of offshore oil landed at Montreal moves up or down?

● (1200)

Mr. Macdonald (Rosedale): The intention would be that the National Energy Board would decide, on a month to month basis or perhaps quarterly, what the price was and that price would then be the basis for the determination of

the price throughout Canada, with a deduction for transportation costs as you move back to the producing centres.

Mr. Paul Yewchuk (Athabasca): Would the minister inform the House as to the formula he has in mind in connection with relating the price of crude from Syncrude to the international price of crude landed at Montreal?

Mr. Macdonald (Rosedale): Depending upon the quality of the oil, the producers of Syncrude would be paid the same price as any other producers in Canada.

Mr. Speaker: Order, please. A number of members are seeking supplementaries. With the co-operation of the House, the Chair will try to complete the first round of questions and then return to these supplementaries.

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CONSUMER AFFAIRS

REQUEST FOR ASSURANCE BENEFITS OF TARIFF AND SALES TAX CUTS NOT CANCELLED OUT BY PROFIT-TAKING AND DATA ON WHICH REPORT BASED

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. It arises out of the report tabled in the House yesterday. In view of the extraordinarily high profit performance this year in the corporate sector, three further examples of which were reported this morning, what assurances can the minister give the House that such benefits as may have flowed from the reductions in tariffs and sales tax were not, in fact, cancelled out by unconscionable profit-taking?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): The only answer I can give is to refer the hon. member to the conclusions of the report itself. This is the information I have and which I presented to the House.

Mr. Grier: Mr. Speaker, since the report itself is not accompanied by any statistical evidence whatever to support the conclusions to which it came, will the minister table in the House the data which entitled him and his department to draw those conclusions?

Mr. Gray: The nature of the data behind the report is outlined in the report itself. I will be happy to check whether it is in a form that can be appropriately tabled and report to the hon. member later.

POSSIBLE NEW MONETARY MEASURES AND EXCESS PROFITS TAX TO COMBAT RISING PRICES

Mr. Terry Grier (Toronto-Lakeshore): I should like to direct a final supplementary to the Minister of Finance. In view of the conclusions to which the report came, is he now prepared to announce new monetary or fiscal measures to combat rising prices, especially for food, fuel and shelter and, particularly in view of recent profit performances, is he entertaining the possibility of an excess profits tax or some measure of that kind?

[Mr. Macdonald (Rosedale).]

Hon. John N. Turner (Minister of Finance): All the items to which the hon. member referred are, of course, budgetary items and any changes would be announced in the usual way.

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[*Translation*]

EXTERNAL AFFAIRS

POSSIBILITY OF CULTURAL AND COMMERCIAL AGREEMENTS WITH NEW GOVERNMENT OF CHILE

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Prime Minister.

In view of the statements that he made earlier concerning agreements reached with the People's Republic of China, can he say whether he also proposes to reach such cultural and trade agreements with the new Chilean governments?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member is no doubt aware of the fact that in 1968 or 1969 the Canadian government sent to South America a departmental delegation in order to reach with these countries a maximum number of trade, cultural and scientific agreements.

Mr. Caouette (Témiscamingue): I should like to put a supplementary question. Are these agreements or meetings with the Chilean authorities continuing since the overthrow of the Allende régime?

Mr. Trudeau: Mr. Speaker, I would have to get more details. However, in a general way, the new Chilean government has certainly not indicated to Canada that it proposed to cancel any practice or agreement.

* * *

[*English*]

ENERGY

PRICE OF WESTERN OIL UNDER PROPOSED PRICING FORMULA—REQUEST FOR ASSURANCE OF EQUALITY OF PRICES ACROSS COUNTRY

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I should like to have further clarification from the Minister of Energy, Mines and Resources concerning the proposed pricing formula. Once the average price is worked out for offshore oil landed at Montreal, does he envisage that the price paid for western oil will be more, about the same, or less?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): In effect, depending on where western oil is delivered the price will, subject to deduction for transportation costs, be related to the price of western oil delivered to the Montreal market if that be possible, and would therefore be equivalent to the average I have talked about. In Edmonton, of course, it would be a lower price because of the reduced transportation cost.

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, may I put the same question in another way. In view of

the fact eastern oil companies have one request for an increase currently before the Energy Board and that possibly there will be another before the end of the year, can the minister give the House some assurance that the Montreal price will prevail across the country and that there will, in fact, be equality of pricing?

Mr. Macdonald (Rosedale): Is the hon. gentleman talking about the present period or about the period when, in effect, the national oil policy line ceases to exist? I think this is an important difference.

Mr. Bell: I should like an assurance from the minister that there will be some guarantee in future of equality of prices across the country with the exception, of course, of differentials for transportation costs?

Mr. Macdonald (Rosedale): In general terms, I think that would be the objective. Certainly, it would be much more the case than at the present time.

PRICE GUIDELINES FOR OIL PRODUCTS—SUGGESTED NEED FOR ADDITIONAL LEGISLATIVE SANCTIONS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): In view of recent examples of the failure of the government's voluntary price guidelines covering oil products such as anti-freeze, gasoline and engine oil, would the minister now bring in additional legislation which would put more teeth into those guidelines?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I point out to the hon. member that the products he mentioned were not covered by the freeze right from the start.

Mr. Speaker: Order. If hon. members are interested in proceeding more effectively, perhaps we should try to move to another subject. There are six or seven members seeking supplementaries on this subject, which would take up most of the question period. I am not sure if that is what the House wants, particularly if each member insists on having two or three supplementaries.

NATURAL GAS—GUARANTEE OF SUPPLY TO BRITISH COLUMBIA CONSUMERS

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to ask the Minister of Energy, Mines and Resources a supplementary question related to gas. Does he have any information to impart to the House as a result of the discussion held two days ago, I believe, by the National Energy Board and the Energy Commission of British Columbia about a guarantee of supplies of gas to consumers in British Columbia?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I think I have just answered a similar question from the Leader of the Opposition in the sense that one cannot be more specific about this matter until one finds out what the alternate supplies are.

NATURAL GAS—PRICE OF POSSIBLE ALTERNATIVE SUPPLIES TO BRITISH COLUMBIA CONSUMERS—REVIEW BY ENERGY BOARD

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I have a short supplementary on the same subject. Has the minister asked the National Energy Board to review the impact which alternative natural gas supplies to British Columbia will have on the prices consumers will be asked to pay for these new supplies?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Sir.

[*Later:*]

OIL—POSSIBLE INTRODUCTION OF RATIONING—GOVERNMENT POSITION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a related question to address to the Minister of Energy, Mines and Resources. Outside the House a few days ago he indicated that in certain conditions Canada might have to institute oil rationing. Can he now confirm his thinking on this subject matter?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I indicated we were considering all possible contingencies over a period of time. In specific response to the question whether rationing was one of those possibilities, I said yes. I would not wish at this point to give further details of the whole range of contingency planning.

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EXTERNAL AFFAIRS

VISIT BY PRIME MINISTER TO CHINA—DISCUSSION OF RICE IMPORTS BY CANADA

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I should like to address my question to the Prime Minister. In the conversations in Peking, did the Chinese raise the embarrassing fact that Canada imports rice from the United States to a value of about $12 million or $13 million a year? This rice is imported from the United States, not from China, and both countries are exporting rice.

Right Hon. P. E. Trudeau (Prime Minister): No, not in my presence, but I would have to inquire whether the matter was raised during the meetings of officials which went on parallel to my own meetings with the prime minister and his ministers.

● (1210)

[*Translation*]

DISCUSSION BY PRIME MINISTER WITH CHINESE AUTHORITIES BY CESSATION OF NUCLEAR TESTS BY THAT COUNTRY

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to direct a question to the government leader.

Could he tell this house if, during his talks with the political authorities of the People's Republic of China, he

discussed the stoppage of nuclear tests, and if he has defended in Peking Canada's point of view in this regard?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have defended in general Canada's point of view on the nuclear question. I did not specifically bring up the subject of nuclear explosions in China by China.

[*English*]

INQUIRY AS TO RECOGNITION OF GUINEA-BISSAU

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. In view of the fact that on Monday, September 24, 1973, the recently formed National People's Assembly in Guinea-Bissau declared their country an independent and sovereign state, in view of the fact that Canada has frequently proclaimed, together with other nations of the world, its support for the independence and self-determination of the people of Portugal's colonies, and in view of the fact that the greater part of the country is in fact under the control of and administered by the representatives of the National Peoples' Assembly, will the government recognize the new independent state of Guinea-Bissau?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have on several occasions opposed the colonial policy of Portugal. I have also encouraged the independence of those areas now under Portuguese rule. We are watching developments in Guinea-Bissau with great interest. So far we have not been able to establish that the so-called independent government is effectively in control of that country.

Mr. Brewin: If as I am informed, most of that country is now in fact under effective control of the so-called liberation forces and the independent government of the country, will the minister undertake in those circumstances that recognition will be granted?

Mr. Sharp: No, Mr. Speaker. The question of recognition, as the hon. gentleman knows, so far as Canada is concerned is who is effectively in control and able to discharge international obligations. As I said in my earlier answer, we are following events there. We have not been able to establish the fact, as the hon. gentleman put it, that the so-called independent government of Guinea-Bissau is effectively in control of that country. In fact, the capital and most of the larger centres are still under Portuguese control.

Mr. Speaker: The hon. member for Wellington-Grey-Dufferin-Waterloo has a supplementary to earlier questions and will be recognized, followed by the hon. member for Humber-St. George's-St. Barbe.

[Mr. Wagner.]

ENERGY

OIL PRODUCTS PRICES—POSSIBILITY OF ADDITIONAL MEASURES TO STRENGTHEN GUIDELINES

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my supplementary for the Minister of Energy, Mines and Resources arises from his earlier answer to me. In light of the minister's admission that none of the proposed guidelines currently in effect will do anything to regulate the prices of oil products such as antifreeze, gasoline and engine oil, what additional measures does he intend to put into effect to do something about the prices of these very important products?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): We indicated before that our primary purpose was to reach the prices of gasoline and heating oil, which have had the most direct impact on the consumer price index. At the present time, I have no intention to extend it to a further range of oil products.

* * *

FISHERIES

RESPONSE OF SOVIET UNION TO REQUEST TO CEASE EXCEEDING ICNAF HERRING QUOTA

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, in the absence of the Minister of the Environment I should like to address my question to the Secretary of State for External Affairs. Would the minister advise the House if he has had a response from the Soviet Union to the request of the Minister of the Environment that it cease fishing herring beyond the ICNAF quota on George's Bank?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I should like to take notice of that question. I am not absolutely sure what the present situation is.

* * *

TRANSPORT

ICEBREAKING—TRANSFER OF INFORMATION CENTRE FROM SYDNEY TO DARTMOUTH

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, may I direct a question to the Minister of Transport. I should like to ask the minister if the ice operations information centre for the icebreaking fleet on the Atlantic Coast is to be located this winter at Dartmouth instead of Sydney where it has been for many years?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the ice operations centre which is now at Sydney will be transferred to Dartmouth but the icebreakers will remain at Sydney. There is no link between the two. This is not a problem of eight or ten jobs as was mentioned but half a job a year plus four assistants for part of the year. This means that altogether two and a half jobs are being transferred; that is all.

Mr. Muir: Mr. Speaker, I am always amazed at the vast amount this minister knows about nothing. May I put a supplementary to him. The transfer is already a *fait accompli.* In view of the fact that the cabinet representative for Nova Scotia is from Cape Breton Island, is it the intention of the government to remove every federal government facility it can from that island? This is going on daily, one facility after another.

Mr. Marchand (Langelier): Mr. Speaker, I think the hon. gentleman made the same kind of argument concerning the Coastguard College. He contended that it was going to be moved to Ottawa, which is not right. The Coastguard College is going to be improved and the number of students increased. Contrary to what he stated, it is going to stay there and will not be moved.

Mr. Muir: I have a question of privilege, with your approval, Mr. Speaker. Joe, why don't you remain seated on what brains you have.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Muir: My question of privilege, Mr. Speaker, is that as usual the minister is misrepresenting the facts and attributing to me lies and misconceptions. He recently announced that the removal of the Coastguard College was to be postponed for one year. He did not say it would stay there permanently or that it would be expanded. Is this because he thinks there may be an election and that this action will get him over one year? What happened to the pilot boats and all the other facilities that were moved from Cape Breton Island? The President of the Privy Council (Mr. MacEachen) ought to get to work on you; he is sitting next to you.

Mr. Speaker: Order, please. The hon. member for Brandon-Souris.

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SUPPLY AND SERVICES

POSSIBLE CONTRACT TO AMERICAN CHAIN AND CABLE COMPANY FOR MAIL SORTING EQUIPMENT—SUGGESTED POSTPONEMENT OF DECISION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question for the Minister of Supply and Services who has had a quiet time lately, although I am sure he has been busy behind the scenes. In connection with the Post Office mechanization program, is the Department of Supply and Services awarding a contract to the American Chain and Cable Company and its Canadian associate, McInnis Company of Windsor, in the face of criticism from project officers of the Post Office Department and consultants to the Post Office arising from the lack of technological competence and experience of the McInnis Company in manufacturing sophisticated mail-sorting equipment and also its failure to meet the specifications under the provisions of a performance type contract?

Mr. Speaker: Order, please. If the minister can reply to that question very briefly he will be recognized for that purpose, but I suggest to the hon. member and to all hon. members that a question of this type should be placed on the order paper. If there is urgency it could be considered at the time of adjournment. However, the minister might be allowed to reply briefly.

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I am aware of this file, generally speaking, and you may be sure that I shall be pleased to review its particulars and inform the hon. member as soon as possible.

[*English*]

Mr. Dinsdale: In view of the fact that technological competence is essential in meeting vitally important delivery and operational deadlines announced by the Postmaster General for the Post Office mechanization program, and in light of the superior technological competence of other firms bidding on the contract, will the minister postpone his decision until all tenders have been reviewed as recommended by the Post Office consultants?

[*Translation*]

Mr. Goyer: Mr. Speaker, if my memory is not failing me, the contract has already been awarded.

* * *

[*English*]

EXTERNAL AFFAIRS

ATTITUDE OF CHINA TOWARD MIDDLE EAST—INDICATION OF CANADIAN POSITION BY PRIME MINISTER DURING VISIT

Mr. Barnett J. Danson (York North): Mr. Speaker, I have a question for the Prime Minister. I should like to ask the Prime Minister if he indicated to the Chinese leaders our concern or even disapproval of the policies of states such as China which further inflame the situation in the Middle East?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. We had quite a lengthy discussion on the situation in the Middle East. I indicated to the Chinese authorities that our policy was quite different from their policy in that respect. They announced that they disagreed with us, but that they would respect our views and would not try to change them. I indicated in turn that I did not think I would be able to change the views of the Chinese authorities on that matter. Therefore we both stayed on our positions.

* * *

● (1220)

URBAN AFFAIRS

LAND ASSEMBLY PROGRAM BY CENTRAL MORTGAGE AND HOUSING—MEASURES TO FORESTALL SPECULATION—RESTRAINT OF URBAN GROWTH

Mr. John Harney (Scarborough West): Mr. Speaker, my question is for the Minister of State for Urban Affairs and it refers to the announcement by the president of

CMHC that the corporation plans to buy large tracts of land to stabilize prices and put speculators out of business. In view of the fact this announcement was first made to those elements in our community most involved in pushing up land prices, what mechanism does the minister's department or CMHC propose to put into effect to forestall the speculation that will certainly ensue from the president's announcement?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the president was referring to provisions in the budget for national housing.

Mr. Harney: In view of the fact that the president of CMHC claims that the proposed land assembly program is a short-term measure to alleviate what he at least candidly admits to be a critical housing shortage, can the minister indicate whether the middle and long-term planning of his department includes a determination to restrain urban growth?

Mr. Basford: We have been devoting a great deal of attention to the matter of the management of growth rather than the restraint of growth and, of course, starting on Monday in Edmonton we will be having a tri-level conference, the theme of which is the management of growth.

Mr. Speaker: The hon. member for Scarborough East.

Mr. Stackhouse: Mr. Speaker, I should like to address a question to the Solicitor General but he is away on one of his frequent temporary absences. If he returns to the House, perhaps you will recognize me for the purpose of asking a question.

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VETERANS AFFAIRS

DISCONTINUANCE OF VETERANS LAND ACT BENEFITS—REQUEST FOR EXTENSION—REASON FOR ACTION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Veterans Affairs. In recent radio advertisements the statement has been made that Veterans Land Act benefits will be cut off on March 31 of next year. In view of the fact that veterans did not sign up for any specific period of time, will the minister take steps immediately to extend the deadline indefinitely so that the needs of all veterans who have earned and qualify for these benefits can be fully assessed?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, this legislation, as well as other legislation of the Department of Veterans Affairs, is always under study.

Some hon. Members: Oh, oh!

Mr. Crouse: Since this program only serves to make money available at cheaper rates for veterans who have earned and qualify for such rates, why is it being discontinued?

[Mr. Harney.]

Mr. MacDonald (Cardigan): The chief reasons are that these provisions have been in operation for 30 years for second world war veterans and for 20 years for Korean war veterans. Legislation was passed by parliament eleven years ago indicating that this action would be taken. It was pretty well accepted across the country, and if any change is necessary it will be determined.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my supplementary question is for the Minister of Veterans Affairs. In view of the fact that some 125,000 have been certified as qualifying under the Veterans Land Act, and in view of the fact it is expected that only 5,000 will benefit, will the minister take a humane approach and review the administration of the legislation to give all veterans the benefits under the act?

Some hon. Members: Hear, hear!

Mr. MacDonald (Cardigan): As the hon. member realizes, the legislation was passed by parliament and we have to deal with it. We have no right at this time to deviate from the legislation as it stands.

Mr. Fraser: You can change the law.

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LABOUR RELATIONS

STRIKE AT WHITESHELL ATOMIC ENERGY PLANT—GOVERNMENT ACTION TO SETTLE

Mr. Jake Epp (Provencher): Mr. Speaker, my question is directed to the Minister of Labour. In view of the fact a crippling strike by tradesmen at the Whiteshell Atomic Energy Commission installation at Pinawa, Manitoba, has been going on for more than a month, can the minister indicate what action he has taken in order to bring about meaningful negotiations between the company and the employees involved?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I would advise the hon. member that this dispute has gone through full conciliation and the conciliation board process. After the report of the conciliation board, strike action was taken in September, as the hon. member has indicated. We have had mediators endeavouring to bring the parties together to effect a settlement. I am renewing those efforts today and will continue to do so during the course of next week.

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ENERGY

WHITESHELL ATOMIC ENERGY PLANT—POSSIBLE CUTBACKS IN RESEARCH AS RESULT OF STRIKE

Mr. Jake Epp (Provencher): I should like to direct my supplementary question to the Minister of Energy, Mines and Resources. In view of the disrupting strike that has been going on, and in view of the widespread feelings at the Whiteshell installation that there will be cutbacks in the research program due to the strike, can the minister indicate what position his department is taking in respect

of any expansion of existing or projected research projects in the Whiteshell installation at Pinawa?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, with regard to Whiteshell in particular I would have to take that question as notice and respond in detail to the hon. gentleman.

* * *

FINANCE

ENTRY OF CHASE MANHATTAN AND FIRST NATIONAL BANKS INTO CANADA—ACTION TO MAINTAIN CANADIAN CONTROL OF FINANCIAL ACTIVITIES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Finance. In view of the announcement that the Chase Manhattan Bank is about to begin operations in this country and as this follows upon an announcement earlier that the First National Bank of Chicago is now active in Canada, is the minister contemplating stronger rules and regulations regarding foreign ownership which would keep financial activities in this country under Canadian control?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we are reviewing that very carefully. We are also reviewing the fact that Canadian banks now hold about a quarter of their assets abroad.

Mr. Nystrom: As a supplementary question I should like to ask the minister whether or not he is monitoring the activities of these foreign near-banks, as they might be called, so as to determine what impact they will have on Canadian monetary and fiscal policy?

Mr. Turner (Ottawa-Carleton): It is a little hard to trace the source and application of funds. We do monitor the source of funds in the sense that we know the volume coming across both ways month by month and week by week.

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FOOD PRICES

ALLEGED LACK OF RELATIONSHIP BETWEEN PRICE OF BEEF AND PRICE OF CATTLE—FAILURE OF REVIEW BOARD TO ACT

Mr. William C. Frank (Middlesex): Mr. Speaker, I should like to address my question to the Minister of Consumer and Corporate Affairs. In view of the fact that Canada, and Ontario in particular, has been the recipient of abnormal shipments of live cattle, can the minister assure the House that he has contacted the Food Prices Review Board as to why they have not shown more concern regarding the fact that beef prices have not come down in accordance with live purchase prices?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think that this question relates more to the responsibility of the Minister of Agriculture, but I would be happy to see that the hon. member's remarks are brought to the attention of the board.

Some hon. Members: Oh, oh!

Mr. Stanfield: What nonsense!

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PENITENTIARIES

COLLINS BAY—ESCAPE OF FOUR INMATES—POSSIBLE COLLUSION WITH CRIMINALS OUTSIDE INSTITUTION

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I should like to ask the Solicitor General a question. In view of a report that the body of an escaped inmate from Collins Bay penitentiary was found on Wednesday trussed in a blanket on the banks of a river in western Ontario, with several bullet holes in the torso, and in view of the apparent organized way in which the escape by four inmates was made last weekend, has the Solicitor General made any attempts to discover whether the escape involved collusion with criminals outside the institution?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, once the escape was discovered we took every step to alert the police forces, the Ontario provincial police, RCMP and so on, about the escape. They have been investigating it ever since, and they are considering the aspect which has been brought to my attention by the hon. member.

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ADMINISTRATION OF JUSTICE

PAROLE ACT—SUGGESTED MEETING OF STANDING COMMITTEE ON BILL

Mr. Reg Stackhouse (Scarborough East): In view of the way in which some inmates wait for the Parole Board to assist them in leaving institutions in view of the backlog of applications to the National Parole Board for the granting of parole and day parole, and in view of the minister's desire for speedy passage of the bill amending the Parole Act, what steps has the minister taken to obtain a meeting of the Standing Committee on Justice and Legal Affairs to deal with this bill which is now ready to be discussed by it?

Hon. Warren Allmand (Solicitor General): Yesterday afternoon I spoke to certain members who have responsibility for the Standing Committee on Justice and Legal Affairs and suggested that they call the committee as soon as possible to deal with that bill.

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EXTERNAL AFFAIRS

VIET NAM—POSSIBLE CO-OPERATION OF CHINA IN SECURING RELEASE OF POLITICAL PRISONERS

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. In view of the obvious success of the Prime Minister's trip to China and the improved relations result-

ing therefrom, is the minister in a position to say whether our two governments will now be ready to work together in renewed efforts to secure the release of political prisoners in both South and North Viet Nam?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it is our desire that political prisoners in both North and South Viet Nam be released. I would assume, however, that the Chinese government would not support the idea that there are political prisoners in North Viet Nam.

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● (1230)

UNEMPLOYMENT INSURANCE

RECOMMENDATIONS OF NEWFOUNDLAND FISHERMEN REGARDING BENEFITS—GOVERNMENT ACTION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, in the absence of the Minister of Fisheries and the Minister of Manpower and Immigration, I would like to direct my question to the Minister of Regional Economic Expansion. A letter to the minister on January 12, 1973, from the President of the Newfoundland Fishermen, Food and Allied Workers Union made certain recommendations with respect to unemployment insurance benefits for fishermen. Can the minister tell the House what action he is taking on this, and what are the prospects of having these changes made?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, subsequent to the receipt of that letter,—I do not recall the exact date but some time in the spring of this year—the president of the union referred to attended a meeting arranged by me with the Chairman of the Unemployment Insurance Commission, the Minister of Manpower and Immigration and one or two other officials. I think the general feeling or consensus—and here I do not want to misinterpret the views of the leader of the union—was that this particular proposal would not be the most suitable one. Since that time a number of negotiations have been taking place with a view to reaching an alternative formula. As recently as yesterday the Minister of the Environment and I had another meeting, which will be followed next week by a further meeting with the Minister of Manpower and Immigration when he returns from his visit to western Canada, to see what kind of formula can be devised.

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THE CANADIAN ECONOMY

ALLEGED STATEMENT BY MANPOWER MINISTER CONCERNING UNEMPLOYMENT—GOVERNMENT POSITION—POSSIBLE NEW PLANS TO COPE WITH UNEMPLOYMENT AMONG YOUNG PEOPLE

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the startling and disconcerting increases in unemployment revealed in the last statistical reports, with which I am sure he is familiar, can he indicate whether the Minister of Manpower and Immigration was stating government policy during his swing in western Canada over the last couple of days when he said employment is good where it counts and is only poor in terms of opportunities in certain regions for young people?

[Mr. Nelson.]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I shall have to refer to the full text of the minister's statement, and perhaps I can give an opinion after that.

Mr. Lundrigan: In view of the fact that unemployment is severely critical among the age group from 14 to 24 years, and in certain regions of the country, on a continuing basis, as has been the case for the past several years, has the Prime Minister any intention of announcing new plans, policies or budgetary provisions in the near future to overcome this particular problem?

Mr. Trudeau: The matter is under consideration. I have no announcement to make this morning, Mr. Speaker.

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TRADE

PULP—DISCUSSION OF POSSIBLE PURCHASES BY CHINESE WITH PRIME MINISTER DURING VISIT

Mr. Don Blenkarn (Peel South): Mr. Speaker, I wish to direct a question to the Prime Minister. In his negotiations with the Chinese did he indicate that the government might be willing to assist the Chinese in purchasing pulp from Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question of forest products was discussed in some detail and, as I indicated in my statement, one of the subjects which will be discussed, in an early exchange of visitors from both countries, will be that of the forest industries.

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AIR TRANSPORT

DATE OF PUBLICATION OF REGULATIONS UNDER AERONAUTICS ACT—PROPORTION OF COST OF SECURITY TO BE BORNE BY AIRLINES

Mr. J. R. Ellis (Hastings): Mr. Speaker, I wish to direct a question to the Minister of Transport. Can he tell us when the regulations with regard to Bill C-128 are to be published or, failing that, can he tell us now what portion of the cost of security will be borne by the airlines?

Hon. Jean Marchand (Minister of Transport): So far as the last part of the question is concerned, Mr. Speaker, this is something which has to be decided by cabinet. I have had a memorandum prepared for that purpose, so I hope that very soon we will know what kind of proposal we are going to make to the airlines. So far as the first part of the question regarding the regulations is concerned, I hope that we will have the regulations prepared in a few weeks and will then be in a position to discuss them.

TRADE

FOREST PRODUCTS—POLICY OF GOVERNMENT ON EXPORT OF PROCESSED PRODUCTS AS OPPOSED TO PULP

Mr. Don Blenkarn (Peel South): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. Is it the policy of the government to encourage the export of pulp and not to insist on the export only of processed forest products like paper, liner boards and things of that nature?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, at least in my presence the export of pulp as such was not discussed with the Chinese. As I indicated, the first step will be a visiting delegation which will look at the total subject of the forest industries. It will be on that occasion that we will reiterate our policy of ensuring that we export products in as finished a state of production as possible.

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HEALTH

ALCOHOLISM—FEDERAL MEASURES TO COMBAT

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I would like to direct a question to the Minister of National Health and Welfare. Having in mind the fact that federal revenue from alcohol now exceeds $1 million a day whereas federal expenditures on combating alcoholism run at the rate of about one-tenth of one per cent of that figure, what steps is the department taking or considering in an effort to combat what the LeDain Commission termed Canada's greatest drug problem, alcoholism?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I do not think it is quite appropriate to try to equate revenues and expenditures of the government in such an instance. If that were done there would be nothing left to carry on the other programs of the Department of National Health and Welfare.

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AIRPORTS

VICTORIA INTERNATIONAL—ALLEGED LAY-OFF OF FIREFIGHTERS—GOVERNMENT POSITION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I wish to direct a question to the Minister of National Defence, and possibly to the Minister of Transport. I should like to ask the Minister of National Defence if it is true that his ministry or the Ministry of Transport has sent out lay-off notices to almost half of the firefighters at the Victoria International Airport?

Mr. Speaker: Order, please. I do not want to be difficult, but I am sure the hon. member knows it is not correct procedure to ask a minister to confirm or deny a report. The question could easily be asked directly. We will assume it has been asked directly. The hon. member may complete it.

Mr. Munro (Esquimalt-Saanich): Have notices been sent out to almost half the firefighters at the airport, following the decision to phase out the anti-submarine squadron from that airfield and, if so, how does the minister expect safety and fire protection services to be provided at that airport?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, before answering the question I will have to verify the facts. This is the first time I have heard about it.

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HEALTH

AMPHETAMINES—REGULATION OF PRESCRIPTIONS—REQUEST FOR CONSULTATION WITH MEDICAL BODIES

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my question is for the Minister of National Health and Welfare and arises from the recent announcement regarding regulations governing the prescribing of amphetamines and other related stimulants. In view of the fact the decision to impose controls in the first instance was not a subject for debate, and in view of the fact that this unprecedented unilateral action by the government infringed on the prescribing rights of physicians and reflected on their professional integrity, would the minister indicate if he is now prepared to discuss with responsible medical bodies or with the House the fundamental issue of the prescribing rights of physicians?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I certainly will not accept the prelude to the question, or the implications and assumptions behind it. The one main fact is that, thanks to the regulations that were enacted, there was something like a 90 per cent reduction in the consumption of amphetamines during the period concerned. So far as discussion of this problem with the proper medical bodies is concerned, there was indeed discussion before the regulations were enacted as there was discussion when the regulations were amended. So far as discussion with this House is concerned, I will be pleased to discuss the matter at any time with the Standing Committee on Health, Welfare and Social Affairs when it meets and has the estimates of my department under consideration.

Mr. Speaker: Orders of the day.

Mr. Howard: Mr. Speaker, I rise on a point of order relating to the question I posed yesterday and again today with respect to a statement by the Minister of Consumer and Corporate Affairs about government policy with regard to food prices, and the intimation on the part of the minister that he had no knowledge of such a statement. He requested in a note that I identify it. I wonder if I could have consent of the House to table the document?

Mr. Speaker: Order, please. The hon. member knows that he cannot table documents. The Standing Orders do not make it possible for private members to table documents. Orders of the day.

Capital Punishment

Mr. Frank: Mr. Speaker, I rise on a question of privilege. I am the first one to recognize my lack of knowledge of the House rules. However, I would suggest to the Minister of Consumer and Corporate Affairs that he should be a little more subtle in passing the buck, because I am sure the Minister of Agriculture was not the one who started the board. I believe my question is a very important one which the consumers of Canada are asking of their members of parliament and of everybody else.

● (1240)

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

REINSTATEMENT OF LAW RELATING TO CAPITAL PUNISHMENT THAT EXISTED PRIOR TO DECEMBER 30, 1972

Hon. Warren Allmand (Solicitor General) moved that Bill C-2, to amend the Criminal Code, be read the third time and do pass.

Mr. Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Speaker: The hon. member for York-Simcoe (Mr. Stevens).

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I believe the voting in this House last night on the amendment to this bill shows very vividly that whether we like it or not, this bill is going to be pushed through by the government.

Mr. Reid: Not true!

An hon. Member: Ask your leader.

Mr. Stevens: I point out in this connection that not only can we take the actual vote, in which there was only a handful of retentionists from the Liberal side, but we can review the remarks made yesterday by the hon. Solicitor General (Mr. Allmand) when he was discussing amendments then before the House. As recorded at page 7015 of yesterday's *Hansard* the minister said:

> The bill before the House is a government bill; it was put forward by the cabinet. Under our constitution, the cabinet is legally the government. This is a cabinet bill, approved by cabinet.

He went on to state:

> —as far as we are concerned it is a free vote, but not for the government, meaning the cabinet.

Mr. Speaker, I emphasize this because I believe that if this House votes in favour of this bill we are taking a step that we will regret in five, and certainly ten, years' time.

Yesterday I referred to the fact that a recent survey conducted by the United Nations reported that very few countries in the word were abolitionist countries. I said that only nine countries could be actually categorized as abolitionist, according to that report. The Solicitor General took exception to that comment and said that he thought it was unfair—I think he used the words "a little misleading"—without indicating that there were other countries that were nearly abolitionist and only had the death penalty for very severe crimes.

[Mr. Speaker.]

Let us put the record straight on this question, Mr. Speaker. If we are going to be out of step with the rest of the world let us understand that we are. The hard fact is that out of 132 member countries in the United Nations, 102, according to the United Nations review, are retentionist. That is, 77.3 per cent of nations belonging to the United Nations are actually retentionist in the sense that they have the death penalty for many ordinary crimes, as well as the crimes referred to by the Solicitor General yesterday.

Mr. Allmand: Mr. Speaker, may I ask the hon. member a question?

Mr. Stevens: Yes.

Mr. Allmand: How many of those countries have democratically elected governments and parliaments?

Mr. Stevens: Mr. Speaker, I am rather glad that the Solicitor General raised that point because my second line of attack was going to be that I believe this government, in pushing this bill through, is not going along with the democratic wishes of the people.

Some hon. Members: Hear, hear!

Mr. Allmand: You forgot to answer the question.

Mr. Reid: What could be more democratic than putting the question into the House of Commons for a free vote?

Mr. Stevens: Surely, Mr. Speaker, the Solicitor General has not forgotten the recent Gallup poll which showed that 63 per cent of the people in Canada support the restoration of the death penalty. Before he starts pointing his finger at other countries, and questioning whether they are democratic, I believe at some stage he should be willing to tell the people of Canada why he went against their wishes.

The general tone of the government's position on this bill, Mr. Speaker, has been that we should join the more Liberal ranks, the far-sighted ranks, and that we are doing something that is generally accepted throughout the world. However, I believe that the figures I have given demonstrate that is not true. Not only is it not true, Mr. Speaker, but I think it is interesting to review what is happening in certain countries that have removed the death penalty or partially removed it.

The United Kingdom is often mentioned by the government as a country that has abolished the death penalty and they suggest that we should follow its example. But yesterday I commented that in the United Kingdom there are serious second thoughts about the matter. I would also point out that at the recent Conservative conference in that country the matter was raised and, by a vote of 1,404 in favour and 1,228 against, the motion was carried for the restoration of the death penalty.

The United Kingdom is not the only country showing a definite trend back to the death penalty. Our nearest

neighbour, the United States, is having serious misgivings concerning the abolitionist stance in many of the states and of the federal jurisdiction itself. Last week I had an opportunity to attend a conference in Washington, D.C. which was called to consider peace in the world. I think it is most significant that I was warned not to risk walking the streets of Washington alone at night. I was told that if I were to walk from the conference hall to my hotel for example, I stood a 50-50 chance of being mugged. That is the atmosphere of which I believe this government is not properly cognizant.

There is, to a certain extent, a rising trend of violence and murder. I think it is interesting to look at the situation in the state of California which has a population approximately equal to that of Canada. That state experimented with abolition of the death penalty for murder. It is interesting to note that, unlike this government, the state of California decided to ask the people for their verdict on whether the death penalty should be restored. In the referendum conducted last year, the people voted by approximately 57 per cent to restore the death penalty in that state.

● (1250)

In this connection I will be interested to know if the Solicitor General has actively discussed with his counterparts of the governments of the various states of the United States of America, and with his counterpart in the federal government of the United States, the concerns and attitudes respecting the continuation or restoration of the death penalty in that country. I say that because I think it might be interesting to review some testimony given by the Attorney General of the State of California. He testified before the legislature of the state in support of a bill for restoring the death penalty. For example, the Attorney General was asked, "Is the death penalty a deterrent?" His reply was:

Yes. The rise in the homicide rate during the last ten years, the experience of jurists and persons in law enforcement, and common sense indicate that it is.

Then, he broke his answer into three separate parts. Dealing with homicide, he pointed out that from 1956 to 1962, there were between five and eleven executions per year in California. During that time the wilful homicide rate fluctuated between 3.5 and 3.7 wilful homicides per 100,000 persons. Then, he said that since 1962, when the courts effectively abolished the death penalty in California, with the exception of one execution in 1967, the wilful homicide rate in California increased to 8.7 wilful homicides per 10,000 persons. I mention these figures because it is alarming to note that the same trends have appeared in Canada as a result of the death penalty not being imposed for murder. As I said when speaking during the second reading debate on this bill, murder statistics for Canada for 1971 demonstrate that the rate of murder in this country has more than doubled since 1956 and now stands at 2.4 per 100,000 persons.

The Attorney General of California went on to point out that jurists and law enforcement officials have repeatedly come into contact with individuals who have stated that they did not carry a weapon, or that they carried an unloaded weapon, because of fear of the death penalty. He then mentioned that he felt it is just common sense to accept that the death penalty is a deterrent. He testified that this inference is substantiated by the fact that in 1960 there was one robbery-murder for every 300 robberies, while in 1972 the rate had increased to one robbery-murder for every 200 robberies.

The state of California chose to ask the people of the state what they desired with respect to the restoration of the death penalty. The people voted overwhelmingly in favour of the restoration of the death penalty. According to the returns on Proposition 17, the title given to the referendum, 5,386,904 Californians said, "Return to death penalty", whereas 2,591,547 persons said, "Do not restore it". That proportion supporting the restoration of the death penalty in California, I suggest, is very similar to the proportion of people in Canada, who would favour the restoration of the death penalty.

I have already referred to the Gallup poll of Canada which last year indicated that 63 per cent of the people in this country favoured the restoration of the death penalty. It is interesting to note that the percentage in favour of restoration last year was substantially higher than the percentage which was in favour of restoring the death penalty in 1966. At that time only 53 per cent asked for the death penalty to be retained, whereas it is clear that the percentage in favour of retention has risen by 10 per cent in the intervening five or six years.

The government ought to take cognizance of what the people of Canada are asking. Why can we not trust the people, and at least delay the railroading of this bill through Parliament, so that the law may be restored to its former status or left as it is at present. In the next election, which hopefully will come soon, the people of Canada, in addition to voting for those who are to represent them in this House, could also be asked to vote on the question of the continuation or abolition of capital pubishment in this country.

It is unfortunate that we in this country tend to react rather than give leadership. Surely, we do not need to wait until other countries in the world restore the death penalty before finding ourselves totally out of step. I feel I am representing my constituents well when I support the restoration of the death penalty in Canada. I took it upon myself to ascertain the wishes of my constituents, and I polled them. I point out that 89.4 per cent of those responding to that poll we conducted in York-Simcoe asked for the death penalty to be restored or retained.

If we vote in support of this bill today, we will regret it in future years. I urge members of the House either not to vote in support of the bill or, perhaps better still, if they support it, to change their vote, so that we are not put into the position in which criminals of this country will begin to regard the death penalty as the ultimate punishment to which they can be subjected if they do not obey the laws of the land.

Mr. Knowles (Winnipeg North Centre): One o'clock.

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

At one o'clock the House took recess.

Capital Punishment

AFTER RECESS

The House resumed at 2 p.m.

Mr. Stevens: Mr. Speaker, prior to the luncheon break I was saying that I felt the government, in sponsoring this bill, was out of step with many of the countries of the world and that in fact we were not taking a lead in going the way many abolitionist countries and states in the United States are tending to go, that is back to the institution of the death penalty.

Referring to the state of California, I think it is interesting to note that not only have they had a plebiscite which indicated by 67.5 per cent that the public in California felt the death penalty should be restored, but that state in fact brought in legislation that goes surprisingly far in restoring the death penalty for various crimes. I wish to summarize the crimes for which the state of California now imposes capital punishment as a result of a recent bill introduced in that House. One point that is made is that the death penalty should be for those killers and those crimes on which California juries actually and unconditionally returned death verdicts. Their bill provides that the basis for the death verdict must be first, that a homicide has been committed, that the killer has been sentenced to death and that he must have personally caused the act which caused the death, unless he contracted for the murder.

It is interesting to note that in the courts of California the process for the handling of murder trials is significantly different. It is a two level type of trial in which the man is found guilty or not guilty at the first level. If he is found guilty, there is an entirely new trial to determine if the facts dictate the mandatory imposition of the death penalty.

The California act will apply first to first degree murder if the victim is a peace officer and, second, if the victim was a witness to the crime and killed to prevent his testimony. The California governing officials have found instances where a person charged with a crime has admitted that he killed his victim because he realized the victim could testify against him. He knew there was no worse punishment in the then existing laws of California if he killed the man compared with the punishment for whatever crime he had committed. To cover that, the state has now provided for the death penalty where the victim was a witness to the crime and was killed in order to prevent him testifying against the accused.

California has also instituted the death penalty in the case of a multiple murder or of a person who has prior murder convictions. It has been instituted where there has been a history of two or more separate convictions for violent criminal conduct. If there is a first degree murder, they have instituted it if the accused was killed by torture. Finally, it is instituted in the case of first degree murder if it is felt that the accused is not rehabilitable and there are no mitigating circumstances.

In addition, the California act applies where a prisoner under life sentence kills another. It applies to skyjacking if any victim of the skyjacking should die. It applies to kidnapping for ransom, robbery, etc., if the victim dies. Finally, the act in California applies if a train wrecker causes victims to die as a result of a train derailment or the wrecking of some mode of transportation. I remind hon. members that the state of California has found it necessary to institute such a wide return to the death penalty because, as the Attorney General indicated that, although a few short years ago he was an abolitionist, it was believed that the abolitionist stand resulted in a significantly higher homicide rate in that state than existed in prior years. I would remind hon. members of the facts that he brought out. In 1963, the homicide rate in California was 3.8 per 100,000 population, while in 1971 it had reached 8.1 per 100,000 population. As I indicated earlier today, by 1972 the rate had gone even higher in that state.

[Mr. Speaker.]

● (1410)

In short, the people of California asked that something be done. They were given an opportunity to reflect their wishes in the plebiscite to which I referred earlier. Sixty seven and a half per cent of them said the state should restore the death penalty, and the state legislature has met their wishes.

However, the government of Canada has refused to acknowledge the popular will of the vast majority of Canadians concerning the same subject. I believe that when we consider this matter we should realize that, while it is nice to take trips to China, to Russia and to certain other Communist countries, we will not find in those countries the lenient attitude towards the death penalty which this government feels is the proper attitude to take in Canada.

Mr. Allmand: You would like to copy them?

Mr. Stevens: In a lead story by the Associated Press from Moscow, which appeared in the Toronto *Star* in May of 1973, it is disclosed that the Soviet Union has the highest rate of executions of any of the industrialized countries of the world. A Soviet court can stand a person before a firing squad even for endangering the life of a policeman. The article states:

> In little more than two years since September, 1970, at least 24 Soviet citizens were reported shot for crimes ranging from profiteering to rape. In addition, at least 34 were hunted down by special secret police squads and executed as World War II collaborators or nationalist partisans.

The article points out that hundreds of thousands of people over the last 50 years or so have been executed in the Soviet Union, sometimes virtually without even a trial. I mention this because, living as we do in a democracy with our great freedom, we must always be aware we can only preserve this freedom, both within the nation and externally, if we are on our guard. I believe the people of Canada have a right to expect that they may go about their business and other affairs in the safe knowledge that they are free from the threat of violent crime and certainly from murder. I believe that leaving the death penalty on our statute books for those who commit what we feel might be the most heinous of crimes is a deterrent to those who would challenge the freedoms of you, Mr. Speaker, me, every member of the House and the people of Canada who wish to go on their way without feeling their lives are in danger.

In taking the stand it has on this bill, I feel the government must make clear to the Canadian public at the present time, and I hope during the coming election, that over the last few years it has failed to accept its responsibility for instituting not only the death penalty but for seeing to it that, if a person is found guilty after proper court proceeding and is sentenced to death, the penalty is carried out. The government's habit of commuting death sentences has reached the point where it has virtually made it a certainty that no one will hang, despite the law of the land, and has brought our whole judicial system a disrespect that I feel is unfortunate. The people of Canada and, judging from the figures I have cited, people throughout the world, are expecting a return to law and order. This government is not contributing to bringing law and order to this country by pushing Bill C-2, and I certainly intend to vote against it on third reading.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I will try to be brief in my remarks, since I do not think there is very much that can be added to this long, and I think about to become tedious, debate. I should like to say that as a new member in this House I was very proud to be in the House last night when the majority of members who had considered this issue elected to continue this country on its road to progress in the 20th century rather than take a step back into a less civilized and less humane society.

I am urged to rise to my feet because the hon. member for York-Simcoe (Mr. Stevens) continues to argue, as the main thesis in his proposal for the retention of the death penalty, that Canada is out of step with the world. I hope the hon. member is not speaking as a potential minister of external affairs in a government that his party might form. Surely, it has been Canada's traditional role to lead the world, particularly in the area of humanity and decency.

Let me deal with this issue of how the majority of the people of this country think. Gallup polls would probably show that the majority of people in this country favour retention of capital punishment. I want to tell the hon. member for York-Simcoe that I have another poll showing that 50 per cent of the people of this country want to take over and nationalize the natural resources of this country. Would the hon. member change his view on that subject in view of that poll? I would doubt it. I think Burke said it for all of us when he said that the traditions of this House are that our constituents are entitled to the best judgment of their member. I think they respect the best judgment of the hon. members of this House.

Mr. Stevens: Do not forget that Burke was defeated at the next election.

Mr. Leggatt: Yes, I was aware that Burke was defeated following the magnificent speech that he gave. I do not know whether that was the issue on which he was defeated, but as I have indicated before I am happy to go back to my electorate and run on the basis of the decision I have taken. I explained it before I ran in the last election, and I have explained it since. I believe that once this issue, which has been blown out of all proportion in this country, is considered and dealt with, those of us who vote for abolition will all come back here. The public will understand that there are issues other than capital punishment which are of concern to them.

● (1420)

What would happen if the proponents of retention win the vote on the particular issue? Of course, one can say there is still the prerogative of mercy. Well, you know how that prerogative works? I will tell you how that prerogative worked. If the murderer was a well-known person in the community or the son of a well-known person, then the telegrams and the petitions started to pour into the Cabinet. Those with power and those with influence had their sentences commuted. But if a lonely Indian on a reserve had killed his wife, or if the convicted man happened to be a friendless individual in this society, the prerogative of mercy would probably not be exercised. So, the prerogative of mercy is necessarily a discriminatory thing. And the law is very imperfect, too, in the way in which people are convicted. Those with money and those with very good counsel have a far better chance of being acquitted in the courts of this land. So when society exercises the death penalty it will be exercising it in an extremely discriminatory and, of necessity, unfair manner.

I do not intend to say very much more on this subject. I cannot conceive of a country like Canada, which has led the world in many ways, particularly in the United Nations in taking positions in the world which enhance world peace, taking this kind of step backwards. I think we are going to say something about the society in which we live if we make an election to bring the death penalty fully back into this country and, make no mistake, I am sure this would be the effect of a vote defeating the bill before the House at this time.

The hon. member for York-Simcoe has insisted that we are out of step with the society we are in; he has insisted we are out of step with the world community—like South Africa, I suppose, and like Russia and China. I ask him to reconsider. I ask him to let Canada be a country that gives leadership to the world in terms not only of progressing within our own society but of persuading others to progress to a civilized and humane state.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, it gives me great pleasure to rise in the debate on third reading of Bill C-2. I already made my views known in the debate on second reading and the amendments which were introduced; in the few minutes at my disposal this afternoon I would like to give a few new arguments in further support of the position that was mine during all the debates that took place in the last several years and particularly the position taken in the constituency I represent.

Indeed, Mr. Speaker, the people in my riding as well as in the province of Quebec and Canada in general are concerned with the increasing rise in crime in Canada. Not only are we experiencing a rapid increase in the rate of unemployment, the rate of inflation, but also a simultaneous increase in the number of crimes in Canada, and that is of great concern to the population. It seems that the softening of our laws and the tendency of federal and provincial authorities in matters of justice and crime

repression have in a certain way promoted the rise in crime in Canada.

Mr. Speaker, I was completely baffled when I read the evidence given on April 27, 1972, before the Senate Standing Committee on Legal and Constitutional Affairs by Mr. Justice Ciale of the Criminology Centre of the University of Ottawa where he stated that in 1967, according to the last comprehensive statistics available, 1,229,000 crimes were committed in Canada. Of course, those are not murders, Mr. Speaker, but crimes and the figure of 1,229,000 must be considered seriously. Those are crimes made known to police departments; how many others were not reported, how many others are in a certain way legalized? We are sometimes inclined to say that the worst criminals are not always behind bars.

Mr. Speaker, in his testimony Mr. Ciale said the following and I quote:

—with approximately 7,000 inmates in the penitentiary who have gone through the entire criminal justice system including the corrections stream. This is approximately one-fifth of one per cent in terms of crimes committed. So we have over one million crimes, but only about 7,000 people wind up in Canadian penitentiaries.

Mr. Speaker, a very small number of criminals are punished and I feel more and more strongly that they know it. I also believe that police authorities may have had orders not to search too much for criminals for if they were all arrested, we would have no place for them. And although we recently built prisons that look very much like palaces, it remains that the available space is nevertheless limited and the prospect of having to provide for prisoners' needs is disturbing for Canadian taxpayers.

We say that the big criminal or murderer doe not start at the top; he begins with larceny. If he is not punished, he gets worse and worse.

I was reading reports from the United States. For instance, in the March 7, 1973 edition of *La Presse*, one can read the following, and I quote:

The legislative assemblies of two thirds of the 50 states of the United States of America are considering the establishment of capital punishment and in four other states, the legislators already passed laws to restore capital punishment.

The United States Supreme Court decided last July, with respect to cases concerning Georgia and Texas, that capital punishment, as applied in most states, was unconstitutional. The ruling that was passed, the vote being five against four, nevertheless leaves the door open for the establishment of capital punishment, provided that the latter be uniformly applied.

An Associated Press survey shows that the capital punishment issue has been brought up in nearly all states. Most of the projects being considered maintain the death penalty for the murder of a police officer or a fireman, a murder during a plane hijacking, and various other types of murders, including murder committed during another criminal action.

This shows, Mr. Speaker, that legislators and police officials in the United States are concerned about the rise in the crime rate and are studying the possibility of taking action to rectify the situation.

In the newspaper *La Presse* of September 7, 1973—which is not that long ago—Mr. Jean Pochet wrote as follows, and I quote:

In 1972, there were 18,520 murders committed in the United States (900 more than in 1971), and 54 percent were committed by means of handguns. One hundred and eight policemen were shot with firearms. Nearly 100,000 people were threatened with a handgun, and 245,000 armed robberies were committed.

To this first group of figures, let us quickly add a second one. Each year, 1,800,000 Americans purchase a handgun. The national figure for handguns is about 30 million. To which we must add more than 60 million guns of all sizes.

Nearly one out of every two Americans has the means to kill his family, his neighbours, a stranger or himself. In the single week between March 4 and 11, 1973, 325 people were killed. The victims were wives, husbands, children, lovers, robbers, robbed people, policemen on duty. As a whole, 40 per cent more than in 1969!

● (1430)

A visit to a psychiatrist in the United States often costs $40 while the purchase of a hand gun only amounts to $8.

Therefore, for a hare-brained American, it is less expensive to revenge himself than to use another means to understand a situation. This is what is happening in our neighbors' country, but at home, it is not so different, proportionally.

In the *Montréal-Matin* of September 21, 1973, it is reported that a murder was committed and that the murderer had killed the wrong person. That is too much! One does not even care to ensure that he is going to kill the right person. And in the case I have just referred to, it was the 32nd murder in that city this year. People kill because the hot dog they are served is not hot enough; they kill for almost any reason; they shoot on all sides, it has become a real jungle.

Then, Mr. Speaker, no wonder the Canadian people are increasingly concerned about this situation. And we are right to be concerned as well and to take the necessary steps in order to correct this situation and stop the crime upsurge. We must try to find out the causes of this situation but in the meanwhile, if we amend the Juvenile Delinquents Act, I sincerely think we are to blame. We don't care enough about the situation and despite some efforts, we have still an enormous task in this respect. And we make our young people believe by all sorts of means that once their studies are finished, they will get all opportunities to earn their living. But after their studies they find they have been misled because we cannot give them what we promised. In many instances, they cannot find a job in the trade or profession of their choice. Discouraged, they have to find another way to earn their living, but it is not always a good one.

Recently in my area, we witnessed a murder which disturbed the public opinion. A well-known and esteemed man owned a little business profitable enough to make a living. One evening, two young people who preferred to live by theft and rapine, came to rob him of his money but because he had the courage to defend himself, he was murdered.

Today, this happens everywhere. It starts with a theft and when people offer some resistance they are murdered or shot. Mr. Speaker, I think we must put an end to this situation and make potential criminals understand that if they want capital punishment abolished, they must begin by refraining from committing crimes.

Mr. Speaker, I think that we should restore the death penalty not for any case, but to punish capital murder, according to the provisions of the 1961 amendments. In my opinion, the danger of making a mistake is rather remote.

Thanks to justice and the appeal procedures, the accused can use every means to defend himself. When it has been shown that a murder was premeditated and committed in cold blood, we should then impose the death penalty so that at least the individuals concerned will know what are the risks by doing so. I sincerely think, Mr. Speaker, that the people will feel protected by the passage of a legislation. Such is their wishes and their will.

[*English*]

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, during this protracted debate more evidence has been put forward by those who favour the bill and those who oppose it. What I should like to do this afternoon is not simply repeat what has already been outlined but rather deal with certain basic arguments advanced by those who support Bill C-2, arguments which I suggest lack fundamental logic. They are inconsistent. They do not ring true. They are not convincing to the people of Canada and should not convince members of the Parliament of Canada.

The first is the question raised by those who advocate abolition under the guise of this bill which does not abolish the death penalty but restricts it to certain crimes, namely the murder of a police officer or the murder of a prison guard. These people ask what good would the death penalty do the victim. We might very well ask the Solicitor-General (Mr. Allmand) what good the death penalty for the murder of a police officer or prison guard will do any victim. That is the question which arises. If it is a logical question for him to ask what good would the death penalty do the victim of any homicide, why then does he bring into the House a bill that provides for the death penalty of the murderer of a prison guard or police officer? He asks us to support something which, in his thinking, does not do any good.

● (1440)

Mr. Allmand: Right.

Mr. Stackhouse: Oh, then he believes he is wrong. Right is wrong. That is an example of the double talk which you get from this minister and, indeed, from the government in general. The point is that there is no death penalty that can be devised which would do any good for the victim. It is not logical to say: let us abolish the death penalty because it does nothing for the victim, and at the same time not abolish any death penalty. What good does it do the victim to incarcerate the murderer in a penitentiary? Is the NDP advocating that we abolish the penitentiary services? The point is that the death penalty would not only be a punishment of the murderer but a demonstration of society's abhorrence of the crime of murder, and society's serious concern about this threat to public security. Society would be saying to the family of the survivors of the homicide act that we share with them in the devastation, in the tragedy that they have suffered, and we show our abhorrence by demanding that he who has callously taken the life of another shall be prepared to forfeit his own.

I suggest that, as we are practising the law in Canada, we are not demonstrating that to the families and loved ones of the victims of murder. We are sending murderers into penitentiaries, not for a life sentence—we use the term "life sentence" in a euphemistic way meaning that we will send them there for ten years before letting them out on parole—but for a much shorter time after which they can be permitted to go out on temporary absence or day parole. It is possible for a murderer, after a short time in penitentiary, to be allowed out on a temporary absence or day parole so that he can go to university at public expense and enjoy the life of a university student, the life of a campus community. At the same time, however, the family and survivors of the victim of his homicidal act are deprived of the one who was their breadwinner, their father, their husband, the one who was the guardian of the home. That is the attitude that we are showing as a society. That is what we are saying to the family of a policeman struck down by a murderer. We are saying that we will not do anything more to the murderer than give him the opportunity to advance himself.

I submit to you that when we ask the question what good does it do the victim, we should be asking: what good will any penalty do? We have to have a penalty that will demonstrate to the whole of society, as well as to the criminal element, that society has this kind of abhorrence for the crime of murder.

The second point that has been made in this debate by a number of speakers is that they cannot support capital punishment because they believe that life is sacred. This has certainly been a strong point strongly made. But if we believe it consistently, we should ask ourselves: how is it that we vote for Bill C-2 which provides at least the legislative authority for the capital punishment of the murderers of prison guards and police officers. If we are opposed to capital punishment in principle so that we deny the right of the state ever to take a life, how can we possibly, consistently and logically support this bill?

Moreover, how can we support many of the other measures that we endorse in parliament which lead, at least potentially, to the possibility of the state taking human life? How can we support a budget in excess of $2 billion for the armed forces which have the potential for taking human life on a grand scale? We are concerned about the principle involved in the possible taking of life of one, two, three, four or five murderers, but here we are supporting the equipment of the armed forces which could take thousands of lives. Similarly, how is it that we support arming the police forces across this country, all of them having the potential for taking life in the line of duty and in the interests of protecting society? How can we support putting shotguns into the hands of prison guards on the perimeter walls and on the watch towers? How can we give them the means by which they can take the life of an escaping inmate for the great crime of attempting escape from an institution? I am not suggesting that any prison guard would deliberately take the life of an escapee, but it certainly could happen with the use of a shotgun. We would say that, should it happen, a guard would certainly be excused the act since it was committed in the line of duty.

If we are thus supporting all these things—and I think it is right that we as parliament should support them—are we not saying that the state has the right and the authority under the circumstances to take life? It seems to me

that we are logical and consistent only if we take the thoroughgoing pacifist position of saying that the state never has the right under any circumstances to take life. Then, we have to ask serious questions about the state's right to take life in other circumstances, namely in time of war or in the exercise of a policeman's duty.

A third argument that has been advanced in this debate is that capital punishment is too extreme a penalty for society to exact because the courts, being human, are fallible—judges make mistakes and juries make mistakes. There is always the danger of the innocent being convicted and executed. I find this to be a very strong argument. I must say that I am deeply impressed by the need for society to take the utmost care that no innocent person be convicted of a crime and sentenced to death.

However, let us recognize certain other aspects of this point. It shows, not the need to abolish capital punishment, but the need to have an adequate appeal court system, one in which there is ready access to the highest courts of the land so that any person convicted of a capital crime will be able to appeal that sentence and have the trial reviewed in such a way that the highest courts of the land will be satisfied that he had a truly fair hearing when his trial was conducted. It shows, secondly, the need for having some provision for non-capital murder so that any acts of homicide will not lead to a charge of capital murder, unless there is no doubt about the guilt of the person convicted of that murder. Where there is any doubt, certainly where there is any reasonable doubt because a conviction would rest upon circumstantial evidence, there should be provisions for non-capital murder so that the person, if convicted unjustly, would not be executed but would still have the opportunity to have that sentence reversed.

I am saying these things should be, but I recognize, as do all hon. members, that we already have these things; we already have an appeal court system. We already have legal aid throughout the land so that any citizen can have access to the highest courts. We already have provision in the Criminal Code for non-capital murder. In recommending to the House that Bill C-2 be defeated, we are not asking that capital punishment be provided for in the Criminal Code but rather that we return to the 1961 system in which a distinction was made between capital and non-capital murder. At that time a capital murder charge was reserved for those acts of homicide where the evidence led one to believe that the accused committed murder willfully, and with some premeditation.

● (1450)

Under that system we recognized the desirability of having the charge of non-capital murder brought against the accused in cases where there was some doubt, or where the presumption of guilt rested on circumstantial evidence; where there was no premeditation, where homicide took place as the result of an impulsive action, the so-called crime of passion.

The further argument brought before us is that capital punishment does not deter. The evidence for saying this rests on the fact that in the states where capital punishment is part of the legal system there are still murders. I point out that those states represent most of the member

[Mr. Stackhouse.]

nations of the United Nations. That argument is brought forward by many abolitionists as though it were a great revelation, as though it were the final argument to be made, as though there were nothing more to be said. The point we must recognize is that regardless of what penalty we have for murder, or for that matter for any other crime, there will always be some instances of the crime being committed.

If it is logical to say that we are going to abolish capital punishment because in countries where it exists people still commit murders, we could use the same argument to say that we are going to abolish penitentiaries, simply because in our country people are still robbing banks and committing other crimes. People have been committing these crimes for years, and have not been deterred from committing them by prison sentences.

We are submitting that capital punishment has validity since some people are deterred from committing homicide because of the presence of the capital punishment threat in the Criminal Code. We are also suggesting that the growth of the rate of homicide in Canada since the de facto abolition of capital punishment is evidence of the contrary being the result, that capital punishment is in effect a deterrent, and that the lack of capital punishment is one reason why crimes of violence and homicide have increased and are increasing in our country.

A further argument put forward on this matter is that society is at fault, and that we should not bring down upon a single, helpless victim of social ills the final, supreme penalty of capital punishment. If I recall correctly, in his opening address on this bill the Solicitor General said that every murder represents a failure by society. This is an example of the kind of double talk that is permeating our whole thinking today.

Hon. members will recall the satire written in the late 1940's which visualized the world that was to come in 1984. The society that was to develop by 1984 was to be one in which the meaning of many words would be reversed, so that people would think freedom was slavery, war was peace, and so on. Once again we have an example of that confusion of language and thinking in the way some people are now prepared to suggest that when a murder is committed the murderer is not at fault, but the rest of us are. I suppose that, if we follow that through logically, we should all be punished in some way if we are the ones who are really guilty. But that is not suggested, Mr. Speaker. On the contrary, it is suggested that we should minimize the punishment for the person who committed the act.

I submit that our penitentiary system must rest on the belief in individual responsibility. The responsibility of the individual to give an accounting for his behavior is one of the fundamental beliefs of our society, of any civilized society. Unless the individual is responsible for his behavior, then we really cannot expect a society to have any moral foundation at all. We are submitting that the penitentiary system in Canada ought to have the character of individual responsibility as one of its foundation principles. We ought to say to a murderer who has willfully committed that crime, taking from another his most precious possession, life itself, "You are responsible for what you have done. You, having willfully taken the life of another, must be prepared to forfeit your own."

One of the things that impressed me on recently reading a book called "The Valacchi Papers" was the judgment of some friends of the mafia killer, Joe Valacchi, that "Joe believes everybody is to blame for Joe, except Joe." Are we not saying that over and over again in the way we are modifying, changing and adjusting our attitude to law enforcement? We are saying that everybody is to blame for a crime except the criminal. What we must insist upon once again is the need for society to say to the individual, who in effect is making war upon it, "You are responsible for what you have done."

The debate on Bill C-2, Mr. Speaker, has aroused more public interest than any other debate by parliament in this session. One reason for the widespread interest is that the people of Canada feel profoundly about the significance of the issue before us. The people of Canada are concerned not only with the letter of the legislation before us; they are concerned with the spirit that it expresses. As a parliament, we ought to ponder profoundly the message that is coming to Parliament Hill from every corner of Canada, the message which says that people want a firming up in the administration and enforcement of law.

People look upon this bill as symbolizing the attitude of Canadian society. One reason the majority of people oppose this bill is that it does not represent their attitude to law enforcement. People want a firmer, more just law enforcement than this bill provides. If parliament were really listening to the people of Canada it would resoundingly defeat this bill.

• (1500)

In the course of this debate there is one negative aspect of the discussion that has concerned many of us, and that is the way some members have imputed certain motives and certain deficiencies to others. There has been an easy assumption on the part of some of those who favour Bill C-2 and are thus abolitionists, that those who oppose it are blood-lusting sadists, red-necked, narrow-minded bigots who want revenge. On the other hand, those who have argued against Bill C-2 and are thus considered retentionists, are sometimes inclined to think that those who support it are woolly-minded do-gooders, and so on. On the contrary, Mr. Speaker, I think that both sides have come to the debate with honest, serious, heart-searching conviction. In this respect it has been a very good debate and expressive of the best character of parliament.

This House cannot take a decision which will satisfy everybody, but a debate which gives the opportunity to all to express their diverse views, as has this one, is a demonstration of the democratic process. I have welcomed the opportunity to address the chamber, and hope that in the course of the next few days a sufficient number of members will reach the decision that we should defeat this bill in order that the people of Canada may believe their parliament is truly and democratically trying to carry out the will of the people, clearly, forcefully and visibly expressed as that will has been.

Some hon. Members: Hear, hear!

Mr. Peter Reilly (Ottawa West): Mr. Speaker, I have already spoken in this chamber on this matter; I have written magazine and newspaper articles on this topic; I have appeared on radio and television programs in support of Bill C-2—and here I am, back for another try. This is not because I enjoy talking with a lower jaw that was recently smashed in a car accident, but because I do not give in easily. I hope, just as fervently as the hon. member for Scarborough East (Mr. Stackhouse) hopes that he can convert people to his cause, that I can convert one or two people to mine. This is going to be my last shot at it and I hope hon. members will find it a good one.

Earlier this afternoon the hon. member for York-Simcoe (Mr. Stevens) said he had assumed, on the basis of last night's vote, that the government was not allowing its people a free vote at all and that we were going to have Bill C-2 rammed down our throats. I think he is wrong. I am not worried about any tyranny exercised by the Prime Minister (Mr. Trudeau) or his followers: if any evidence is needed of that, there is the fact of the lunatic amendment to provide capital punishment for murder committed during rape. I do not know how that ever got on the order paper. Apart from the morality involved in the commission of rape, it is one of the most lunatic propositions ever put forward, especially when you consider the burden placed upon the Crown prosecutor to obtain a witness in a case of that nature, the victim having been already killed. I do not think we need to fear tyranny from the government. I think it will be a free vote over there as it certainly will be over here.

If I become any more unpopular in my own caucus for espousing a cause, Mr. Speaker will have to put my chair in the smoking lobby because no one will sit beside me. I am not afraid of the tyranny of the Prime Minister or anyone in this House I am not afraid that the whips are going to be laid on us and that Bill C-2 is going to be rammed down our throats. What I do fear, Mr. Speaker, is the tyranny of the so-called public opinion poll.

Some hon. Members: Hear, hear!

Mr. Reilly: We have seen members of parliament stand in this House, go on radio and television and be interviewed by the media, saying, "I, personally, do not believe in capital punishment. I think it is a terrible thing to take another human life. But I have surveyed my riding, I have sent out a questionnaire and the results are conclusive and overwhelming; the majority of my constituents want capital punishment to be retained and therefore I shall have to vote against Bill C-2 and for the retention of capital punishment in all its aspects."

Mr. Speaker, I say to these people that they are doing one thing and one thing alone: they are putting their consciences up for sale. They are bidding for votes at the next election. If they truly believe that capital punishment is a bad thing, let them have the guts to stand up like men and women, state their positions, vote according to their positions and take the consequences next time the only real ballot that means anything is taken—that is, at the next election. Let them have the courage of their convictions and not hide behind this phony defence of a poll. In many instances the polls that I have seen ask, "Are you opposed, or not opposed, to capital punishment: yes or no?" Not any choice, not any option just—"Do you oppose, or favour, capital punishment: yes or no?" That is it. Those

polls are phony, Mr. Speaker. The only poll that counts is the poll taken on election day.

I have been accused of taking the position that I am going to vote against the will of my constituents because I have not taken any poll. I have not consulted my constituents on this matter, and I have no intention of doing so because I consulted them on October 30 last year. On that day last year, 55,024 votes were cast in Ottawa West and all but 245 were cast in favour of candidates who had publicly declared, in a record number of candidate meetings, some on television and radio and all reported in the local press and nationally—I cannot think of a riding in which more interest was shown by the media—and put themselves on record as opposing capital punishment and favouring Bill C-2.

There cannot be any doubt in my mind where my constituents stand on the issue, Mr. Speaker. There was over an 80 per cent turnout at the polls, and those who voted for me voted for a candidate who had publicly pledged himself to support a five-year extension of the legislation in existence, which is the idea that we now see embodied in Bill C-2. My Liberal opponent took the same position, as did my NDP opponent. The only one in favour of doing away with Bill C-2 and reinstating capital punishment was the Social Credit candidate who received those 245 votes.

If members are interested in polls or opinion-testing, attitudinal surveys or whatever you want to call them, I can tell about one which is more scientific than the ones used here, which are just drops in the ocean and touch one householder out of eight or nine voters. This survey was conducted by a man at the University of Western Ontario. I will not give his name because I have not been in touch with him to get his permission. He selected a sampling of people in the city of London, Ontario, who to his best knowledge and that of his associates made up a representative sampling of the people in that city. He sent out experienced interviewers. I will not go through all his findings, but here are his conclusions:

● (1510)

The most direct implication of the present study, however, is that some of the motives and characteristics associated with favouring the death penalty are inconsistent with important Canadian values and goals. Canadian people and institutions formally endorse the principles of humane legal justice, democratic as opposed to authoritarian values, and equality for all citizens. The present survey suggests that people who favour the death penalty, especially those who favour it most strongly, are likely to have characteristics which are anti-thetical to these values and goals: they are more likely than persons opposed to the death penalty to be seekers of vengeance and punishment, to hold authoritarian instead of democratic social and political beliefs, and to score high on measures of prejudice. These conclusions would seem worthy of consideration by political, governmental, and legal decision-makers; simply noting percentages in superficial public opinion polls is not enough.

I submit that, counter to the nineteenth century views expressed by many of the proponents of the return to the Dark Ages, the problem that the people of Canada face is not that of murder. There is no "Mack the Knife" around every corner, ready to stick a knife in your back. The people of this country do not go to bed worrying about being murdered in their beds. On the other hand, they are

[Mr. Reilly.]

concerned about the rising incidence of crimes against the human person which fall short of murder.

Let me quote some statistics in connection with Ottawa. I chose the month of August, 1973, at random. It is usually hot in August in Ottawa, and if there is ever a time when violent crimes or murder may be committed in this city, it is in August. There were no murders, no manslaughters and no attempted murders. There was one rape and ten other sexual offences. There were 89 assaults, and 17 robberies. In the year 1972 there were five murders, no manslaughters, one attempted murder, and 12 rapes; there were 145 other sexual offences, 18 woundings, 973 assaults, 184 robberies, and so on.

Our legal system provides stiffer jail sentences for stealing somebody's property than for beating that person half to death. I suggest that we need in this country a thoroughgoing review of the sentencing provisions of the Criminal Code, of the bail provisions, of weekend tickets of leave, parole and other associated provisions. I have said so to the Solicitor General personally and I have said it to him in writing. I believe that is the thing all the people of Canada have the right to be concerned about. The passing of a law that will give the state the right to execute another human being is not going to remove the legitimate fears of our citizens that they may be the victims of violence directed against the person which may fall short of murder.

I will give an example, right here in Ottawa. A few months ago a small store on St. Laurent Boulevard was held up. An innocent bystander was shot and killed in that robbery. Three men were arrested in connection with the robbery. Two of them at that time were out on bail for the offence of possessing a sawed-off shotgun. Actually, I believe the weapon was a sawed-off 22 caliber gun, which is of no use to anyone except for criminal purposes. I could not hit the Minister of Supply and Services (Mr. Goyer) from where I stand with a 22 caliber sawed-off gun, no matter how good my aim is. A gun like that is no good for target practice, no good for pest hunting and no good for anything except holding people up. And you can buy such a gun in any store that sells it so long as you have the $10, or whatever it takes, to buy it.

That people who were hauled in for possessing such a weapon should be turned loose on bail is incomprehensible. Those people were turned loose, just like the snap of a finger, on their own recognizance. I do not want to prejudice their trial and I will not mention any names. In fact, I do not know what has happened to the case. However, if it turns out that they are guilty, we ought to look at two choices—the return to capital punishment, or my suggestion that we pass Bill C-2 and concentrate on stricter bail laws and parole regulations. If we go back to the Dark Ages by resurrecting capital punishment, in the end three people will have been killed, the man who was shot in the store and the two men who will presumably hang for murder if they are found guilty.

If my formula had been followed, nobody would be dead because those men would not have been loose on bail to kill an innocent man, and they would not be executed. We call ourselves civilized, yet sometimes after listening to some speeches I wonder how civilized we are. I could think of a great many crimes for which we ought to

prescribe the rope, if we are to include murder as an offence punishable by death. I do not think we ought to kill anybody for anything. Several members who want to see Bill C-2 defeated have been almost Jesuitical in their arguments. They force reasonable people into a compromise position and then turn that compromise position against those people and say that is a reason for not adopting the principle at all.

Those of us who support Bill C-2 do so with reservations, of course. We do not believe that there should be capital punishment for any cause at all; but we are prepared to accept, under pressure, the idea that there may be a certain deterrent effect in the case of prison guards and police officers. And because we are trying to meet the legitimate objections of people who want to hang everybody in sight, what happens: they turn our own decency and our own middle of the road position back on us and try to make this into an argument for rejecting the whole thesis.

If we are to retain the rope, I can suggest a few more categories that might be included in the law. Let us bring to the gallows the directors of companies who run off with company assets, so causing the company to go bankrupt and pouring down the drain the savings of widows, pensioners and orphans. Send to the guillotine all governments that create half a million unemployed deliberately and so kill people, perhaps less quickly than by the gun but none the less effectively. To the guillotine with those people! Send to the guillotine landlords who charge extortionate rents. There is a whole list of people who commit crimes infinitely more harmful to our society than the killing of one human being.

The fact of the matter is that by far the majority of murders in this country, or crimes that are classed as murder, are the result of domestic disputes. Usually the victim is related in some way, often by marriage, to the executioner. The person who commits the crime is not a criminal; yet those people are referred to by certain hon. members as "those members of the criminal element" as though such murders were deliberately committed. They are not. They are committed by men and women who have been pushed too far, so they commit a crime. They are not criminals, and the purposes of our society are not served by their spending one day in jail. But there are other people who commit crimes of violence which fall short of murder. They, in my opinion, ought never again to see the light of day except in the exercise yard of a prison.

Everywhere I have gone in this country I have spoken to audiences that heretofore had been in favour of the reimposition of capital punishment. Everywhere I have gone, people have come up to me and said, "By God, that is a proposition that makes sense, because you are right." Murder is not the rule. It is crimes against the human person that we ought to fear. We punish more severely offences against property than we do crimes against the human person. As I said before, it is possible for a criminal to be given a stiffer penalty for stealing my car than for beating me unconscious. We glorify so-called athletes who batter each other around in the plain view of millions watching an NHL game on television. Those people are considered to be heroes. We do not prosecute them for causing bodily harm to one another; we applaud. We do not censor our children's television programs to make sure that violence is removed from those programs, as we ought to do.

If the people of Canada are worried about anything, it is not that they are going to be murdered as a result of a meticulously carried out, exquisitely planned execution. What they are worried about is that they may be assaulted and robbed as they walk through the park at night, that their daughter may be raped, that their little child may be molested by a sex pervert, or that they or members of their family may be run down by a drunken driver. Those are all legitimate concerns.

• (1520)

I suggest this parliament would do much better to address itself, its energies and its time in meeting those legitimate concerns, to a proper review of sentencing, parole and bail regulations than by spending a great deal more time discussing whether it is right or wrong to kill a human being, regardless of what he or she has done, because there is only one answer to that proposition: it is wrong—and there is no way around that answer.

Mr. Don Blenkarn (Peel South): Mr. Speaker, I have no intention of speaking in this debate other than to comment on some of the things I have heard in the House as this bill has wound its way wearily through this session. There was supposed to be a free vote by members of the House on this bill. I suggest that proposition is utter drivel. Yesterday the Solicitor General (Mr. Allmand) made it very clear that this is a government bill, a bill introduced by the Liberal government of this country as a government measure, and that the government would—as it indeed has—support the bill completely on every division despite the personal feelings noted by many members on this side and on the government side on an individual basis.

This is a government bill on which the government has deliberately unified, and it has been presented, supported and pushed through this chamber as quickly and as hard as it could be. Despite what the hon. member for Ottawa West (Mr. Reilly) said, the government has used its resources to influence the number of members who were here who may not have wanted to vote for the bill. The government has used its resources to put pressure on people.

Some hon. Members: Oh, oh!

Mr. Blenkarn: There is no question about it. It is not a free vote on a bill when there are other forms of pressure that that available to the whips.

Mr. Marchand (Kamloops-Cariboo): Maybe we pressured your leader, too.

Mr. Blenkarn: The foolishness and silliness of this bill was exemplified by the activities of the minister when the bill was before the committee. The minister made a farce of the committee. He attempted to change the whole concept of the bill. He said: Members of the committee, I do not even believe in capital punishment. I want people to be put in jail for 25 years. I want to abolish the whole thing.

Capital Punishment

Mr. Allmand: Mr. Speaker, I rise on a question of privilege. I never at any time suggested that a man be put in jail for 25 years as a minimum sentence. I ask the hon. member to withdraw that statement or produce evidence to the contrary.

Mr. Peters: You said ten years by regulation and ten years by the judge.

Mr. Allmand: I rise on a further question of privilege, Mr. Speaker. The hon. member for Timiskaming (Mr. Peters) is also wrong.

The Acting Speaker (Mr. Laniel): Order, please. I wish to remind hon. members that they are allowed to raise points for the purpose of making corrections, but when it comes to debate hon. members should make their own speeches and give their own interpretations. In due time they can make their speeches and it will all be balanced in the end.

Mr. Blenkarn: Unfortunately, I was not able to be at all the committee hearings.

Some hon. Members: Oh, oh!

Mr. Blenkarn: I was involved in other matters. I may have misread the report. One member proposed an amendment that imprisonment be for 25 years. The minister did suggest a long prison term. The government wanted to get out of the whole concept of capital punishment but did not have enough nerve to bring it before the House. They were a bit disappointed with the original bill and wanted to change it when it got to committee. Fortunately, that change was not in order.

Rather than stand by their principles—and members may well ask, what principles—they decided to carry on with the bill in its present form. Even though the minister has admitted he does not believe in its principle, he still wants to press the bill through the House as a government bill. We have the strange situation where this government is trying to impose on the people of Canada a government bill that the government does not believe in and does not really want. The minister improperly tried to change it in committee. He did not have the guts to withdraw it and issue another bill calling for the complete abolition of capital punishment, if that is what he really wants.

As the hon. member for Scarborough East (Mr. Stackhouse) said, we have a situation of "newspeak". If you are in favour of the abolition of capital punishment, under this bill you vote for capital punishment for those who murder police officers and prison guards; if you are against the abolition of capital punishment, you vote against capital punishment for those who murder police officers and prison guards. What "newspeak" this government has produced in the name of abolition! What "newspeak" this government is trying to press on Canada!

A lot has been said about constituency polls and what the people of Canada feel. This kind of thing goes on in Canada all the time. I have taken constituency polls by the usual mail-out. There is no question about it; they are not statistically accurate. However, a statistically accurate poll was carried out by students of the T. L. Kennedy secondary school at Mississauga. That was done with all the finesse possible in the system of taking public opinion polls, by students who were studying and working on that matter. It showed in excess of 80 per cent of the people polled were in favour of capital punishment.

My own mail-out in December of last year, which I admit is not statistically accurate, showed 70 per cent of the people in favour of capital punishment. In September of this year, when the question was asked, "Do you support the complete abolition of capital punishment?" 88.6 per cent replied "No." When they were asked, "Do you support the bill as it now stands?" 89.1 per cent replied "No." You can say those polls are not accurate; you can say any poll is not accurate. As the hon. member for Ottawa West said, the only accurate poll is the one taken at election time. Several other hon. members had better realize that the only accurate poll is taken at election time.

• (1530)

If this issue were a key election issue on which the election of a party or a member would stand or fall, then I suggest those who vote for abolition of capital punishment in the "newspeak" method the minister has presented to this parliament will not return. These members do not trust the public of Canada. They think they are superior. They are superior to people who work in offices, to people who drive buses, to people who live in apartments, to people who really work for a living, because they sit in this great chamber and know better than their constituents how they should be treated. Perhaps we should throw out the entire judicial system which lets the jury decide. Perhaps we should let the superior men and women decide what is best for the poor public.

There are many issues in this country that the average person on the street may not be ready, willing and able to decide. That is why there are members of parliament. They examine issues across Canada, get the facts, and are given research facilities which the ordinary guy on the street does not have. This is why we are elected. Nevertheless, on an issue such as this, which is a clean question of: How, Mr. Citizen, do you want your Criminal Code written under which you and the rest of society are going to be governed?—between 80 and 90 per cent say they want to retain capital punishment in the Criminal Code. Only 1.1 per cent of the people in this poll are undecided on that question.

It is not a case where the evidence has not been put before the people of Canada. They have had the evidence before them for 10 or 15 years. These are people who are obligated to pay the penalty under the Criminal Code, as are we, and these people say, and say clearly, that they want a symbol—I say that this whole debate is totally symbolic—in our criminal jurisprudence that indicates that if a person commits a heinous murder, he pays for it with his life.

Before this bill comes to a final vote hon. members had better realize that this question is going to be an issue with people in the next election. The people of Canada expect their members to trust them, to look at their opinions seriously, instead of discarding them holus-bolus on the ground that those they represent do not have the ability to make up their own minds. I say members who vote against the opinion of the people of Canada had

better have some darned good explanations to give them. There is a demand in this society of ours for justice. Our society today is looking at the symbol of capital punishment to show that our Criminal Code means business.

A lot has been said about the right of the Crown to exercise the ancient right of clemency. The hon. member for New Westminster (Mr. Leggatt) suggested that that right of clemency has been available only to the rich and the privileged. That is the kind of remark one would expect from a member of his party. That is not at all the case. The prime minister has been exercising clemency in every case since 1962. This right of clemency, on recommendation to the Governor General, whether exercised properly or not, remains the prerogative of the Crown and has been a prerogative of the Crown since time immemorial.

The right of the Crown to exercise clemency, leniency and justice is inalienable. To suggest that it is used only for the benefit of the rich and the privileged is utter nonsense. Our people want a symbol in the Code that provides the maximum penalty for those who commit the most heinous, miserable and horrible crimes contemplated by the Code, including not only murder but treason. This provision of the maximum penalty must remain in our Code.

It is essential in this nation that our criminal law reflects the concepts and ideas of the people of Canada. The people of Canada, including our police forces, prison officials and public officials generally who are in charge of the administration of the Code say that the Code must have the respect of the people. Without this maximum penalty provision in the Code, the Code will not have the respect of Canadians. It is imperative that criminal laws which affect every one of us have our respect.

When we make criminal laws that do not reflect the mores of the society that governs us, we breed disrespect for those laws and for our judicial system. In the result, we hurt all of Canada. This bill and the votes on it are symbolic in that respect. Our system of law must respect the mores of the society it governs, and that society clearly demands that there be capital punishment. When we tell society to go away, that we will not give them capital punishment, we breed disrespect not only for the Criminal Code but for all our laws.

● (1540)

This is one of the reasons for the growth of violence and the growth of disrespect for moral issues shown throughout our society. Perhaps people are not respecting the law. Perhaps they say: Oh, it doesn't matter what the law says. Parliament can do what it wants. That is not the thing that should happen. Parliament must pass laws which reflect the mores, desires and will of the people it governs. This whole debate has turned into a symbolic thing and on that basis, if on no other, the bill must be defeated.

The past election has been referred to. I said there should be capital punishment for murderers of police officers, prison guards and perhaps for airline hijackers and paid killers. There has been a great deal of pressure, a great many speeches, a great many killings since that time. It has been pointed out to me that to say just hijackers, just paid killers, does not cover all of the aspects of heinous, premeditated murder. It has been pointed out to me that the killing of a police officer may not be nearly as serious as the cold-blooded murder of young children. Yet the cold-blooded murderer of young children will go into our luxurious prison system from which he can probably escape if he wants to, and the person who happens to kill a police officer in a gun battle will hang. I have not hardened my views. I have said that we must better define what is a heinous, premeditated murder and provide for capital punishment in those cases.

It was my hope that when this bill went to committee there would be some real study, an honest attempt by the government to try to develop a position toward the Criminal Code which would bear some acceptance by the vast majority of Canadians. But we did not have that right. The government decided it was going to play hanky-panky with the committee, hanky-panky with the people of Canada and do what it wanted.

A great deal has been said about the question of deterrence. It is clear from the government's view of the bill that the government regards capital punishment as a deterrent, otherwise Bill C-2 would not have been presented to us. The government says that if we provide capital punishment for the murder of police officers and prison guards, that is sufficient deterrent. The question of deterrence has been raised by many. I refer hon. members to the whole Criminal Code system. The Criminal Code provides that if you commit a crime you receive a penalty, and the concept of the penalty is that it will deter others from committing the same type of crime. Therefore, for impaired driving we provide a minimum fine of $50 and a minimum three months' suspension on the first offence, and it does not take long before you face a minimum six months in jail or a minimum never drive again penalty. All of us know this has deterred some of us from imbibing more than we might otherwise have done.

We come to the question of car theft, for example. We provide for a minimum sentence of one year. Perhaps it does not deter people from stealing cars, but it sure as heck has an effect when a case comes before the court, because there is another offence called joy-riding and there is a real attempt to reduce the charge from stealing because, they say, perhaps that sentence is too rough. Maybe the deterrence of capital punishment is too rough, but the people of Canada do not think so. I say to the minister that the Criminal Code is governing the people of Canada. He is not governing the people of Canada. He is not a dictator. The government is not a dictatorship yet.

The Acting Speaker (Mr. Laniel): Order. I regret to interrupt the hon. member, but the time allotted to him has expired unless he has the unanimous consent of the House to continue.

Some hon. Members: Continue.

Some hon. Members: Two minutes.

Mr. Blenkarn: I shall conclude what I have to say in two minutes. I thank hon. members for allowing me to do so. It is essential that we develop something to improve our society's mores, our society's attitude to life, our society's respect for law and indeed cut down the amount of violent crime and other offences that are occurring. A lot has been

said by members about the present penal system. We are not happy with it. A committee of this House has been touring the countryside looking at our penitentiaries, and I hope it will soon make a report to this House. One of the things I have heard from members of that committee is that the system is not working well. We are not in fact reforming some of the people who cannot be easily handled, and we are not keeping them under control as we should. Some people are pretty dangerous types and are pretty horrible types. With some people you begin to wonder whether they are people or not. So we have to do a great deal of work in prison reform. That is where the time of the House should be spent, not on this debate.

What we must do is build a more loving society and work on systems that can reform and change people. If there was ever an argument for capital punishment of those who commit heinous murder, the argument is this: the system does not protect us against a person murdering a second time. From the matter in which we have run our prisons, from the inability of our prison system to reform dangerous criminals, persons on the street who may fear for their lives are entitled to demand the protection which the death penalty gives.

[*Translation*]

Mrs. Albanie Morin (Louis-Hébert): Mr. Speaker, it seems to me that everything must have been said on capital punishment, judging by the number of debates we had and the length of speeches delivered on this subject. Many things have been said, but one surprised me particularly. Not a single hon. member cared to discuss the lot of the murder victim. We did not ask ourselves what we could do to save the life of the victim of a rape or of a kidnapping. We talked about parole, penitentiaries, in short about things which were not relevant at all to the amendment I had introduced.

Anyway, we talked about the value of life, but we did not say a word about the life of the person who has been assassinated. We have also said that capital punishment was not a deterrent and we proved it with several statistics. This proves absolutely nothing because no potential criminal or no confirmed criminal will come and say: I was prevented from assassinating someone because of capital punishment. It proves absolutely nothing. Yet, a criminal arrested recently boasted that he had killed 28 persons in different countries, some of them in the province of Quebec. With capital punishment, the lives of several of these victims would have been saved, including the lives of two fathers of several children; not a single word was said about it.

Here is the best proof that capital punishment is a deterrent: during recent weeks, we visited 15 penal institutions and all but four guards assured us that capital punishment was a deterrent because, for a prisoner sentenced to life imprisonment one or two murders do not make any difference; he is sentenced to life imprisonment in any case. This is proof it is a deterrent, particularly among prisoners.

In everyday life, no criminal will come and say he was prevented from killing because of capital punishment. A lot has been said, including some platitudes spoken a few minutes ago by the hon. member for Ottawa West (Mr. Reilly), but—

[Mr. Blenkarn.]

• (1550)

[*English*]

The hon. member for Broadview (Mr. Gilbert) when referring to my amendment said that what appears to be rape is the result of provocation or invitation. Let me refer to statistics. From 1961 to 1970, 86 women were killed as a result of sexual assault. Of these 86, 21 were under 15 years of age. So I ask the hon. member, where is the invitation or the provocation when a young girl of two, three or four years of age is involved?

Mr. Peters: Ask me about the 15 year-old ones.

Mrs. Morin: I am referring especially to young girls under 15 years of age. The hon. member for Broadview further mentioned that I had a certain hangup with regard to the crimes of kidnapping and rape, that there was an emotional involvement in my presenting the amendment and therefore it was difficult to be rational about it.

The hon. member evidently did not listen to my speech. I wonder where the irrationality is when I explained that the criminal act of kidnapping was a two-stage decision, and stressed this point particularly. There are two separate criminal acts in the case of kidnapping. Once the kidnapping is carried out, where the aim is ransom money or the liberation of a criminal, it is logical to assume that before the victim is put to death the death penalty will have a deterrent effect. It is only logical to think that. Anyone who is mentally unbalanced is never sentenced to death, anyway.

Another hon. member mentioned that in the United States capital punishment has been abolished. I have a little bit of news for him. I should like to remind this member, first, that a year ago after the Supreme Court outlawed capital punishment, the legislatures in 17 states introduced new laws to meet the objections raised by the Supreme Court. Second, Congress has a variety of bills aimed at overturning the Supreme Court's ruling. Third, President Nixon has called for legislation making capital punishment mandatory for certain federal crimes, including hijacking. So rather than capital punishment being abolished, it seems that some convicts will be sentenced to die in the electric chair or in the gas chamber.

The Solicitor General (Mr. Allmand) suggested that many rapes are committed under severe emotional stress when the accused is under the influence of liquor or drugs. I should like to remind the minister that when psychologists, psychiatrists and psychoanalysts testify to the effect that the individual is not in full possession of his faculties, this is always taken into consideration. I should like to repeat this—

[*Translation*]

—that the ultimate goal of my amendment was mainly to prevent the murder of kidnapping and rape victims.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to congratulate the hon. member for Louis-Hébert (Mrs. Morin), who is not afraid to give her opinion and to express her convictions. I even wonder if she would not be more at ease among us Creditists, because when amendments to legislation as important as Bill C-2 are put to the vote and that this vote is said in the House, in the

newspapers, on radio and on television to be a free vote, I wonder if the purpose is not to laugh at the Canadian people; I wonder if it is not to mislead them to make them think that there is a free vote on the capital punishment issue.

I noticed yesterday—I do not wish to make any comments on the vote—that cabinet solidarity is a fact. Members representing constituencies which are completely opposed to the abolition of capital punishment rose to vote against the logical amendments that were before us, but they are ready to vote on third reading for the adoption of the bill as it is now. Besides, some members did not show up in the House to vote because there had been an agreement not to concur in the amendments in order that the government win its case as a result of the vote. That is exactly what occurred yesterday. There is only one solitary group, which has been following its policy since the beginning of this discussion, that is for five years, and it is the NDP members' group who are "against" the abolition of capital punishment.

An hon. Member: They are in favour of abolition!

Mr. Caouette (Témiscamingue): They are in favour of abolition. Even Bill C-2 stipulates that, for another five year period, the extension of the law would have for result that murderers of a policeman or a prison guard would be likely to be sentenced to death.

Recently, that is on last May, in the Senate, the Hon. Paul Martin said, and I quote:

Honourable senators, on Tuesday last Senator Choquette asked me for information as to how many persons have been found guilty of murdering prison guards and police officers, and how many have been executed, since the passage of an act to amend the Criminal Code, Statutes of Canada 1967-68, Chapter 15.

The legislation was passed in 1968 but brought before this House in 1967.

The office of the Solicitor General has now advised me that six persons have been found guilty of such a murder and none has been executed. Four sentences were commuted, as follows:

DATE OF CONVICTION	DATE SENTENCE COMMUTED
11 April 1968	3 July 1969
20 January 1970	4 February 1971
12 March 1970	23 December 1970
15 October 1970	24 February 1972

The two other cases, in which the trial courts registered convictions and passed sentences of death, are still before the courts. One of these cases is before the Quebec Court of Appeal and the other will be before the Supreme Court of Canada, if an extension of time is granted.

Mr. Speaker, after this legislation was passed, there were six convictions but no execution. I therefore wonder about the usefulness of such a law. Why are we discussing a piece of legislation if it is not complied with, if it is not applied? The government and the Solicitor General (Mr. Allmand) favour the total abolition of capital punishment. That is exactly what we are doing right now. The provisions of the law are not followed and we are about to renew for five years this same law, which condemns and commutes sentences. Commutations follow condemnations.

Mr. Speaker, murderers laugh in their sleeves when they see this. The hon. member for Louis-Hébert (Mrs. Morin) just mentioned a typical case, that of Mesrine, who has recently been recaptured in France. He boasted that he had killed at least 28 or 30 people and stated boldly: I am ready to kill others. He likes it. It is a sport for him. He is arrested in Canada, he escapes, he is recaptured, he escapes again; it is easier to get out of jail than to get in.

Mr. Speaker, Mesrine was caught again in France. He could easily earn his living: he was an architect. All he had in mind was to kill.

Another one with whom we put up until he killed four young children was a man named Dion, from Quebec City. The law did not deal with him. His own jail companions did: they executed him. Meddling with the law like that does not make any sense. Mr. Speaker, I heard some New Democrats say: In developed and civilized countries, the death penalty has been abolished. However, in all socialist countries of the world, the death penalty is still in force. The death penalty is there.

Members of the New Democratic Party should go to Cuba and try to oppose Castro, and let them tell me whether the death penalty does not exist there. They should go to Morocco and see whether there is no death penalty. There is not even a trial. Let them go to Russia and oppose the communist government to see whether they will put up with them. Let them go to China from where our Prime Minister has just returned. The firing squad speeds up things over there.

Mr. Speaker, I hear the New Democrats speak of civilized countries—but is killing young children civilized? As stated by the hon. member for Louis-Hébert (Mrs. Morin), little girls of seven, eight and nine years old are the victims. The hon. member for Timiskaming (Mr. Peters) said: When they are older than 15, they may have made advances, but not those of 7, 8 or 9. It is mere bestiality on the murderer's part.

Everybody knows what a murderer is. We try to rehabilitate him, as the former Solicitor General said, who is now Minister of Supply and Services (Mr. Goyer), but society does not want him anymore. This minister would not hire a released murderer. Myself, I would not hire one in my business. Then, what can a released murderer do? He only can keep on killing, committing armed robberies and doing as he did before being imprisoned, condemned and released.

Mr. Speaker, surveys have been conducted throughout Canada on the issue of capital punishment on which we will vote freely, maybe not this afternoon but probably Tuesday, because too many members will be absent Monday.

Some ministers who are strongly opposed to the abolition of capital punishment will have to vote for it. They will have to explain away their action to their constituents.

But all sorts of organizations are opposed to the abolition of capital punishment. For instance, my friends from the New Democratic Party—

● (1600)

[*English*]

Mr. Deputy Speaker: Order, please. Would the hon. member for Témiscamingue (Mr. Caouette) permit a question from the Minister of Supply and Services (Mr. Goyer)?

Mr. Caouette (Témiscamingue): Of course, Mr. Speaker.

[*Translation*]

Mr. Goyer: Mr. Speaker, while the hon. member for Témiscamingue is looking for his papers, I might perhaps help him by putting a question to him. The hon. member says that a number of members can vote as one man for the abolition of the death penalty, but knowing very well the discipline and the disciplinary talents of the leader of the Social Credit party, could he explain why all the members of his party, without exception, will vote for the retention of capital punishment? Is that freedom?

Mr. Caouette (Témiscamingue): Mr. Speaker, that is just about the most stupid question I ever heard, but anyhow, supposing that it is intelligent, I suggest that everyone of my colleagues of the Social Credit party will freely give him a personal answer, without having consulted me concerning capital punishment. None has received any instruction from me to vote either for or against capital punishment. And the minister may smile or laugh as much as he wants—

Mr. Peters: The same is true of us.

Mr. Caouette (Témiscamingue): I did not say that the New Democratic Party had to toe the party line; I said that the ministers had to.

Mr. Goyer: Prove it.

Mr. Caouette (Témiscamingue): Mr. Speaker, I undertake to prove to the minister of Supply and Services and former solicitor general, in his own riding, that he is wrong and I am right.

Mr. Goyer: We are going to compare our majorities.

Mr. Caouette (Témiscamingue): Sure, and I would be pleased to do so. Mr. Speaker I was saying that we are receiving comments on Bill C-2 even from labour organizations, and my friends of the NDP are experts in union matters. I have here a letter received from the Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express and Station employees. There is absolutely no doubt that NDP members know these organizations. I have a copy of this letter that was sent to the right hon. Prime Minister. I quote:

During a regular meeting, it was resolved to inform you that Local # 2303 is in favour of the retention of Capital Punishment". We hope to receive your comments on the retention or the abolition of this penalty. On behalf of the members of our Local # 2303, I remain

Sincerely Yours,

R. De Lorme, Chairman.

In another part of the province, namely in Sept-Iles, a kind of referendum or public opinion poll was carried out by the Chamber of Commerce, and very clear questions were asked. I quote:

I support the abolition of capital punishment.

Yes: 51; No: 300

I support the retention of capital punishment as applied before.

Yes: 295; No: 33.

According to you, has the number of murders increased in Canada during the past five years?

Yes: 316; No: 23.

Do you believe in the parole system and in the rehabilitation of murderers?

Yes: 83: No: 265.

Have you ever been a direct or an indirect victim of a murderer's actions?

Yes: 38; No: 308.

Do you know the difference between non-capital murder and capital murder?

Yes: 278; No: 59.

Do you know that California is the last state to have reinstated the death penalty?

Yes: 216; No: 130.

And what people did not know either is that California reinstated the death penalty a few days ago, and it was the last state to accept legislation to abolish the death penalty.

How old are you?

The average age of those polled was 34.

So do not tell me those are aged people or kids; these are ordinary people stating their point of view. And at the end of the letter we are told by the Chamber of Commerce:

Please send your early reply to the Sept-Îles Chamber of Commerce . . .

This is a local Poll. For some it is a matter of religion. I must say that I received more letters against the abolition of the death penalty from Protestant ministers than from Catholic priests. But I have been reading Catholic news reports and an article of a magazine called *Aujourd'hui Québec* which is constantly quoting St. Thomas d'Aquinas and I quote:

So, said St. Thomas "although it is bad to take the life of a man keeping his dignity as a reasonable human being and sacred person . . ., to take the life of the sinner (that is to say he who through a serious sin has lost his sacred character) may be a good thing."

This is the point of view of an undisputably competent philosopher. Once more about capital punishment, the director of the magazine Rev. Guy Poisson stated and I quote:

DEATH SENTENCE AS AN EXAMPLE

It was recently suggested by abolitionists that in countries where the death penalty had been abolished the crime rate had not increased. Their adversaries stated the contrary. In my opinion those are simplistic views because at the same time we should study all other factors liable to increase or decrease the number of offenses and among others:

the organization of work and leasure, standards of living, the police force, the multiplication and control of liquor stores, etc . . . And then, all those who have been dissuaded from committing a crime through fear of capital punishment are not boasting about it.

The hon. member for Louis-Hébert (Mrs. Morin) referred to it a while ago. The article goes on:

This debate on capital punishment retained the whole country's attention following the sad stories of Victor Spencer and Gerda Munsinger. We are informed that representations will soon be made to ask Parliament to legalize abortion.

What will then be the Prime Minister's position? Will he invite members of Parliament to vote "ACCORDING TO THEIR CONSCIENCE"?

Will those who appealed to sentiments to protect life touch the same sensitive chord to prevent the murdering of innocents? Or will they maintain that God remains the absolute master of life?

Mr. Speaker, we receive comments from almost everywhere against the abolition of capital punishment.

I have here a letter from Mr. René Bilodeau, from Sherbrooke, who conducted a survey in that city and I quote:

... report on a survey on capital punishment involving 100 persons, 30 years and over, all walks of life; 77 for capital punishment, 7 undecided, 16 against. General comment: why should we reward a murderer who now costs $10,000, keeping him in a warm place, well fed, with medical care, T.V. etc., and denying a pension to eight applicants of 60. I am 59, victim of asbestosis ...

That man does not get any pension while murderers have security.

Mr. Speaker, as I said it is not because we are vindictive men that we are retentionnist. For instance, hijackers constitute a real danger for thousands of lives. If capital punishment had been invoked for those individuals, 90 per cent of hijackings would have been avoided. In several places, the number of murders would have decreased instead of increasing as is the case now. Every morning when I glance at a newspaper, I can read on the front page: One, two, three murders have been committed last night. The Solicitor General (Mr. Allmand) says: On behalf of humanity, we must save the murderers' lives. If we condemn them to death, that will not prevent other murderers from continuing their activities. One thing is sure: When we hang a murder, he will stop killing. That is a sure thing, but the law maintaining capital punishment constitutes a barrier, a fence, everybody knows that. If you go over it, if you plunge, if you go beyond, you fall into an abyss. For the one who does not want to be hanged, the only thing to do is to refrain from it. Everybody is on an equal footing before this legislation.

Indeed we sincerely believe that this legislation should be replaced by the one in force previously, but which was improved, and under which we would be given the assurance that should there be any uncertainty, small as it might be, the convict would be given the benefit of the doubt and, we would not take the risk of a miscarriage of justice by imposing hanging in a doubtful case.

There have been and, there still are such cases in Canada. Therefore, it is sufficient to avoid passing such sentence—

● (1610)

[*English*]

Mr. Deputy Speaker: Order, please. The Chair is in some difficulty in that the first speaker for the hon. member's party did not use the 30 minutes allocated to first speakers and in fact finished within 20 minutes. Perhaps it is the mood of the House that the hon. member who now has the floor should have the right to 30 minutes, although this is some deviation from the order made. Is this agreed?

Some hon. Members: Agreed.

Mr. McKinley: On a point of order, Mr. Speaker, extra time was granted to another speaker this afternoon and it is only right that the hon. member who is speaking should have extra time.

Mr. Deputy Speaker: The Chair is in the hands of the House. As I say, there is a difficulty considering the way the order was passed; but the suggestion has been accepted.

Mr. Knowles (Winnipeg North Centre): Agreed.

[*Translation*]

Mr. Caouette (Témiscamingue): Thanks to my hon. friend from Winnipeg North Centre (Mr. Knowles)—

● (1620)

I also owe to my colleagues this opportunity of completing my remarks. I will not take unfair advantage of their courtesy.

But, Mr. Speaker, before closing, I should like to say that people who write to me to congratulate us on our stand are not only from the province of Quebec.

I have here a letter from Old Orchard Trailer Park, in Chase, B.C., which says as follows:

[*English*]

I fully support your opposition to the government's effort to extend the partial ban on capital punishment. Specifically, I believe that the penalty for murder must be hanging or similar execution.

I am sure that if a national referendum were held the Canadian public would uphold your views on this matter.

Yours sincerely,

M. H. McMurray

[*Translation*]

I have also received letters from other regions, including Saskatchewan and Manitoba. Here is one from Mr. Armand Langlois, who resides in Chandler, in the Gaspe riding, which reads in part as follows:

In *Le Soleil*, issue of Tuesday August 3, 1971 appeared the following news or release:

Social Credit Offensive to Reinstate Capital Punishment in Canada.

I hereby declare that I fully support the Social Credit Party of Canada in its efforts in connection with the reinstatement of capital punishment, which is of pressing necessity.

Armand Langlois,
Chandler,
Gaspe South County, Quebec

Here is another one, from Annapolis Valley, in Nova Scotia, which congratulates us on our stand in favour of the reinstatement of capital punishment. It reads in part:

HURRAH!

The word is written in large capital letters.

[*English*]

Some of us here will be backing you up and praying for you.

[*Translation*]

—to reinstate the death penalty in Canada, and at the same time, I am flabbergasted to see the attitude of the

minister who lives in Montreal, where 90 percent of the people are in favour of maintaining the death penalty. And the minister has the nerve to tell us that the Canadian people want the abolition of capital punishment.

Mr. Speaker, the solution is simple. At election time, why not write the following simple question on the ballot: for or against death penalty, throughout Canada, you will see the reaction. It is being said that the government is killing people by the people for the people. A democratic government must take into account the views and the will of the people. What is happening to that democracy at the present time? We fall into the trap, we play the game of those who wish to have murders committed in Canada. We are scared of taking position. For what reason? Under whose influence? I do not know.

As for us, we are surely expressing the will of the electors not only of our constituencies, but of the whole of the province and of the whole of Canada on the death penalty issue. I am coming back to what I was saying at the beginning. In several countries, rather strange executions are performed.

When the military junta took over in Chile and confined some 7,000 persons in a football stadium, the members of the New Democratic Party cried shame.

It was totally unacceptable for those bad rightists to crush leftists in Chile. But the New Democrats did not object when students in Czechoslovakia tried to recover part of their freedom that consisted only in putting down their ideas, in writing, not revolting against the regime but only writing down what they thought.

Mr. Speaker, the Soviet army was called in to crush those students. In 1956, Hungary wanted to recover part of its freedom and was literally crushed by the Soviets. Did we hear the NDP protest against that? No. That was all right.

In all countries where there has been bloody revolutions this is the way things happened. But when rightists in Chile returned to power under arms, Mr. Speaker, how unfortunate, scandalous, frightening it is all. The Parliament of Canada is being asked to pass a resolution condemning the army in Chile. But let us not condemn Cuba, or any of the communist or leftist countries in the world. When I hear people reason like that, I wonder what would become of Canada if we ever had a socialist government.

Mr. Speaker, we are lucky to still have in Canada the freedom to face one another, to tell one another what we think, some thing that does not exist in several countries presently, Thanks to British freedoms, we have that right. We have the right to oppose government members. We have the right to talk against Tories, NDP members in the same way they have the right to talk against us. That is freedom. The day we lose it there will be tears shed, tears of blood, to reconquer that freedom. Mr. Speaker, we want that freedom for everybody. We want it for murderers but we also want it so that before a murderer commits his crime, some law will stop him from going ahead, under the penalty of paying for it. Then there might not be so many murderers and order would prevail. It would be more respected in Canada and, naturally, there would be more justice. Some economic and social conditions incite people

[Mr. Caouette (Témiscamingue).]

to revolt. Then, they lose their head and can be provoked into killing.

So let us establish social, economic and political standards of justice that will enable man to fulfil himself. In doing so, we will finally create a better balanced society where it will be good to live, a society which will characterize the finest country of all, Canada.

[*English*]

Mr. Jake Epp (Provencher): Mr. Speaker, for a few minutes I wish to reiterate some of the views expressed on second reading of this bill. As I listened to the speeches on second reading, and now on third reading, I felt a deep regret that so often we have to approach this subject from an emotional point of view. Some seem to think that others have not given full consideration to the question. The abolitionists seem to feel they are the only ones living in the twentieth century. That is not the case, Mr. Speaker. I believe every member of the House has looked at this question very seriously from both sides and has reached a reconciliation with his conscience.

● (1630)

If an hon. member's conscience happens to agree with the generally held views of his constituents, then he is not subjected to the tyranny of the opinion poll: his conscience is in agreement with the views of the constituents he represents. There are times when individual members will vote contrary to the generally held opinions of their constituents. If a member says in this House that he is in favour of retention, and that his view happens to be shared by the majority of his constituents, that does not mean in any way that there has been any tyranny of any opinion poll or that there is any reflection on his conscience. It does not mean that he is playing politics or that he is simply doing what the general public wants him to do.

Having looked at this question closely, I have distinguished between premeditated and non-premeditated murder. As I said in the debate on second reading, I would not support the death penalty in cases involving non-premeditated murder. A number of abolitionist speakers have said that many murders are domestic matters; they are not premeditated and, therefore the death penalty should not be invoked. I think many retentionists agree with that position. But there is another type of murder, Mr. Speaker—premeditated, wanton murder in which a person cold-bloodedly calculates taking the life of another person. That type of wanton, cold-blooded murder must be punished with the supreme punishment which we are discussing today in this debate on Bill C-2.

Nothing in history shows that a democracy is measured by the yardstick of whether or not capital punishment is invoked. The strength of a democracy and of a government lies in its ability to protect the freedoms and rights of all its citizens. It does not depend on whether a democracy is liberal in its thinking, or whether we are free thinkers. Democracy is not born of weakness and is not exercised from weakness. A democracy is only as strong as its individual citizens. It is strong only so long as the government representing the individual wishes of the citizenry is willing to back up the freedoms which are our right. Those freedoms can exist only if we all obey the law. It is the

inherent responsibility of government to maintain the laws of a society and to punish those members who disobey the law. You cannot escape punishment for wrongdoing. Often we consider that punishment for crime is mere retribution. It is not retribution; it is justice.

There is one other point I want to put on record. The case I will mention took place in Manitoba not long ago. It is now before the courts. I will not dwell on it except to say that it involves an 11 year old girl who was sexually molested and left to die. When you meet brutal cases like that you must look at this issue squarely and consider your position on capital punishment.

Why is it that some people who are brought to court are given seven to eight years imprisonment on reduced charges? How soon are they paroled? Actually, Mr. Speaker, capital punishment for premeditated murder is not retribution; it is justice. It has been that way since time immemorial. This is at the back of the principles which this country has upheld for years. I urge all members of the House to seriously reconsider the question of premeditated murder. The only penalty that will bring justice in that situation, if there is justice, is capital punishment.

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, before addressing myself to the business at hand I ought to begin by saying that we have wasted enough time debating the question of whether or not the life of the murderer is worthier of consideration than other serious problems facing our nation.

I congratulate the movers of the amendments we voted on last night, the hon. member for Louis-Hébert (Mrs. Morin) and the hon. member for Northumberland-Durham (Mr. Lawrence), for having brought those amendments forward. I was glad to support the amendments, and sorry they did not pass. However, the will of the House prevailed and that is part of the working of our democratic system. That system has been protected so long by our penal code which we have found beneficial in the past. Part of that code has involved down the years the maintenance of capital punishment as the supreme deterrent, of which I am a supporter.

The members of this House know, my constituents know and I want the Canadian people to know that I am a retentionist on this question. I am a retentionist because I believe that any corporate nation or state should always retain the right to demand the life of any citizen for capital crime. I believe that this ultimate deterrent should not be abandoned. I forget how many times I have spoken on this topic. I recall that I spoke last in support of capital punishment on May 23 of this year. Several months have passed since then. I must say that it appears the issue of capital punishment has taken precedence over the important issues that we should be trying to resolve.

I listened with interest to the speeches made this afternoon. I note that the NDP member for New Westminster (Mr. Leggatt) said that the issue of capital punishment has been blown up out of all proportion. I believe I am quoting him correctly. I challenge him on that statement. He also said that some of us are out of step with the world community. I also challenge him on that statement. I employ a recent report of March 16, 1973, to do with the United Nations, the highest and only authority of our world community. The report reads in part:

> New forms of terror and violence are provoking countries to revert to the death penalty, still favoured by the majority of people and governments, a U.N. study said yesterday . . .
>
> The study said that opinion polls made both in countries which have abolished the death penalty and in those which retain it, show a majority of people favouring it.

So many speeches have been made on this subject, Mr. Speaker, that it would be difficult at this point for one to avoid repeating previous remarks. There is also the possibility that one may repeat statements made by other speakers. I noted that the hon. member for Ottawa West (Mr. Reilly) berated the tyranny of public opinion. I remind him of the headline in today's Toronto *Star* which says that it is foolish to underrate public opinion polls. The hon. member for Ottawa West does not like the tyranny of what he calls public opinion. I prefer that tyranny, if it can be termed as such, to the tyranny of lawlessness and anarchy which has so filled the Canadian people with revulsion that they now demand a strong deterrent and retribution in cases involving capital crime.

This is the same Liberal government that was in power when parliament approved the present five-year partial ban on capital punishment. It was the will of parliament during that five-year period that anyone convicted of capital murder would suffer the death penalty. It is implicit in the present law that capital murder is defined as the murder of a policeman or prison official while such an official is considered to be on duty. This is a fine distinction since it has always been considered that a policeman is on duty 24 hours a day. Leaving that aside, the fact is there have been a number of such murders in which it has been demonstrated that the officials killed were in fact acting in the line of duty.

● (1640)

Many members who were sitting in this House during the debate on the bill introduced in 1967 will remember the government's insistence that valuable data on the working of this law would be available to us at the end of the five-year period. Data was to be available to assist us in making up our minds whether capital punishment limited to these cases was in fact a deterrent to the murder of policemen. It has been stated over and over again during this debate that there is no such data. We do not have the valuable data the government insisted would be available to us. As we well know, the government has flouted this law, the law they wanted so much to have parliament approve. The partial ban on capital punishment was not an opposition motion; it was the brainchild of the government: it was they who fought to have it approved and implemented.

Speaker after speaker on the government side in 1967 called for the execution of murderers of policemen, calling policemen the guardians of public life and prosperity. Now we have the government backing off from their brainchild. In fact, they started backing off as soon as the original bill was enacted into law. There is clear evidence at this point that the government never intended to live up to the will of parliament. No clearer evidence is needed than the fact that every convicted murderer of a policeman has had the death sentence commuted by the cabinet since that act

came into force. The Canadian people are watching the government's pattern in giving dispensation with regard to the murder of Constable Maitland in Toronto.

It has been pointed out by many of my colleagues in this House that the government has in fact opted for total abolition of the death penalty. In taking this stand the government has not only abdicated its responsibility with regard to parliament's expressed will in this matter but it has also chosen to ignore the weight of public opinion. It has long been known that the great majority of Canadian people favour some form of capital punishment for capital crimes. I cannot in good conscience adopt a position on this matter that does not take into account the wishes of my constituents.

Parliamentarians in Canada, Great Britain and possibly some other countries delight in quoting the great parliamentarian Edmund Burke. There is no doubt that when Burke was in his prime in the 1770s he was among the greatest parliamentary orators. On at least one occasion Burke said that while he was always cognizant of the majority opinion of his constituents, he did not feel bound to act in accordance with majority opinion in all cases. The present government appears to carry this to the opposite extreme. They do not feel the majority opinion carries any weight at all.

It is this attitude by the government that is holding up settlement of the issue of capital punishment. I cannot accept this attitude, especially in light of a general breakdown of law and order in Canada today and the concern of millions of law-abiding Canadians that their interests are not placed above those who hold our laws and institutions in contempt.

When speaking in this debate last summer, the hon. member for Hamilton Mountain (Mr. Beattie) noted that some people argue that capital punishment cannot be justified on the ground that the execution of a murderer does not bring the victim back to life or ease the burden of grief borne by the victim's family. He said that the act of murder should carry a price as high as the value of the life taken. To carry it a logical step further, the same people might argue that putting an arsonist in jail for burning a house does not restore the house to its original state.

I do not believe that the state should be denied the power and the right to exact the death penalty whenever it is thought by responsible people that extreme measures are needed to correct an intolerable situation. In my opinion, the recent rash of murders of policemen across Canada is an intolerable situation.

Some strange and interesting stories are told and written about in the anals of crime and punishment. One such story is said to have occurred in revolutionary Russia in the year 1920. The government of that time abolished capital punishment for a while, giving the reason that capital punishment was a bourgeois institution. During a meeting of the revolutionary council, one member announced angrily that a prominent general had been sentenced to death for treason while state law forbade the sentence of death. Another member leaped up and said the general had not been sentenced to death but had only been sentenced to be shot. That apparently satisfied the council. Such is the case in oriental countries today. That great and respected civilization for which the Prime Minister (Mr. Trudeau) has so much admiration, the Chinese, still practice capital punishment in a very stringent manner. When they deem it necessary, they line people up against a wall and shoot them.

[Mr. Alkenbrack.]

The point I am trying to make is that many of those who plead the case for abolition are only trying to get out of making a decision that may be unpopular, or a decision that may cast them in the role of executioner. Abolitionists in my riding have said to me, "You are a retentionist. Would you be the executioner?" No, I would not be the executioner. The majesty of the Canadian people would be the executioner. In a civilized society such as ours, those of us in parliament must at some point accept the fact that some of our decisions are going to be difficult. I cannot cast my vote in favour of the murderer, and ignore the victim and the victim's family because my decision might label me as an executioner. I must be prepared to accept this eventuality, and so must every other member of this House.

Should a judge hesitate to sentence a dangerous and deranged criminal to penitentiary for life because some people feel that even animals should not be caged? Should a judge hesitate to pass sentence because the person sentenced will be denied the pleasures of the society that he has rejected and rebelled against? I cannot accept such logic, or absence of logic because I feel too strongly that the chief responsibility of parliament is to the millions of law-abiding Canadians. As legislators, we are denied the luxuries of vacillating and equivocating that are the privilege of some other spheres of activity.

● (1650)

We cannot abondon our responsibility to the majority of Canadians, using the thesis that life is sacred and that not even the state has the right to take a human life. The state does have that right. Capital punishment is an instrument of the state, and while it should be used only in the last resort, and while every avenue of appeal should be readily available to any who are sentenced to death, that right must be provided to the state.

The present government's policies of permissiveness, coupled with the *ipso facto* absence of the death sentence provided for in Canadian law for capital crime, are already showing their potential as a threat to organized society in Canada. The hon. member for Hamilton Mountain also noted in his speech in this debate that there have been recent cases of policemen being shot and killed while investigating minor crimes, one case involving a relatively minor traffic offence. This is an indication that something is drastically wrong and it is time for those who plead the sanctity of human life to plead for the lives of the victims of violent, senseless crime.

Like most other members of this House, Mr. Speaker, I was appalled when the Solicitor General (Mr. Allmand) in July attempted to influence the standing committee to accept an amendment to abolish the death penalty completely. I know that I should not address myself at length to the committee hearings on this bill, but I wanted to make the point that this government in fact tipped its hand as far as its attitude to capital punishment is concerned. It also indicated that its old arrogance has not been abandoned at all; it has only been kept under wraps.

In light of the electoral position in this country today, just give this government another majority like it had before and it will be worse than ever.

In the absence of any clear proof to the contrary, we have been prepared to accept the view that the cabinet commuted each death sentence passed in the last five years on its own merits and that this was not a calculated thing, a case of government policy. Now we find that the government in fact wants total abolition. No other case can be made for the actions of the government in the past few weeks, and like some of my colleagues I must ask, why did the government not table a bill that called for abolition? I would like to know the reason, but unless enought of my colleagues also want to know, then we will be kept in the dark.

I would like to say at this point, Mr. Speaker, that last night I supported the amendment proposed by the hon. member for Louis-Hébert. While I accept the argument advanced by the hon. member for Peace River (Mr. Baldwin) that rape and murder would both have to be proved and that this would be virtually impossible, I would still like to see in the law such a provision as that proposed by the hon. member for Louis-Hébert. It should be in the law if only for its possible, and probable, deterrent value.

To sum up my remarks and my feelings on this matter we are debating, I must say that I cannot vote in favour of the bill now before the House. As I have said many times before, the bill as it now reads will do nothing in the way of providing protection to the law-abiding Canadian citizen against those who resort to violent crime as a way of life. It will not ensure that proper punishment will be exacted for the crime of capital murder. I know that there are people today who claim that our objective in this matter is not to punish, but until we are able to develop an utopian society where punishment as such does not enter into the scheme of things, then we must continue to punish wrongdoers. No one has come up with a better solution to a very serious problem and we are faced with a problem of major proportions.

I have always regarded myself as a realist and I cannot in good conscience approve of theoretical solutions to a real problem. It should be obvious to anyone that we cannot apply utopian theory to the very real problem of violent crime and brutal murder. I cannot believe that anyone elected to parliament to serve the interests of a constituency would come here and ignore the wishes of the majority of his constituents on a matter as serious as capital murder and violent crime.

My colleague the hon. member for Peel South (Mr. Blenkarn) has sent members the result of a questionnaire that he mailed to his constituents, and these figures pretty well match those from my own riding of Frontenac-Lennox and Addington and from other ridings. They show that 88.6 per cent of the constituents polled in Peel South oppose abolition of capital punishment, and 89.1 per cent are opposed to the bill we are now debating. Most Canadians appear to want capital punishment reinstated as a penalty for murder, not because they have a taste for blood but because they would like at least to have us try something more drastic in our struggle against rampant lawlessness. They hope, I am sure, that the deterrent value of capital punishment will at least prevent some of the violent crimes and some of the murders.

I have said, and many of my colleagues have said, that we appear to be paying more heed to the sanctity of the life of the murderer than to the sanctity of the life of the murder victim. Let us put this matter back into perspective. Let us offer at least as much protection to the victim as to the criminal. It is not my responsibility to berate the government every time it commutes a lawful death sentence for brutal murder, and it is not for me to insist that the government live up to its responsibility under Canadian law and allow the decision of the courts to stand in respect of the death penalty. This bill has been proven to be total abolition of the death penalty inasmuch as the government has commuted every death sentence imposed in the past six or seven years for the murder of policemen.

I am not a vindictive man, and to my knowledge no one has ever suggested that I am bloodthirsty. However, my concern is more for the innocent victim of crime than for the criminal; therefore, I cannot support a bill that does not provide that measure of protection to which the victim is entitled. In conclusion, I am confident that if every member votes on this bill as his constituents feel on this question, as judged by surveys and questionnaires, the bill will not be passed by this House.

Mr. Deputy Speaker: Perhaps before adjourning the House the acting House leader would indicate whether this measure will be continued on Monday. There is the difference between whether I adjourn the House until eleven o'clock in the morning or two o'clock in the afternoon. I presume this is what the hon. member for Winnipeg North Centre (Mr. Knowles) was going to ask.

Mr. Knowles (Winnipeg North Centre): That is correct, Mr. Speaker.

Mr. Reid: That is so. That is the proper understanding, Mr. Speaker.

Mr. Deputy Speaker: Then it being five o'clock p.m., this House stands adjourned till Monday, October 22, 1973, at eleven o'clock a.m.

At five o'clock the House adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Monday, October 22, 1973

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

REINSTATEMENT OF LAW RELATING TO CAPITAL PUNISHMENT THAT EXISTED PRIOR TO DECEMBER 30, 1972

The House resumed from Friday, October 19, consideration of the motion of Mr. Allmand that Bill C-2, to amend the Criminal Code, be read the third time and do pass.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I rise to take part in this debate not with the contemplation of any particular pleasure in discussing the question of suitable punishment for those who commit murder but because I think it is a subject that parliament should approach with as great objectivity as it can command on this subject which is bound to be an emotional one.

At the commencement of my remarks I should like to express my congratulations to the hon. member for Louis-Hébert (Mrs. Morin) on the very excellent speech she made last Friday.

I feel I have a special responsibility to take part in this debate because it so happens that of the four members of parliament from the small province of Prince Edward Island I seem to be the only one who is, in the popular jargon, a retentionist. I think a great many people in our province, probably the majority, feel as I do on this important subject. Whether they are in the majority or are a minority is, of course, only of secondary importance, but I believe that every point of view should find its expression in the House in this important debate.

The basic question that I think we have to ask ourselves is: What are the ethics, the mores, of our society in regard to murder? After all, any legislation that we pass can only be good and effective legislation if it expresses and generally reflects the most widely accepted wishes of the people whom we represent.

● (1110)

I think we should be clear in our minds concerning the purpose of the bill before us. The purpose is not to abolish capital punishment but to reduce the category of murder for which capital punishment is the penalty. In a nutshell, the bill before us reduces that category from all those who commit premeditated murder to those who commit the murder of police officers and penitentiary guards. So we are merely reducing the category of murder for which capital punishment is the penalty. We are not discussing under this bill the method of capital punishment to be used. I think that parliament should consider that aspect at an early date. Whether or not this bill passes it is something we should consider because in any event capital punishment will not be eliminated under our law. So long as capital punishment is not eliminated I think we should carefully consider the method to be used in carrying out that sentence.

I believe we should base our consideration of the question on whether or not as a society we believe in the sanctity of human life. We must ask ourselves whether it is wise and reasonable to do so. It is certainly not necessary from a purely philosophical point of view because many societies in the past have not believed in the sanctity of human life. Individual societies in the past, which have continued for perhaps thousands of years, have thought it quite all right to kill other humans for food. I refer to the practice of cannibalism. Other societies have thought it right to kill in order to occupy or take over the land of other humans, to kill for ceremonial purposes or merely to kill in order to acquire goods as the cheapest or most efficient way of increasing one's standard of living, if you like.

Until recent times at least it has been recognized in many societies as being ethically right under certain circumstances to kill in order to acquire power or in order to take over the position previously held by the victim.

Through a painfully slow process we as a society have come to the conclusion at least partially that this previous way of looking at the lives of other humans is not viable in a highly civilized community and that in the long run it is perhaps self-defeating because sooner or later in the general scheme of things, if we give ourselves the privilege of killing humans, we ourselves are likely to become the victims of that practice. So we have come to the conclusion that we should look upon human life as something to be protected at all costs.

This view is evident in many other phases of our way of life. We keep alive people, who, because of accidents or disease, are from a medical point of view merely vegetables. We believe that we have an obligation to provide at great expense services for that purpose. I think that is correct if we say that we believe in the sanctity of human life. There is the argument that under no circumstances has the state the right even in the name of society, to practice such a barbarous thing as the carrying out of capital punishment.

At one time I thought it was very inconsistent that many people, though not all, should believe, on the one hand, in the elimination of capital punishment and, on the other hand, that abortion on demand is reasonable and a right women should have. I have always looked on that as being a paradox, an inconsistency. I consider the life of an unborn child is just as important, or perhaps more so because it is not in a position to defend itself, as the life of

anyone else. While I have always considered that to represent inconsistency on the part of many people, on thinking about it further it would seem that perhaps it is not inconsistency. On both counts it would seem that such people do not believe in the sanctity of human life.

I am a retentionist because I do believe in the sanctity of human life. Therefore it is my view that when an individual decides to take the life of another human, an act that is abhorrent to our view of the sanctity of human life, the penalty for such an act should be capital punishment not as punishment or as revenge but chiefly as an indication of the abhorrence in which society holds such a person. At the moment I am talking about premeditated murder in which a person has a plan to wipe out someone else. I am not talking about crimes of passion or homicide which could be construed as manslaughter or anything of that sort.

I would never want anyone, of course, no matter how gruesome the crime, to be subject to capital punishment on the basis of circumstantial evidence. If there is a shred of doubt, the accused person should be given the benefit of that doubt. I agree with that principle. However, as an ultimate sanction by society in respect of those who would ignore the view of our society, which I believe holds that human life is sacred, there should be no doubt in anyone's mind concerning the seriousness with which society views such crimes.

● (1120)

There is the argument, of course, that in the case where capital punishment is in force there is always the danger that an innocent person may be convicted and executed. I consider the chance of that happening as being very remote, especially in circumstances where it should be the recognized practice, as I think it is, that no one should be convicted and suffer capital punishment on the basis of circumstantial evidence. We should ask ourselves what the potential risk of this happening to an individual is. I contend that any Canadian citizen—you and I included—stands a far greater chance of being murdered than of being executed as a murderer who is in fact innocent. The relative chances are infinitesimal. If our purpose is to protect society, we should remember that the penalty should be such that no one can construe society's attitude as being in the least bit soft or as condoning in the slightest degree the taking of human life illegally by someone who plans it for his convenience or advancement.

It is a fact that when murders are committed the victims, generally speaking, have no means whatsoever of preventing it from happening. They are victims in the sense that they have no means of protecting themselves in advance or of taking precautions against it happening so as to make certain that they will not become murder victims. On the other hand, we can protect ourselves from the gallows. Any individual who takes the view that it is a terrible thing to inflict capital punishment on a Canadian citizen, regardless of what he has done, should remember that no one will ever be executed for murder or suffer any other punishment for murder, including imprisonment, if he chooses not to because all the citizen has to do to avoid that danger is not to murder anybody. Surely that is not too great a demand to make on the ordinary Canadian citizen.

[Mr. MacLean.]

That sums up my views in a very rough and ready way. We should consider this matter against the much broader background of what the mores of our society are at the present time. I fear that, with the rapid urbanization that has taken place in recent years all over the world, with the urban sprawl where communities are wiped out, most of our large cities are only dormitory areas where people sleep during the night and carry on their activities during the day in an entirely different environment. Among these people the sense of community has disappeared, to the detriment of our society. As a result of the destruction of small communities where people were each other's neighbours in every sense of the word, we are gradually becoming a society of Levites who pass by on the other side of the many problems that face us, especially in the large urban societies. This is one of the reasons that many people, especially the young, are being "turned off" by our society, are being frustrated by it, are being pushed into ways of living that can only be detrimental to them, to us and to society as a whole in the long run.

I want to say one more thing before concluding. I make no apology for the stand I take. I am sick and tired of being preached at by people who hold the opposite view and who say I am some sort of mossback and that I should "get with it" and advance. We are bound to advance by the fact that time moves on—we cannot do anything about that—but that does not guarantee the improvement and progress of every generation and of society as a whole. I imagine, although there is no way of knowing, that people supporting the policies that brought about the fall of the Roman Empire said to the critics of the day, "get with it, we want progress". I do not want progress, nor do I want to accelerate it, if that so-called progress is not real progress but only accelerates the decline in our standard of life and the quality of our society.

Mr. Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Maurice Dupras (Labelle): Mr. Speaker, I never expected that I would rise so early in the day to take part in the debate. I do not mean to say that the debate has just started. I know it has lasted a long time. I have been here long enough to know that this subject was debated for quite a few days in 1966 and 1967, and it is being debated again in 1973.

[*Translation*]

Mr. Speaker, I participate in this debate with the conviction that I have neither to apologize nor explain the position that I intend to take when voting. I also take part in the debate to outline my viewpoint and I do not propose to act like those who have spoken Friday, for instance, to indulge in rhetoric and judge the morals of my colleagues. Everyone is entitled to his convictions in the course of this debate on a subject which is of prime importance for the people of Canada.

When the point is to speak about the freedom of Canadian citizens, of those living on the fringe of society, we must not forget about the freedom of victims, of my colleagues, of mine as well as of the security of all Canadians. Since 1967, the Canadians that I have consulted, that I meet, do not stop indicating to me all their apprehension

and dismay when seeing what little respect some citizens show for the people. Different opinions are held as indicated by the speeches which have been delivered; we have noted at times that this debate was fairly emotional.

Mr. Speaker, I do not intend to apologize for holding my opinions nor will I try to understand, for example, those who are resorting to all kinds of academic exercises to try to convince their colleagues and themselves that society would truly be better protected if the death penalty were abolished.

During this debate, Mr. Speaker, we have referred to Gallup polls and surveys made by many of my colleagues. As for myself, I have asked the advice of my constituents and I intend to continue that kind of consultation or survey. Some hon. members have acted likewise, but having obtained the answer of the population, they turn down their views, they rise in the House to state that they do not wish to become prisoners of public opinion. As for the survey carried out by my colleagues as well as that of October 30, 1972, we are all closely bound by them and we must take them into account.

If I decided to waive aside the results, I should be forbidden to carry out other surveys. I do not want to see the intelligence of Canadian people being abused, but we should know how to make surveys. We ask for public opinion on certain issues, but then the results are spurned when the people are clearly told: You have let me know what you thought about such problem, but I do not share your opinion and I will not consider your answers.

Mr. Speaker, I have no difficulty in believing in the result of the survey because, like 66 per cent of my constituents, I want the death penalty to be maintained. During the last few weeks, we have heard all the reasons that could be given for maintaining or abolishing capital punishment. Of course, Mr. Speaker, it would be much easier for someone on this side of the House to get up and say that he too supports the great majority of cabinet members who are in favour of abolition.

The position which I have chosen is much more difficult; very few have chosen it. Until now, very few have taken this position on third reading. I believe that what I am doing is right because I have read about this subject for months, Mr. Speaker. Some may say that people with a legal background are better qualified to give an opinion or become experts in this matter, but I do not think so. To arrive at a fair conclusion, you should first of all have a sufficient knowledge of life. You must also have studied the subject and consulted experts in order to be able to judge the situation. I sometimes wonder if certain lawyers who fervently support the abolition of the death penalty lack faith in their own talent. Do they have doubts about the quality of the services which they can render to their clients when they have to defend them and save them from the death penalty?

Mr. Speaker, during this debate, we have talked about life and about clemency and we have quoted texts from the Bible. I have no intention of doing this. As you know, the Bible contains as many texts in favour of maintaining the death penalty as texts against it. I would like to talk about life, to which each one of us is entitled and which is jeopardized by these people who live outside society and threaten the citizens. How many times have we been seeing people who, while serving their sentence, were paroled and perpetrated a second crime, even more abominable than the first one. While concern is shown here about the criminal there does not seem to be enough interest taken in the poor victims. Mr. Speaker, when we think about these atrocities from which some elderly, some women and some children have suffered, we can say that to anyone who tries to imagine these pains it becomes almost physically intolerable to imagine to what extent these victims had to suffer through the hands of these criminals.

For all these reasons, Mr. Speaker, I am unable to support the bill under consideration. I will have to vote against it. I would not want to give the impression, Mr. Speaker, that I am definitely and straightly in favour of the maintenance of capital punishment.

• (1130)

I am also in favour of abolition of this type of punishment, but I do not believe that our society is ready in this year of 1973 to indulge in such a luxury.

We should consider, Mr. Speaker, the impact of the abolition of capital punishment. Let us consider, as an example, some possibilities. A provincial cabinet minister, the Hon. Pierre Laporte, was assassinated in a cowardly manner almost three years ago, and it is not impossible, in the event of the accession to power of the political party advocating the separation of the province of Quebec from the rest of Canada, that we would witness the release of the authors of this atrocious crime.

It is due to a weakness in the present act that a criminal may be released. Let us seriously think of the consequences that could derive in the province of Quebec if all those who had anything to do with the kidnapping and the horrible assassination of Pierre Laporte were released following the Parti Québécois' victory.

For all these reasons, Mr. Speaker, I am unable to support the bill before us. Therefore, I shall vote against it.

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I was not long in coming to the House this morning, because I was definitely intent on making known my position in respect of this bill before it is read the third time.

I can state positively and without hesitation that I am as I have always been against capital punishment. If I am, Mr. Speaker, it is because I am deeply convinced as a Christian that demanding an eye for an eye, a tooth for a tooth serves no purpose and, I don't know how it is said in the Bible, I am not one of those who cry vengeance for a criminal act of this nature.

I have heard several hon. members using highly condemnable cases of murder as examples and demanding in an almost sanguinary voice that the murderers be in turn exterminated, hanged, in order to get rid of them once and for all instead of "freezing" them for many long years in our penal institutions.

I was still quite young when a person to whom I was very close was the victim of a murderer. That person was my uncle and godfather, the chief of police of a small town. The story was in every Canadian and American

newspaper because at that time it was not very often that policemen were killed in the course of their duties.

It is not for me to discuss the circumstances of the crime. The murderer was committed to a psychiatric hospital; he has been there ever since and I do not think he will ever get out. The victim's close relatives are still alive. His children are active in their professions in the locality. The murderer's parents and children are also still alive. All of us who were close to the victim's family have the greatest sympathy for them and we try to have toward the author of the crime no other feelings than those inspired by Christian charity.

I am making this statement without ill feelings and when you are close to such facts as I have been as a journalist during the inquiry and subsequent judgment I can confess that I have in my heart not a feeling of vengeance but rather a feeling of deep compassion.

I think that, first and foremost, society should admit that we are encouraging circumstances which lead to murder, crime and violence. As most hon. members I watch television on weekends. I not only watch baseball, hockey and football but also the kind of programs intended for our children and I am astounded by the number of violent actions shown on the screen. There was a time when parents could, up to a certain point, control the watching of violent acts in the movie theaters but today television is invading the privacy of Canadian families and unless you simply throw the television set through the window it is absolutely impossible to control what our children are watching.

And yet violence does exist. Violence is shown by a state corporation, by private broadcasting corporations, radio and magazines which are giving detailed reports of heinous crimes and our children are exposed to all those facts.

Of course, in a free society and a democracy our children should be appraised of those facts but it is time that the Canadian legislatures, both the Parliament of Canada and the provincial assemblies, should deal with violence aimed at Canadian families, at innocent children who quite often are discovering life under such circumstances. This is no way of presenting reality, however heinous it may be. I believe that society must above all examine its own conscience and not take the bloodthirsty attitude of seeking vengeance against those that committed the crime.

These are, Mr. Speaker, some ideas which I wanted to put forward during this debate. As I have said before, I am an abolitionist, by deep Christian conviction. And I always remember, in difficult circumstances, whether in my dealings with the press, in political debates, or in personal relationships with persons with whom I work or with members of my immediate family, that there is one thing one must never forget, Mr. Speaker, and that is to forgive others as we want them to forgive us.

● (1140)

[*English*]

Mr. Speaker: Is the House ready for the question?

Some hon. Members: Question.

[Mr. Corbin.]

Mr. Speaker: All those in favour of the motion please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion, the nays have it.

And more than five members having risen:

Mr. Speaker: Pursuant to special order made on Friday, July 27, the recorded division on the motion for third reading of Bill C-2, an act to amend the Criminal Code, stands deferred.

Mr. MacEachen: Mr. Speaker, I think it has been agreed that instead of proceeding with another item of business we will call it one o'clock and resume sitting at two o'clock, if this is agreeable to all parties.

Mr. Speaker: Before I inquire whether this is the desire of the House perhaps I should inquire what would be the disposition of the House with relation to the special order for special hours this afternoon and again this evening. I assume hon. members would want to resume the hours of operation under the Standing Orders.

Mr. MacEachen: That, I believe, is the desire, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Speaker: Agreed and so ordered. I therefore leave the chair until two o'clock this afternoon.

At 11.47 a.m. the sitting was suspended.

AFTER RECESS

The House resumed at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

ARAB-ISRAELI WAR—STATEMENT BY MINISTER ON GOVERNMENT POSITION RESPECTING CALL FOR CEASE-FIRE BY UNITED NATIONS SECURITY COUNCIL

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the government warmly welcomes the call for a cease-fire by the Security Council jointly sponsored by the United States and the Soviet Union. We hope that it will be formally accepted by the parties to the conflict in the Middle East and put into effect as quickly as possible. The position taken by the Canadian government from the beginning of the recent outbreak of fighting, and as expressed by me last week, was that there should be a cease-fire linked with negotiations as soon as

possible. We have also urged the United States and the U.S.S.R., as the major suppliers of arms, to use their influence toward the achievement of a cease-fire followed by negotiations on the basis of Resolution 242.

The linkage with negotiations is in our view vitally important. It is not clear at this point what auspices will be considered appropriate by the parties for the negotiations that are envisaged to take place immediately and concurrently with the cease-fire. We have suggested that the machinery of the United Nations should be made use of. However, if there are possibilities of negotiations under the auspices of the great powers, we would certainly not wish to oppose this or any other method of bringing the parties together.

Since the cease-fire is to take place in the positions that the forces now occupy, there will likely be a useful role for UNTSO in helping to implement the cease-fire. It may be that UNTSO will need to be expanded to improve its capability for this purpose. The Canadian government would look sympathetically at any request from the Secretary General for additional Canadian officers for UNTSO.

If the process of negotiations does get under way, and we emphasize most strongly that it must, then there may be a need for some peacekeeping force in addition to the cease-fire observation function discharged by UNTSO. As I have said before, we are prepared to consider participation in such a force if we are requested by the parties concerned and if we are satisfied we can play a useful role. This could be a very different force from the United Nations Emergency Force.

In 1956, one of the objectives was to remove the danger of a confrontation between great powers. This time, fortunately, the two super-powers have come together on a joint proposal for a cease-fire and it may be, therefore, that in this encouraging climate of détente there may be a place in the peacekeeping operation for forces supplied by the great powers. We will follow closely developments at the United Nations and consult with other governments on the situation.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, needless to say, we welcome the statement and, more important, the news that came out of the United Nations with reference to the cease-fire. These last three weeks have been most strenuous times. The suffering of the people directly involved must touch us first, but we must also remember that in all this time we have faced a grave and potential threat to the peace of the world.

The situation in the Middle East has been a long, long time in its origin and creation and it will be a long time before we reach a final settlement. But this must be the goal. Let us hope that yesterday's news was the first step toward this ultimate and desirable goal.

I note the minister's reference to the super-powers. That is an indication of realism, that where the super-powers determine upon a course of events something can be set in train. I note, too, his reference to the climate which the much welcomed détente has allowed to develop. Hopefully, within this climate even this most grave, most difficult, most explosive conflict may be resolved.

I note the minister's preference for a United Nations body in the negotiating process. I would have the same preference, but I would go a little further than his statement that the government would not oppose a group of super-powers or any other body. Indeed, we would welcome in an empiric way any group or organization which could advance peace in this long troubled region.

The minister is profoundly correct when he set out this view that negotiations are of the essence. The cease-fire is a beginning, it is something, an essential element but the world must move toward the resolution of this difficult problem. I note that the government will be in touch with other powers, other countries, and I presume most assuredly with the United Nations Secretary General.

I am sure all the people of Canada would want us, their representatives, to indicate that this country is prepared to make some efforts and, indeed, some sacrifices if, under the proper auspices and with reasonable hope for success, the kind of force the minister mentioned should be set up. I believe we should sacrifice something for peace in the Middle East because in doing that we would be doing much more. We would be sacrificing something for the peace of the whole world.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, we, too, welcome with a spirit of thankfulness the Security Council's call for a cease-fire and the apparent acceptance of the call by the main parties concerned. We concur with the view expressed by the Secretary of State for External Affairs (Mr. Sharp) that an important feature of the cease-fire is that negotiations for a permanent peace based on Resolution No. 242 should immediately follow the cease-fire, preferably under the auspices of the United Nations.

These negotiations must take into account both the claims of the Arab nations for the return of territory occupied as a result of the six-day war in 1967 and the right of the Israelis to secure and recognized boundaries. We assume that implicit in the acceptance of the cease-fire by Egypt and Syria is a readiness to negotiate on the basis of the recognition of the independence and territorial integrity of Israel. Because of the absence of such negotiations, Resolution No. 242 of the Security Council was previously inoperative.

Another subject which will have to be dealt with in the negotiations is the situation of the Palestinian refugees. These problems will have to be solved by co-operative action not only on the part of the Israelis but by her neighbours and the world community as a whole.

The world will feel a sense of relief that it appears the great powers have been able to bring about a cessation of hostilities without becoming further involved in confrontation amongst themselves.

Finally, we will support a Canadian role under the United Nations in helping to implement the cease-fire and, if necessary, to keep the peace afterwards.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, it is always extremely unfortunate to see that even today countries continue to resolve their differences through war. Therefore, it is heartening to see that Canada acts as a valuable mediator whose obvious good faith and good will are beyond doubt.

Broadcasting

We can only hope, Mr. Speaker, that the recent action taken by the United Nations will finally succeed in bringing together the belligerent parties. And we wish that Canada's helpful intervention will contribute in an increasing way to the establishment of a lasting peace in all countries of the world.

* * *

● (1410)

[*English*]

VETERANS AFFAIRS

HOSPITAL NURSES' PAY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity related to the protest and impending general slow-down by nurses in the federal employ which will particularly affect war veterans in veterans' hospitals across Canada. I therefore move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the question involving pay differences between the nurses and Treasury Board be immediately referred to the Standing Committee on Veterans Affairs in respect of those matters concerning the department's responsibility for treatment services to war veterans.

Some hon. Members: Hear, hear!

Mr. Speaker: This motion proposed under Standing Order 43 requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

BROADCASTING

ADVERTISING ON CHILDREN'S PROGRAMS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I rise to seek unanimous consent to put a motion under the provisions of Standing Order 43. In view of the failure of the Canadian Radio-Television Commission to implement the recommendations of the Standing Committee on Broadcasting, Films and Assistance to the Arts as concurred in by the House of Commons on July 24, 1973, in connection with the examination of the subject matter of Bill C-22, to amend the Broadcasting Act (Advertising on children's programs), and in view of the commission's position as outlined in a public statement dated October 16, 1973, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the public announcement by the CRTC dated October 16, 1973, be referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Speaker: Is there unanimous consent?

[Mr. Matte.]

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

[*Translation*]

CANADA PENSION PLAN (No. 2)

AMENDMENTS RESPECTING ANNUAL INCREASES AND LEVEL OF INCOME ON WHICH CONTRIBUTIONS PAID

Hon. Marc Lalonde (Minister of National Health and Welfare) moved for leave to introduce Bill C-224, an act to amend the Canada Pension Plan (No. 2).

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

[*Text*]

MEMBERS OF ATLANTIC DEVELOPMENT COUNCIL

Question No. 1,728—**Mr. Muir:**

1. How many members are presently on the Atlantic Development Council?

2. What are their names, addresses and professions?

3. What amount of salary does each receive?

4. What amount did each member receive in expenses since his appointment and for what purposes were these expenses incurred?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. As of July 4, 1973, there are 11 members on the Atlantic Development Council.

2. The Council members are as follows: Mr. Gordon Campbell Eaton, MC CD, (Chairman); Managing Director, Newfoundland Tractor and Equipment Company Limited, St. John's, Newfoundland. Mr. Alyre H. Cormier, Executive Vice President, Atlantic Holdings Limited, Moncton, New Brunswick. Mr. John B. Foote, President, J. B. Foote & Sons Limited, Grand Bank, Newfoundland. Mr. F. Carl Hudson, President, Municipal Spraying & Contracting Limited, Bedford, Nova Scotia. Mr. J. J. Kinley, President, Lunenburg Foundry & Engineering Limited, Lunenburg, Nova Scotia. Mr. Paul LePage, President, New Brunswick Federation of Labour, Bathurst, New Brunswick. Mr. John R. Lynk, President, Nova Scotia Federation of Labour, New Glasgow, Nova Scotia. Mr. Keith MacKinnon, President, MacKinnon Transport Limited, Charlottetown, Prince Edward Island. Mr. Philip W. Oland, President, Moosehead Breweries Limited, Saint John, New Brunswick. Mr. Calvert C. Pratt, President, Steers Limited, St. John's, Newfoundland. Mr. Esau E. Thoms, General Chairman, Brotherhood of Railway Clerks, Freshwater, Pla-

centia Bay, Newfoundland. Messrs. Eaton, Cormier, Foote, Hudson, Kinley, MacKinnon, Oland and Pratt are businessmen; Messrs. LePage, Lynk and Thoms are labour leaders.

3. Members of the Council serve without remuneration. There is provision for an honorarium of $5,000 per year for the chairman, but Mr. Eaton has asked that he be permitted to serve without honorarium.

4. The following are the amounts received in expenses by Council members since their respective appointments: Mr. Gordon Campbell Eaton, nil*; Mr. Alyre H. Cormier, $1,706.17; Mr. John B. Foote, $2,642.45; Mr. F. Carl Hudson, $92.13; Mr. J. J. Kinley, $1,676.95; Mr. Paul LePage, $2,-035.33; Mr. John R. Lynk, $1,420.18; Mr. Keith MacKinnon, nil**; Mr. Philip W. Oland, $1,323.30; Mr. Calvert C. Pratt, $2,466.79; Mr. Esau E. Thoms, nil**. These expenses were incurred by attendance at meetings in connection with their duties as Council members.

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*appointment effective June 14, 1973.

**appointment effective April 1, 1973.

*COST OF POTTED PLANTS FOR NEW NATIONAL DEFENCE HEADQUARTERS, OTTAWA

Question No. 1,964—**Mr. Forrestall:**

1. What is the total number of and total cost of potted plants for the yet unopened National Defence Headquarters in Ottawa, purchased or contracted for or anticipated?

2. If an equivalent sum of money were spent (a) how many days could it sustain fuel cost for *HMCS Iroquois* (b) how many hours could it sustain in-flight operational costs of one CF-5 (c) how many hours could it sustain in-flight operational costs of one Argus (d) how many hours could it sustain in-flight operational costs of one Tracker aircraft (e) how many units of Permanent Married Quarters could be given complete re-plastering and re-painting?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The answer is as follows: 1. two thousand two hundred and fifty at a cost of $81,434.

2. (a) 34; (b) 185; (c) 53.5; (d) 137.7; (e) 135.4.

1971 FIRENZA CARS

Question No. 2,069—**Mr. Cossitt:**

1. Has the Department of Consumer and Corporate Affairs sent any representations or communications to General Motors Corporation in connection with public complaints concerning the 1971 Firenza and, if so, what is the nature of such government representations or communications and what response has the government received from General Motors?

2. Is the government considering any possible ways in which it could assist General Motors in realizing their obligation to dissatisfied purchasers of the 1971 Firenza?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): 1. Yes. The Department has been in communication with General Motors Corporation in connection with public complaints concerning the 1971 Firenza. The Department of Consumer and Corporate Affairs is investigating complaints received from dissatisfied Firenza owners and bringing them to the attention of General Motors with a view of trying to assist in obtaining satisfactory solutions to these complaints. The Firenza problem has been dealt with by correspondence and by discussion between Mr. J. N. McGill, Owner Relations Manager of General Motors of Canada Limited and officials of the Department. G.M. informed the department it would: (1) investigate and effect repairs within the terms of the warranty; (2) consider claims for repairs required after the warranty has expired; (3) provide each Firenza owner with a $250 voucher, if the car was purchased new prior to April 14, 1973, which can be used in an original owner trade in of a Firenza on a new G.M. automobile.

2. No. The government is not considering ways to assist General Motors in realizing its obligations to dissatisfied Firenza owners. The government considers that it is the responsibility of General Motors to meet its obligations to its customers.

CANADIAN EXPENDITURES IN VIET NAM

Question No. 2,293—**Mrs. MacInnis (Vancouver Kingsway):**

1. What was the total amount of expenditure by the government in South Viet Nam from 1966 to the present?

2. How much of this was spent in various forms of aid?

3. What forms did this aid take?

4. What was the total expenditure by the government on the International Control Commission in Viet Nam from 1954 to 1972?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Total government expenditure in Viet Nam from January 1, 1967 (the earliest date for the compilation of an aggregate figure) to May 31, 1973 totalled approximately $22.77 million. (Recoverable amounts have not been taken into consideration in this total. For the period until February, 1973 expenditures made in North Viet Nam are also included since the 1954 Commission's operations and financial reporting extended to both countries.)

2. The Government expenditure on aid in South Viet Nam during this period was $15.13 million.

3. The Canadian Government maintains a program of medical and relief assistance in the Republic of Viet Nam. This assistance has been provided in response to requests for medical, social and humanitarian aid. Projects have included a T.B. clinic at Quang Ngai, a rehabilitation centre at Qui Nhon, a Public Health Field Training Development Program, educational texts and training, food aid, refugee housing, and other forms of emergency relief. Canada has also made contributions to the International Red Cross for its programs in Indochina.

4. Government expenditures in connection with the ICSC from 1954 to the present amount to approximately $17.5 million. (Recoverable amounts have not been included. Because of accounting procedures some expenditures made in Laos and Cambodia are included.)

CANADA SAFETY REGULATIONS

Question No. 2,457—**Mr. Marshall:**

Under Canada's Safety Regulations, what is the minimum amount of space per person required for passengers in public transportation vehicles under (a) buses (b) trains (c) planes?

Order Paper Questions

Hon. Jean Marchand (Minister of Transport): (a) The provincial Governments have authority under existing legislation to limit the number of passengers on public transportation buses in relationship to the designated seating capacity. (b) There are no regulations with respect to space per person upon trains. (c) Space per person requirements are not stipulated for aeroplanes. However, regulations require a seat and an individual safety belt or safety harness for each person in the aircraft, other than infants.

EXEMPTION OF CPR SUBSIDIARIES FROM TAXATION

Question No. 2,509—**Mr. Clark (Rocky Mountain):**

1. Does the CPR subsidiary Marathon Realty or any other agency of CPR benefit presently from any exemptions from (a) local (b) provincial (c) federal taxation, other levies or regulations in consequence of original grants of land to the original CPR by the government?

2. If there are present exemptions, what is the nature of each such exemption from (a) local (b) provincial (c) federal tax, levy or regulations?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows: Subsidiaries of Canadian Pacific Limited, such as Marathon Realty, do not come under the jurisdiction of the Canadian Transport Commission. Consequently, the Commission does not receive reports from these companies nor does it have access to internal financial reports or agreements.

CAPE BRETON DEVELOPMENT CORPORATION—EMPLOYMENT OF MR. GERALD BLACKMORE

Question No. 2,526—**Mr. MacInnis (Cape Breton-East Richmond):**

1. Was Mr. Gerald Blackmore under contract to the Cape Breton Development Corporation and, if so (a) for what period (b) what was his salary?

2. Was the contract completed and, if not, for what reason?

3. (a) What was total payment to Mr. Blackmore (b) what total expenses were incurred by him during his employment with the Cape Breton Development Corporation?

4. Was Mr. Blackmore given any paper(s) of recommendation at the time of his separation and, if so (a) who authorized same (b) who signed it?

5. At the time of departure was Mr. Gerald Blackmore paid any form of severance pay, either lump or otherwise, in relation to his separation from the Cape Breton Development Corporation and, if so (a) what was the total amount (b) how was it received by him (c) who approved any such payment or payments?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 1. Yes; (a) five years; (b) it is contrary to the policy regarding employees of Crown Corporations to publish specific salaries or other payments.

2. No; terminated by agreement.

3. As for 1(b).

4. Yes, concerning Mr. Blackmore's professional status; (a) and (b) the President of the Corporation.

5. Yes (a) as for 1 (b); (b) cheque; (c) the President of the Corporation.

[Mr. Marshall.]

RURAL MAIL CONTRACTORS

Question No. 2,557—**Mr. Godin:**

Owing to increases in the cost of motorcars, gas and living in general, is the government considering reviewing the plight of rural mail contractors bound by contracts dating several years back and, if so, on what date will the government announce its projects and be in a position to make an adjustment to enable such contractors to earn wages comparable to those paid in other sectors?

Hon. André Ouellet (Postmaster General): In accordance with the terms of the Post Office Act, mail services are performed under contracts awarded following invitations of public tenders. Contract rates including wages are therefore initially set by the contractors themselves when they submit their tenders. Section 35 of the Post Office Act provides for upward adjustments in mail contract rates at specified periods to compensate contractors for increases in operating costs. One of the stipulations therein is that contractors must file an application if they wish to have their contract rates reviewed. Once this condition has been met, the Post Office Department ensures that contractors are adequately compensated for increases in the cost of performing the mail services since they were awarded the contracts or since the last adjustments in their contract rates. The Department is presently updating its formula under which adjustments in mail contract rates are authorized to ensure that mail contractors will benefit from increases in wages comparable to those paid in other sectors of the economy.

CAPE BRETON DEVELOPMENT CORPORATION—FINANCIAL INVOLVEMENT WITH HUSTLER CORPORATION

Question No. 2,582—**Mr. MacInnis (Cape Breton-East Richmond):**

1. Was the Cape Breton Development Corporation involved financially with the Hustler Corporation and, if so, to what extent, either in loans or grants?

2. (a) On what date (b) for what reason did Hustler discontinue operations in Cape Breton?

3. Who was president of Hustler Corporation when its Cape Breton operations closed down?

4. (a) What was the state of Hustler's finances at the time of closure (b) did Hustler have a bank balance and, if so, how much?

5. Did the Cape Breton Development Corporation recover its investment and, if so, to what extent?

6. What was the final disposition of the Hustler bank account?

7. Were all creditors paid off?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 1. Yes, $659,264.26 by loan and loan guarantee and $65,000 by grant.

2. (a) June 30, 1970. (b) Appointment of a receiver by Court Order.

3. Wylie Mason.

4. (a) A state of difficulty. (b) Yes, $212.07.

5. Yes, to the extent of $64,151.19 in cash and $300,000 by agreement for sale of premises.

6. Taken over by the receiver.

7. No.

DIRECTORS AND EXECUTIVE MEMBERS OF LE CONSEIL DE DÉVELOPPEMENT SOCIAL DU MONTRÉAL MÉTROPOLITAIN

Question No. 2,593—**Mr. Hellyer:**

1. Who are the Directors and Executive Members of Le Conseil de développement social du Montréal métropolitain?

2. What are the (a) names (b) qualifications of the persons undertaking the research into long-term causes of economic inequalities among individuals and families under the grant recently provided by the Department of National Health and Welfare?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. President, Mr. Serge Carreau; 1st Vice-President, Mr. Michel Bourdon, C.S.N.; 2nd Vice-President, Mr. Pascal Laforest; Treasurer, Miss Ginette Mackenzie; Secretary, Mr. Maurice Lafond; 1st Counsellor, Mr. André Messier, F.T.Q.; 2nd Counsellor, Mrs. Pierrette Cambron; Director General, Mr. André Carrier (commencing September 10, 1973).

2. (a) Claude Parent, Pierre Bouchard. (b) These researchers were chosen with the following qualification in mind: (a) that both be available for full-time work; (b) that both be familiar with methodological problems in relation to research; (c) that one have a Master's degree or equivalent in mathematics and/or computer science; (d) that the other have a Master's degree or equivalent in economics and/or economic sociology.

HALIFAX INTERNATIONAL AIRPORT—AIR CONDITIONING

Question No. 2,630—**Mr. Forrestall:**

On what date will the government proceed with plans to install an air conditioning system in the Halifax International Airport to (a) alleviate the extreme heat conditions (b) alleviate the extreme humidity conditions (c) provide humane conditions for both employees and airport users?

Hon. Jean Marchand (Minister of Transport): The Ministry of Transport has planned the installation of full air conditioning to all areas of the terminal building in fiscal 1976/77.

ST. LAWRENCE SEAWAY

Question No. 2,704—**Mr. Mazankowski:**

1. Is the Minister of Transport considering any of the recommendations of the 1971 Carr Report and, if so (a) what are they (b) on what date will they be implemented?

2. Is the Minister of Transport considering any of the recommendations of the Bind Report and, if so (a) what are they (b) on what date will they be implemented?

3. Is consideration being given for freezing the tolls on the St. Lawrence Seaway at the level established by agreement between Canada and the United States in 1959, similar to the action of the United States Government?

4. Is consideration being given to absolve the St. Lawrence Seaway Authority from the necessity of collecting past, present and future interest on capital costs involved, similar to the action instituted by the United States?

Hon. Jean Marchand (Minister of Transport): The St. Lawrence Seaway Authority advises as follows: 1. A study of the recommendations in the Carr Report is continuing and no decision has been reached as to whether or when they will be implemented.

2. No.

3. The United States Government relieved The St. Lawrence Seaway Development Corporation from the responsibility to pay interest on loans for construction costs. Although this reduces the debt burden of the United States Corporation it does not amount to action to freeze Seaway tolls. No decision has been made to freeze the tolls indefinitely.

4. Consideration is being given to the possibility of refinancing the St. Lawrence Seaway Authority. No decision has been made concerning interest on capital costs.

OLD AGE SECURITY PENSIONS AND INCOME SUPPLEMENTS

Question No. 2,710—**Mr. Hueglin:**

1. According to the latest statistics available, how many individuals who are not Canadian citizens are obtaining (a) Old Age Security Pensions (b) Income Supplements and, of these, how many are citizens of the United States of America?

2. Is any check made to see if they are in receipt of Social Security payments from the United States of America?

3. If they are in receipt of such a Social Security Pension, does this, in any way, affect their eligibility?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Parts (a) and (b) can not be determined since Canadian citizenship is not a requirement for entitlement to an Old Age Security pension or a Guaranteed Income Supplement.

2. Not in connection with an application for an Old Age Security pension. If a pensioner applies for a Guaranteed Income Supplement, however, he is required to state his income, including United States Social Security benefits, if any. His statement is subject to verification through income tax records.

3. Not insofar as the Old Age Security pension is concerned. Eligibility for a Guaranteed Income Supplement is affected, however, since entitlement is directly related to the amount of income a pensioner receives.

PASSENGER TERMINALS

Question No. 2,736—**Mr. McKinnon:**

How large are the floor areas of each of the passenger terminals and what is the 1972 passenger load for each of the following airports (a) Victoria (b) Edmonton International (c) Regina (d) Gander (e) Yellowknife (f) Toronto including Terminal 2 (g) London?

Hon. Jean Marchand (Minister of Transport):

Air Terminal Buildings	Gross Floor Area S.F.	Annual Enplaned and Deplaned Scheduled and Charter Passengers (1972)
(a) Victoria	24,000	286,849
(b) Edmonton International	360,000	754,615
(c) Regina	37,000	317,874
(d) Gander	155,000	111,499
(e) Yellowknife	14,000	53,921
(f) Toronto Aeroquay 1	819,000	7,671,369*
Toronto ATB 2	648,000	—
(g) London	42,000	187,552

*Total Toronto International

Orders for Returns

MARINE ACCIDENT INVESTIGATION

Question No. 2,762—**Mr. Forrestall:**

In what percentage of the accidents involving significant property damage and/or serious or more grievous injury to occupants to water vessels has the investigation been partially or otherwise concerned with procedures of the other agencies of government that are charged with a regulatory function with respect to marine transportation?

Hon. Jean Marchand (Minister of Transport): Marine accident investigation procedures require the investigation of all factors which might have a bearing on or cause or contribute to a casualty, including the practices and proceedings of other government agencies charged with any regulatory function when these are considered relevant.

HANDLING OF ORE CONCENTRATES IN OPEN RAILWAY CARS

Question No. 2,769—**Mr. Cossitt:**

1. Is the Department of Transport or the Department of the Environment aware of shipments of ground lead and zinc in powdered form being transported in open railway cars from Escatall Mines in Kidd, Ontario to Eastern points in Canada?

2. Will the government take steps to require that such open railway cars be properly covered in order to prevent their contents from escaping in any way?

Hon. Jean Marchand (Minister of Transport): 1. The Ministry of Transport and the Department of the Environment are aware that ore concentrates are shipped from Kidd, Ontario to Eastern points in Canada in open top rail cars.

2. The Canadian Transport Commission, in cooperation with the Ministry and the Department of the Environment, is investigating this movement to ascertain if there are any problems associated with escape of concentrates while in transit.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

GOVERNMENT BUILDINGS IN OTTAWA, HULL AND VANIER

Question No. 1,984—**Mr. Yewchuk:**

1. To date, what buildings are (a) owned (b) leased by the government in (i) Ottawa (ii) Hull (iii) Vanier City?

2. For each year 1968 to 1972 inclusive, what was the total rental cost for those buildings leased by the government?

3. (a) Who is responsible for negotiating rentals on behalf of the government (b) what is the mechanics by which rental premises are arranged?

4. For that same period 1968 to 1972, how many (a) commercial buildings (b) single-attached dwellings (c) multiple dwellings were (i) purchased (ii) demolished by the government?

5. What was the value of each (a) building purchased (b) land purchased?

6. What was the demolition cost of each structure destroyed?

7. How many buildings are (a) being built (b) will be built within the next five years by the government in (i) Ottawa (ii) Hull (iii) Vanier City (iv) Toronto (v) Montreal (vi) Quebec City (vii) Halifax (viii) Winnipeg (ix) Vancouver (x) Edmonton (xi) other cities?

[Mr. Marchand (Langelier).]

Return tabled.

MOUNT HOPE AIRPORT—LANDINGS AND DEPARTURES OF GOVERNMENT AIRCRAFT

Question No. 2,445—**Mr. O'Sullivan:**

1. In the period October 30, 1972 to June 1, 1973, how many aircraft owned, rented or operated by the government (a) landed at (b) departed from Mount Hope Airport?

2. What was the point of (a) departure (b) destination for these aircraft?

3. What were the names and government positions of all persons aboard these aircraft, other than crew members?

4. What was the operating cost of each of these flights?

5. What was the reason for each of these flights?

Return tabled.

* * *

[*English*]

HOUSE OF COMMONS

DEDICATION OF NEWFOUNDLAND BOOK OF REMEMBRANCE COMMEMORATING THOSE WHO GAVE THEIR LIVES IN WAR

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I hope the House will agree with the motion I wish to make. It arises out of an event that took place yesterday in the West Block Confederation Room when, as indicated two days ago by the honourable and gallant Minister of Veterans Affairs (Mr. MacDonald) would take place, a ceremony did take place by which the Newfoundland Book of Remembrance was dedicated. You, Sir, were represented by the hon. member for Mercier (Mr. Boulanger). The minister himself made an eloquent address, and it and the fine address by the hon. member for Mercier ought to be available to the people of this country today and in the years ahead.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: As the only member of this House who served in the Canadian Armed Forces in the first great war, I hope and trust that the House will not consider me presumptuous in asking that consideration and consent be given to having the speeches of the minister and the hon. member for Mercier printed as an appendix to today's *Hansard*. There were also addresses by the Speaker of the Senate and by Senator Major Carter. I take it that their speeches will be made available through the proceedings of the Senate.

● (1420)

In the battle of Beaumont-Hamel on July 1, 1916, on the Somme the soldiers of Newfoundland showed dauntless

courage and overwhelming sacrifice. Today their service and their sacrifices have become part of the tradition and, indeed, of the inheritance of our country. What they did there will always be remembered and honoured by all Canadians. That service, of course, was continued throughout the rest of the first world war and the second world war as well as in other parts of the world. That tradition of service is exemplified since 1916 over and over again, and I feel that it would be only proper that the House be given the opportunity to permit what was said by the hon. members who served with such distinction in the last war to be made available to the people of Canada.

Some hon. Members: Hear, hear!

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I am not at all certain whether parliamentary procedure requires a seconder for this motion. I think the reaction of the House makes clear that it will be accepted unanimously. I do want, however, on behalf of my fellow Newfoundlanders on both sides of the House to express my thanks to the right hon. member for Prince Albert (Mr. Diefenbaker) and my colleague, the Minister of Veterans Affairs (Mr. MacDonald), for the generous comments made yesterday and again today with reference to my fellow Newfoundlanders who gave their lives in various conflicts throughout the years in defence of the liberties we all hold so dear.

There have been in my life in parliament three very memorable occasions. First, I believe I am the only person here present who was in this chamber or in the other place when the actual terms of confederation between Newfoundland and Canada were signed 25 years ago this coming December.

The second most memorable moment was when I made my maiden speech as a backbencher in this honourable House in our centennial year, an appropriate recognition, I felt, for Newfoundland as all of Canada celebrated 100 years and we were in every respect the baby of the family.

The third most memorable moment, and perhaps the one that will stay with me longest, was yesterday when some 150 veterans from Newfoundland joined with veterans from other parts of Canada and with parliamentarians of both Houses in the magnificent Confederation Room to record after a quarter century, through placing them in the Peace Tower of this magnificent building, the names of those Newfoundlanders who, while now at rest, and who thus join those hundreds of thousands of other Canadians in becoming posthumously members of a great Canadian family and to share with them the contribution that preserved for us all the liberty we epitomize in this House.

I express my gratitude to all for this consideration of Canada's newest province and oldest cornerstone of the whole Commonwealth. Thank you very much.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in just a word may I say that all of us who had the privilege of being present at yesterday's ceremonies agree as to their importance and their significance. I think we all owe a debt of gratitude to the right hon. member for Prince Albert (Mr. Diefenbaker) for making the suggestion he has proposed to the House at this time. Possibly, the motion might be enlarged somewhat so that the entire record of what took place yesterday could be included in *Hansard,* whatever they might do in the other place. But in any case and in whatever form the motion is presented, we are very happy to give it our support.

Mr. Speaker: Hon. members will appreciate that the proceedings are somewhat irregular. We may be proceeding at this time under Standing Order 43 (a) or 117, as the hon. member for Winnipeg North Centre would suggest. I am not sure whether it is the desire of the House to hear further comments at this time. As I said, I have some doubts about the regularity of the proceedings. The hon. member for St. John's East is seeking the floor. Perhaps he might be recognized briefly, and then I think we would have to go on to the next order of business.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I merely wanted to rise to associate myself and my colleagues with the remarks of the Minister of Regional Economic Expansion, the hon. member for Burin-Burgeo. He stated our position very eloquently and very well. I also want to thank on behalf of my colleagues the distinguished right hon. member for Prince Albert for his noble gesture.

Some hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, I rise on a point of order. If I understood you correctly, I would imagine there would be a disposition by unanimous consent to revert to motions so that the motion presented by the right hon. gentleman could be put.

Mr. Speaker: I do not think there is really any motion to be put. The right hon. member has sought the unanimous consent of the House for an order that the proceedings of yesterday's ceremony be appended to *Hansard.* There is a slight difficulty in that, to the best of my knowledge, there is no taped record of the proceedings.

An hon. Member: Perhaps there was a bug in the room.

Mr. Speaker: Subject to the difficulty that that might cause, I think the order of the House would be that the contributions made to the ceremony by the hon. members referred to by the right hon. member for Prince Albert would be printed as an appendix to *Hansard.* Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

[*Editor's note: For text of certain addresses at dedication of Newfoundland Book of Remembrance, see Appendix.*]

Oral Questions

ORAL QUESTION PERIOD

[*English*]

ENERGY

NATURAL GAS—POSSIBLE CURTAILMENT OF EXPORTS TO PROTECT BRITISH COLUMBIA CONSUMERS—COST OF ALTERNATIVE SUPPLIES FROM ALBERTA

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. I am sorry to have to come back to this problem, but in view of the demand by the Attorney General of British Columbia on behalf of the people of that province that by noon tomorrow the federal government make a firm decision on curtailing exports of natural gas until such time as the shortage of supply has been averted, can the minister now tell the House what his decision is with respect to this demand?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I responded to the Attorney General by pointing out to him that his ultimatum, if I may call it that, was in direct contradiction and, I suppose a repudiation of the view of the principal energy adviser of the province, the chairman of the B.C. Energy Commission. The chairman of the commission has advised the holding of a meeting, and I understand from the National Energy Board that there was a meeting this morning, between representatives of the commission, of West Coast Transmission and of Alberta's gas utilities with regard to possible supplies from northern Alberta. With regard to possible supplies from southern Alberta, West Coast Transmission in conjunction with PGT and APCO is preparing an application to the National Energy Board for the transmission of gas from southern Alberta sources and a similar application will be made to the Federal Power Commission. As soon as the application is received, the board will deal with it with utmost dispatch.

Mr. Oberle: Can the minister tell us specifically whether he has now ruled out cutbacks in the 62 per cent of B.C.'s natural gas going to the United States, and has he reached a decision as to whom will bear the cost in the event that reserves from Alberta are rerouted for the benefit of consumers in British Columbia?

● (1430)

Mr. Macdonald (Rosedale): Mr. Speaker, we are dealing here with a licence issued by the National Energy Board. Therefore in the first instance it will be a question for that board to hear evidence and to make a determination. I think I can say to the hon. gentleman that a cutback in exports of natural gas is indeed not ruled out, but I would not want to go further than this before I have an opportunity to discuss the matter with the President's energy advisor tomorrow.

Mr. Oberle: Mr. Speaker, I have one more supplementary question. In view of the difference of opinion expressed by these two regulatory bodies, is the minister prepared to make an offer to meet with his counterparts in British Columbia and Alberta in an attempt to avert this very serious crisis?

[Mr. Speaker.]

Mr. Macdonald (Rosedale): Mr. Speaker, there does not appear to be any difference of opinion at all. The British Columbia Energy Commission holds the same view as the National Energy Board.

NATURAL GAS—COST OF POSSIBLE ALBERTA SUPPLIES TO BRITISH COLUMBIA CONSUMERS

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a supplementary question to the Minister of Energy, Mines and Resources similar to one asked about this matter last week. Is he in a position to say what the cost will be to consumers in British Columbia of this rerouted gas? Will it not be more than what they are paying already?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, this is obviously a question that will be included in the application to the Energy Board. I will then be in a better position to advise the House.

GASOLINE AND HEATING OIL—DECISION ON POSSIBLE PRICE INCREASES

Mr. David Lewis (York South): Mr. Speaker, I have a question or two to direct to the same minister. Last Friday after he had met with representatives of the oil industry he announced, according to press reports, that the government would probably agree to an increase in the prices of gasoline and home heating oil in Quebec and the Atlantic provinces and that it might have to consider similar increases for the part of Canada west of the Ottawa valley now served by oil from Canadian sources. May I ask the minister whether he has made such a decision and, if so, what the increase will be?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No, Sir. No such decision has been made yet.

Mr. Lewis: In view of the continuing considerable profits made by these large multinationals, and particularly in view of the fact that they sell to themselves from wellhead to refinery at prices they themselves set, may I ask the minister whether he is persuaded that an increase in the consumer prices is justified in those circumstances?

Mr. Macdonald (Rosedale): That is the decision to be taken.

Mr. Lewis: Can the minister inform the House (a) when the decision may be expected and, (b), what elements he and the government are considering with respect to the application for price increases?

Mr. Macdonald (Rosedale): Mr. Speaker, such a decision might be made during the current week. I think the most critical element will be the cost of crude oil from offshore sources being landed in Canada. As the hon. gentleman will recall, Venezuela has increased its tax on crude oil, and as well as that there has been a 70 per cent increase in the price of crude oil coming from the Arab states. So the principal element to be taken into considera-

tion will be the landed cost of oil in eastern Canada. Another factor will be the ultimate impact on the Canadian market once the restraint comes off, and whether or not there should be graduated raises to meet these increases.

OIL—REPORTED POSSIBLE DIVERSION OF TANKERS DESTINED TO CANADA TO UNITED STATES PORTS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to direct a supplementary question to the Minister of Energy, Mines and Resources. In view of a report I received less than an hour ago that there is a possibility that tankers bringing oil from the Middle East to Canada will now be diverted to ports in the United States, will the minister investigate that report and, if that is the case, instruct the companies or owners of the tankers to deliver that oil to Canada, its original destination?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am much obliged to the hon. gentleman for bringing this to my attention. I will look into it right away.

[*Translation*]

GASOLINE PRICE INCREASES—POSSIBLE AGREEMENT WITH PROVINCES TO REDUCE TAX

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to ask a supplementary of the Minister of Energy, Mines and Resources.

In view of the fact that gas prices are increasing in a staggering way, can he tell us whether he is going to have an agreement with the provincial authorities in order to reduce the tax on gas?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it is a very relevant question; we will consider the hon. member's suggestion.

[*English*]

EXTERNAL AFFAIRS

GOVERNMENT PROPOSAL THAT NORTHWESTERN UNITED STATES BE SUPPLIED BY CANADIAN OIL RATHER THAN BY TANKERS CARRYING ALASKAN OIL—INQUIRY AS TO CHANGE

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. In view of the fact that on September 4 statements made by the Parliamentary Secretary to the Minister of the Environment indicated it was still Canadian policy to provide Canadian oil to the Pacific northwest in order to keep oil tankers out of the Puget Sound area, and in view of the fact that on September 20 a statement was made in the House that leaves this very much in doubt, can the minister advise if Canada has abandoned its policy of supplying Canadian oil as a substitute for tankers carrying oil from Alaska?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the hon. gentleman has said, there have been quite a number of changes in circumstances since the first statement was made on September 4 and, indeed, since September 20. In the first place, there are indications that we do not have unlimited supplies of oil in Canada. Second, in view of the changing circumstances it might be worthwhile to build a pipeline across Canada. All of these problems have to be looked at afresh. It is still our policy to try to minimize and, if possible, avoid entirely the dangers inherent in big supertankers coming into those waters.

Mr. Fraser: With respect, Mr. Speaker, my question was specific and it remains specific. Has Canada changed its policy of asking the United States to consider Canadian imports in order to keep the tankers out of there and, if not, what steps have been taken recently, despite the changing circumstances, to maintain this position with the United States?

Mr. Sharp: As I have said, Mr. Speaker, we have been reviewing our oil policies. We have not made a decision yet on this question. At one time this looked like a perfectly feasible method of avoiding bringing tankers close to our coast. I am sure the hon. gentleman would agree that, because of the changing petroleum situation throughout the world, we cannot now be quite as sure as we were.

INQUIRY AS TO CANADA-UNITED STATES OIL SPILL CONTINGENCY PLAN ON WEST COAST

Mr. John A. Fraser (Vancouver South): Can the minister advise the House, with respect to this whole problem, whether there is in fact now in existence a joint Canada-U.S. oil spill contingency plan and, if so, how soon Canada will have sufficient oil pollution containment equipment and personnel on the west coast in order to meet our obligations under any such plan?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, of course it will be some years before there are supertankers coming down the Pacific coast carrying Alaskan oil. There is now, of course, some movement into many of our ports, as the hon. gentleman knows, and for some time now we have had very active discussions, with plans being made to try to minimize damage from oil spills on both the west coast and the east coast. I am sure he will agree that, while we are greatly concerned about the west coast, there are also problems on the east coast.

Mr. Fraser: Mr. Speaker—

Mr. Speaker: Order. I will recognize the hon. member, but he has asked a question and three supplementaries. I think there has to be a limit to the supplementaries asked by a member.

Mr. Clark (Rocky Mountain): He has not had an answer yet.

Mr. Fraser: One of my colleagues says that I have not had an answer yet. A letter delivered to me, September 7, from the office of the Secretary of State for External Affairs contained the following:

An elaborate joint oil spill contingency plan has been developed.

My question is this: has that plan been developed or not, or is it still being discussed?

Mr. Sharp: Mr. Speaker, a plan has been developed and it is still being discussed.

Some hon. Members: Oh, oh!

Mr. Sharp: My answer to both questions is yes.

* * *

ENERGY

PLANS TO ASSIST OIL FIRED THERMAL POWER PLANTS TO CHANGE TO COAL

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I would like to address a question to the Minister of Regional Economic Expansion. Has his department any contingency plans to assist thermal powered generating stations to change to the use of coal, or to make some other adjustment, so that areas of the country that are completely dependent on oil fired thermal power plants will not suffer unduly because of the increasing cost of crude oil?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I would assume that the hon. member is more concerned in this particular context with the Atlantic provinces.

Mr. MacLean: Yes.

Mr. Jamieson: We have been discussing with the three maritime provinces the whole question of energy supply and expansion, but not necessarily up to now in terms of conversion. The question has been primarily one of nuclear powered plants as being supplementary to those now in existence.

● (1440)

OIL—ACHIEVEMENT OF AGREEMENT WITH ALBERTA GOVERNMENT AND INDUSTRY—SUGGESTION AS TO POSITION MINISTER SHOULD TAKE

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Since the minister has now struck out for the second time with the province of Alberta on energy matters, the latest being his reply to a question by the hon. member for Calgary North on October 18 concerning exemption of Syncrude, Canada, Ltd., from the export tax, which has been refuted by Mr. Spragin—

Some hon. Members: Order!

Mr. Speaker: Order, please. Perhaps the hon. member might like to ask a question rather than submit an argument. A question should not be argumentative.

Mr. Towers: Will the minister now go hat in hand to the province of Alberta on October 29 to initiate an agreement between that province and the oil industry and the federal government which will be of benefit to all Canadians?

[Mr. Fraser.]

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would remind the hon. gentleman that I was not speaking to Mr. Spragin; I was speaking to his principals, and I still think that my comment stands.

Mr. Towers: Mr. Speaker, my supplementary is for the Prime Minister. If the Minister of Energy, Mines and Resources strikes out the third time at the meeting with Alberta on October 29, will the Prime Minister assure this House that the minister will be out?

Mr. Speaker: Order, please. The hon. member's supplementary is hypothetical.

* * *

VETERANS AFFAIRS

REQUEST THAT PAY AWARD TO NURSES BE REVIEWED

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question relates to nurses in the employ of the federal government most of whom work in and for the Department of Veterans Affairs, but I should like to put my question to the President of the Privy Council in his capacity as minister responsible for the Public Service Staff Relations Board. In view of the fact that the nurses concerned, many of whom are not reporting for work these days, feel that the arbitral award in their case was unfair in that it did not take all the factors into consideration, will the minister take up with the Public Service Staff Relations Board the possibility of having that award reviewed?

Hon. Allan J. MacEachen (President of the Privy Council): Yes, Mr. Speaker. I will have a word with the chairman of the board and discuss the point made by my hon. friend.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. In view of the apparent discontent of many nurses in veterans affairs hospitals, which is going to interfere with the care of war veterans, has the minister made his colleagues in cabinet aware of the situation, has he had consultations and has he made representations to ensure swift settlement of the issues before many of our veterans are ignored?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I should like to inform the hon. member that I have spoken to one member of cabinet, the President of the Treasury Board. I would also like to assure the House that our veterans are well cared for. A segment of the nursing staff is off for three days registering their objection but I am informed that the veterans are still being well looked after.

Mr. Marshall: In view of the fact that the Assistant Deputy Minister of Hospitals has resigned, is the minister making an immediate appointment so that the mechanics of the treatment of veterans will continue uninterrupted?

Mr. MacDonald (Cardigan): Mr. Speaker, the doctor in charge of transfer hospitals has not resigned; he has

indicated his desire to retire on December 21. This has been well accepted, although we are very sorry, but it is due to personal reasons.

Mr. Bell: Something like Agnew. He retired early.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, as the President of the Treasury Board has been mentioned, may I address a supplementary question to him? In view of the unwillingness of the government to pay adequate salaries to the nurses, will the President of the Treasury Board make it clear that the government will not buy the recommendation of salaries of $60,000 a year for deputy ministers?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I am not sure that I can accept the premise of the hon. gentleman's question, that the award was unfair.

Mr. Speaker: Order, please. A number of supplementaries are being sought on this subject. The Chair will recognize the hon. member for Champlain, the right hon. member for Prince Albert and then return to this subject.

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[*Translation*]

PROVINCIAL AFFAIRS

POSSIBILITY OF INTERVENTION BY PRIME MINISTER IN QUEBEC ELECTION CAMPAIGN

Mr. René Matte (Champlain): Mr. Speaker, I would like to ask a question of the right hon. Prime Minister.

Could he tell this House if he will intervene directly or indirectly in the election campaign now under way in the province of Quebec, should he think that the interests of Canadian federalism are threatened?

Mr. Speaker: I doubt that the hon. member's question is in order. In any case, be it sufficient to say that it is hypothetical.

* * *

[*English*]

ENERGY

STUDY OF POSSIBLE RAILWAY LINE FOR SHIPMENT OF NORTHERN OIL TO AVOID POLLUTION BY TANKERS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. In view of the fact that a group of scientists and professors of Queen's University recommended some months ago that the solution to the problem of the dangers of environmental destruction as a consequence of the movement of oil by ship was that alternative action be taken, is there a task force now in the department which is evaluating the question of shipments being made by a railway that will take several years to build? What is the present position of that task force?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker, under the aegis of the Department of Transport and my department a study is under way. The team is made up of representatives of Canadian National Railways and Canadian Pacific Railway and they are considering the feasibility of a northern railway for the purpose of shipping oil, with the expectation that we will have a report about the end of the year.

Mr. Diefenbaker: I wonder if consideration is being given to the best possible location for the terminus, in the city of Prince Albert?

Mr. Macdonald (Rosedale): Mr. Speaker, that assumes more than usual importance.

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PUBLIC SERVICE

REGIONAL PAY INEQUITIES—REASONS FOR NOT APPLYING SAME PRINCIPLE TO MEMBERS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is supplementary to those asked earlier by the hon. member for Winnipeg North Centre and the hon. member for Humber-St. George's-St. Barbe and is directed to the President of the Treasury Board. In view of the refusal of the Treasury Board to at least commence phasing out regional pay inequities across the nation for employees under its jurisdiction, does the President of the Treasury Board have under active consideration, for the sake of consistency, a measure to pay members of parliament on a regional basis as well?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think the House is aware that pay arrangements for the public service arise from a process of collective bargaining leading to an agreement. I have not heard any suggestion by members of parliament that they should be paid on a regional basis.

Mr. MacKay: Can the minister then explain the reason for treating this diverse group of federal representatives in a fashion different from the public servants who perform similar tasks in different areas of the nation?

Mr. Drury: Mr. Speaker, as I say, the present arrangement in respect of the public service is as a result of collective agreements arrived at by collective bargaining. An agreement means just that—an agreement.

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TRANSPORT

SHORTAGE OF BOXCARS FOR LUMBER AND GRAIN—ACTION TO INCREASE SUPPLY

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is directed to the Minister of Transport and arises from the serious effect of the shortage of boxcars upon industry, particularly the lumber industry in British Columbia which has some 4,500 boxcars of lumber awaiting shipment from interior British Columbia, and the continual backlog in the movement of grain from the western provinces to the ports. Can the minister advise the House if he has had discussions with the two national railways on which he can report to the House, and has he

recommended increasing the supply of boxcars to Canadian industry since this has been a chronic problem for a number of years?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, if I may start with the last part of the question, Canadian National, the British Columbia Railway and Canadian Pacific ordered railway cars for lumber at the beginning of the year. Unfortunately delivery was not as expected because of strikes and other conditions, and it is impossible to lease any cars from the United States. Canadian Pacific succeeded in getting 300 cars, but that is all that are available on the market because in the United States there is a shortage. I hope I can meet with the railways on Thursday.

Mr. Mazankowski: Can the minister inform the House whether he has recommended a complete study of the availability and future need of boxcars, particularly the practice of the United States in holding boxcars in that country for some 45 days causing disruption in the movement of boxcars along with the much needed future expansion of boxcar allocation? Can the minister indicate whether he has recommended that the railways or his department undertake such study, in order that we might be able to overcome the critical and chronic shortage of boxcars in future years?

● (1450)

Mr. Marchand (Langelier): Mr. Speaker, this is normally done each year. Last year they provided for an increase in activity of about 6 per cent. It is not unfortunate, but the increase in activity was 14 per cent and this is why there is a gap between forecasting and the situation now. At any rate, I am going to discuss these matters with them and hope to find a formula that will avoid a repetition of what is going on now.

BOXCARS FOR GRAIN—REQUEST FOR MEETING OF RAILWAYS, WHEAT BOARD AND UNION REPRESENTATIVES

Mr. A. P. Gleave (Saskatoon-Biggar): I have a supplementary question, Mr. Speaker. In view of the request the minister has had from the National Farmers Union to call a meeting of the railroads, the Canadian Wheat Board and the unions as well as others interested and involved, has he acceded to this request or will he do so, survey the total situation and come up with some answers?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I know that last Friday there was a meeting in Montreal between the representatives of the Wheat Board, under the auspices of the Minister of Justice, and the railways. I have not had any report on that. The Minister of Justice is not here. As for myself, I am going to meet with the railways on Thursday about the situation prevailing in British Columbia.

Mr. Gleave: Mr. Speaker—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for a last supplementary on this subject, and then recognize the hon. member for Esquimalt-Saanich.

[Mr. Mazankowski.]

Mr. Gleave: Mr. Speaker, may I again ask the minister if he will broaden the scope of these meetings and ask not simply representatives of the grain groups and the railroads but involve all those people who have anything to contribute if we are to move grain? May I also ask him if he would persuade the minister in charge of the Wheat Board to quit politicking in western Canada and get back to his job?

Mr. Speaker: Order, please. The hon. member for Esquimalt-Saanich.

[*Translation*]

EFFECT OF FREIGHT RATES ON ECONOMIC DEVELOPMENT—POSSIBLE FURTHER REGIONAL CONFERENCES BETWEEN FEDERAL GOVERNMENT AND PROVINCES

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I wish to ask a question of the right hon. Prime Minister.

In view of the promises that were made on January 4, in the Speech from the Throne, as regards national transport problems, and in view of the conference arranged in western Canada a few months ago to study the impact of railway freight rates on the economic growth of the west, could the right hon. Prime Minister tell us if he intends to set up soon other federal-provincial conferences in other parts of the country in order to study similar questions and to show the people of this country that these were not hollow promises?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member refers to the decisions that were taken during the western conference, he will see that the parties and the governments attending the conference decided to follow up with government policies in several ways, both by referring these problems to the Canadian Transport Commission and by providing for the review of transport problems by a standing committee that must report before the end of the year.

Other regions of this country were treated in a different way. The Minister of Transport held recent meetings with the Atlantic ministers of transport, about one month ago, if my memory serves me right. Therefore, as the hon. member may see, the government deals with problems in a way that is proper to every region.

[*English*]

REQUESTS FOR COMPLETION OF PLASTER ROCK-RENOUS HIGHWAY AND MODERN ROAD BETWEEN FREDERICTON AND SAINT JOHN

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, while we are on the same question of transportation may I direct a question to the Prime Minister. In view of repeated requests for federal assistance for the completion of the Plaster Rock-Renous highway in central New Brunswick and the building of a modern road between Fredericton and Saint John, New Brunswick, would the Prime Minister not pay too much attention to the corridor proposal through the state of Maine which is brought to his attention from time to time?

Mr. Speaker: Order, please. I suggest that the hon. member's question is a representation. It is not a supplementary. The hon. member asked a question on transportation. It may have been a related question, but it was not a supplementary question.

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EXTERNAL AFFAIRS

REQUEST FOR ADMISSION TO CANADA OF CHILEAN REFUGEES NOW IN BUENOS AIRES

Mr. Andrew Brewin (Greenwood): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. Has the minister received representations from the Canadian Council of Churches and the Canadian Catholic Conference in respect of 150 refugees from Chile who are, I believe, at the airport in Buenos Aires in the Argentine and who are seeking to come to Canada. They have been threatened with immediate deportation back to Chile or to their countries of origin. Will the government take urgent steps with a view to permitting as many as possible of these refugees to come to Canada in accordance with the undertaking given by the minister to the House that the government will adopt a humane attitude in such cases?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, on the specific question as to whether I received representations from the Canadian Catholic Conference, I do not know whether in fact I received representations. My department reports, however, that this situation, which was outlined to me in the letter from the hon. member of October 22, is a situation of which they were unaware. Therefore, I asked our office here to get in touch with Buenos Aires, and I am now expecting a report. If, in fact, the situation is as reported, I can assure the hon. gentleman that the Canadian government will apply the humanitarian standards that it has always applied to similar situations.

Mr. Brewin: Mr. Speaker, by way of a supplementary question, may I make a recommendation? Does the minister not appreciate that there is great urgency involved in this case, as these people may be deported and it may be too late to do anything?

Mr. Sharp: Mr. Speaker, as I say, the department had been unaware of this, but as soon as the hon. member's letter was received I had a message sent off to Buenos Aires, to check on the report.

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TOURISM

INQUIRY AS TO INTRODUCTION OF MEASURES TO ASSIST INDUSTRY

Mr. Keith Taylor (Churchill): Mr. Speaker, my question is for the Prime Minister. Since the session is now almost ten months old, and since the Speech from the Throne indicated that measures would be introduced to assist in the development of the tourist industry in

Canada, would the Prime Minister advise the House whether any action other than the usual issuing of press releases will be taken this year on this important matter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will have to consult with the Minister of Industry, Trade and Commerce to see if he intends to make any announcement in this regard.

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ENERGY

NUCLEAR AND HEAVY WATER PLANT IN NEW BRUNSWICK—DATE OF DECISION ON PROGRAM

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of present energy difficulties, can we expect that the government will be accelerating its program of nuclear plants and, in particular, will the first decision, the one in which New Brunswick is interested, be made almost immediately? If so, when?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the proposal, as the hon. member knows, is not only for a nuclear plant but also for a heavy water plant in New Brunswick. I hope that the question of a heavy water plant can be decided by the government before the end of this month.

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UNEMPLOYMENT INSURANCE

REQUEST FOR REFERENCE OF COST TO STANDING COMMITTEE—POSSIBLE INTRODUCTION OF AMENDING LEGISLATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to address a question to the government House leader. As the unemployment insurance ceiling, as set out in prior legislation in the amount of $800 million, has been dispensed with, and as we note with concern the increased cost of unemployment insurance, which may be greater than perhaps it was last year, would the government House leader now direct that the matter be referred to the Standing Committee on Labour, Manpower and Immigration be struck, in order that it can be studied?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I will undertake to discuss this matter with the minister and to give consideration to the proposal made by the hon. member.

Mr. Alexander: A supplementary question, Mr. Speaker. As the minister responsible for UIC has repeatedly indicated that he proposes to introduce legislation dealing with the UIC, can the minister advise the House if it is still the intention of the government to introduce such legislation and, if so, when?

Mr. MacEachen: Mr. Speaker, unless I am out of touch with the legislative program, it is not the intention to

produce new amendments to the Unemployment Insurance Act in this particular session.

Mr. Alexander: Mr. Speaker, I have one last supplementary.

Mr. Speaker: Order, please. The Chair recognizes the hon. member for Lanark-Renfew-Carleton on a supplementary question.

● (1500)

DATE OF PROCEEDING WITH BILL C-125

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, my question is for the President of the Privy Council. In view of the fact the government recognized the concern of Canadians during the October, 1972 election over the misuse of unemployment insurance funds and, indeed, introduced Bill C-125 to rectify the situation, and in view of the fact the Prime Minister of this country stated the bill would be debated and disposed of within a few weeks of February 3, 1973, can the minister advise when this long delayed legislation will be brought before the House for debate?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, as the hon. member knows, the House has already dealt with a measure having to do with the unemployment insurance fund. The second bill is still on the order paper. Consideration will be given to bringing it forward at an appropriate time.

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FINANCE

CONSIDERATION OF THESIS OF DR. DEUTSCH—GOVERNMENT POSITION

Mr. John Harney (Scarborough West): Mr. Speaker, my question is directed to the Minister of Finance. It refers to the statement made last week by the former chairman of the Economic Council of Canada to the effect that Canada should reconsider its devotation to the growth of the gross national product in light of present economic thinking and conditions. Can the minister reassure this House and, therefore, the country that someone in his department is giving serious consideration to the thesis put forward by Dr. John Deutsch and many other leading thinkers in this country?

Hon. John N. Turner (Minister of Finance): Yes, Mr. Speaker.

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BROADCASTING

ADVERTISING ON CHILDREN'S PROGRAMS—POSSIBLE NEED FOR LEGISLATION TO IMPLEMENT COMMITTEE RECOMMENDATION

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Communications whom I am glad to welcome back to the House after his trip abroad. Can the minister inform the House when the Canadian Radio and Television Commission intends to proceed with implementation of the recommendation of the Standing Committee on Broadcasting, Films and Assistance to the Arts with regard to advertising directed to children which was concurred in by the House on July 14 or does the minister share the view that legislation is necessary before the commission can comply?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I should like to thank the hon. member for his courtesy in advising me around noon that he would ask me this question.

I have consulted the files and I believe that the decision of the Canadian Radio-Television Commission on this subject reflects several of the recommendations contained in the report which was tabled and sanctioned in this House. In my opinion the question of whether it is necessary to have legislation allowing the CRTC to go further, if such were its decision and the formal recommendation of the House, should be closely examined.

As for the second question, I should like the hon. member to give me a few days to reflect on it.

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[*English*]

SPORTS

FINANCING OF COLISEUM IN EDMONTON—FULFILLMENT OF GOVERNMENT OBLIGATION

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the fact the city of Edmonton and the province of Alberta have fulfilled their promise of helping to finance the cultural and sports coliseum in Edmonton, when can we expect the federal government to fulfil its obligation?

Mr. Speaker: Order, please. I am not sure whether the question is of such urgency that it should be asked as a verbal question at this time. If the minister can reply briefly, he will be recognized. This is the type of question which could easily be put on the order paper or considered at the time of adjournment. If the minister can reply briefly, he will be recognized for that purpose.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I did not hear the last part of the hon. member's question.

Mr. Paproski: I want to know when the government is going to fulfil its obligation with regard to the cultural and sports coliseum in Edmonton.

Mr. Lalonde: I think Your Honour is right, the matter should be debated. There have been discussions with representatives of the city of Edmonton, but I do not know to which commitment the hon. member is referring.

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

AIR CANADA

SUGGESTED ESTABLISHMENT OF AIRBUS SERVICE ON TORONTO, OTTAWA-MONTREAL ROUTE—GOVERNMENT POSITION

Mr. A. D. Hales (Wellington): Mr. Speaker, I wish to direct my question to the Minister of Transport who is responsible for Air Canada. In view of the bedlam that exists on weekends and the scarcity or reserved space on Air Canada on the Toronto, Ottawa and Montreal flights and in view of the fact the national capital should have the best possible air service, will the minister ask Air Canada to institute an airbus service similar to that which exists with great success between Calgary and Edmonton?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is on the agenda of the transport council. We are discussing that at the present time. I hope we will find a solution because I also travel between the airport and Ottawa.

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EXTERNAL AFFAIRS

REQUEST FOR STATEMENT ON CANADIAN POSITION ON OWNERSHIP OF MARINE RESOURCES

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the absolute necessity that Canada state a definitive position with regard to the marine resources of this nation as they pertain to the international law of the sea conference and because the minister promised such a statement would be made, as recorded in *Hansard* for June 28, stating Canada's position in anticipation of the Law of the Sea Conference, can he tell us when this statement will be forthcoming?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, consultations with the provinces have now been completed. My officials inform me it is likely I will have a statement on my desk for approval toward the end of this month.

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FISHERIES

SALMON STOCKS—REQUEST FOR STATEMENT ON GUIDELINES FOR NEGOTIATIONS WITH UNITED STATES

Mr. Frank Howard (Skeena): Mr. Speaker, I have a question for the Minister of the Environment. I note he is not here. Perhaps he can reply when he returns. It relates to the secret Canada-United States meetings held between September 26 and October 4 with regard to salmon stocks on the Pacific coasts of both these nations. Will the minister, as he did with regard to the IMCO conference in London, make a statement on motions to inform the people of this country of Canada's official position at these meetings with regard to salmon stocks and the guidelines the government set out for negotiating them?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I shall advise the hon. minister of the remarks of the hon. member for Skeena.

* * *

[*English*]

CONFLICT OF INTEREST

INQUIRY AS TO INTRODUCTION OF LEGISLATION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is to the Prime Minister. In view of the fact there was a promise in the January 4 throne speech that the government would introduce legislation to deal with conflict of interest of members of parliament, ministers of the Crown and public servants, what plans are underway to introduce this legislation to the House?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, possibly I may reply to the question. As soon as the Standing Committee on Privileges and Elections completes its study of the election expenses bill, it is the intention of the government to send to the committee the green paper on conflict of interest with the draft bill attached thereto on the independence of parliament. That will give hon. members of this House and of the other place an opportunity to consider the proposals which have been made, and, if they are found acceptable, to embody them into the law.

● (1510)

Mr. Speaker: Order. The Chair will recognize the hon. member and the hon. member for Rocky Mountain for a first supplementary but we will have to call orders of the day after that. I appreciate that a number of hon. members could not be recognized—the hon. member for Victoria, the hon. member for St. John's West, the hon. member for York East and others. I hope they will be given an opportunity tomorrow.

The hon. member for Grenville-Carleton.

Mr. Baker: I withdraw the supplementary, Mr. Speaker. I relinquish my right to the floor.

* * *

INDUSTRY

DATE OF INTRODUCTION OF LEGISLATION DEALING WITH COMPETITION

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question also concerns undertakings given in the Throne Speech. In the light of the promise in the Speech from the Throne—

Mr. Speaker: Order, please. The hon. member was recognized for the purpose of asking a supplementary to the question raised a few moments ago. Perhaps he can be recognized now for the purpose of asking a related question, after which I will call orders of the day.

Canadian National Railways and Air Canada

Mr. Clark (Rocky Mountain): Thank you, Sir. In the light of the promise in the Speech from the Throne concerning the establishment of a competition policy, may I ask the Prime Minister if he would explain to the House why nothing of this nature has been introduced in parliament to date, and would he advise us when legislation will be introduced to parliament concerning competition policy?

Right Hon. P. E. Trudeau (Prime Minister): We do intend submitting a bill to this effect to the House for first reading within a week or two.

Mr. Clark (Rocky Mountain): Mr. Speaker, I rise on a point of order. I apologize for doing so at this point. It relates to an answer to a question on the order paper which was received during the question period. The answer was in response to question No. 2509 asking whether any subsidiaries or agencies of the CPR are exempt from levies or regulations imposed by the federal government or other governments and the nature of such exemptions. The answer was that such subsidiaries do not come under the jurisdiction of the Canadian Transport Commission. Naturally, that non-answer was over the signature of the Minister of Transport. I intend to re-submit the question but I want to draw to the attention of the House, on this point of order, the recurrent attempts of the government, on questions of this kind, to avoid answering legitimate and important inquiries.

GOVERNMENT ORDERS

[*English*]

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House, resumed from Thursday, October 18, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-164, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railways Company and certain debentures to be issued by Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Don Blenkarn (Peel South): Mr. Speaker, when I last spoke on this subject last Thursday I had partially completed my remarks. I was discussing the financial statements of Canadian National Railways and the Canadian Pacific Railway and showing that the excuse offered in the past for the poor financial performance of the CN that debt charges were responsible for its lack of profit was nonsense. A comparison of debt charges against operating revenue of the CPR and the CNR shows that Canadian Pacific in fact carried a greater burden of debt in proportion to operating revenue than did the CNR. On this basis alone, there is reason for concern among members of this House and Canadians generally when they are frequently being asked to supply additional funds to the Canadian National system.

As I said the other evening, it is most difficult, because of the nature of the balance sheet, to be sure of extracting accurate figures but I believe the figures I am giving are accurate. I have spent a fair amount of time on them. Gross revenue from railway operations only earned by the CPR during the last fiscal year amounted to $709 million. Revenue of the Canadian National system from its rail operations only was $1,257 million. After taking into account all debt charges, the CPR made a profit of $44.6 million on its railway operations. The CNR, not taking debt charges into account, made a profit on its railway operations of $23 million. Both railway companies possess additional sources of revenue, such as telegraph operations, hotels and other activities. After allowing for debt charges, the CPR made a profit of $70.4 million. The CNR took another $24 million out of its ancillary operations, but after paying its debt charges it lost $17 million, and the CN was quite proud of that performance. Clearly, in the field of railway operations alone, the CPR is able to generate a significant profit. The CNR, when debt is taken into account, generates no profit at all. But the statement as made up by the CNR tries to bury this fact, though it is one which must, I submit, cause concern to all hon. members.

The national railway system was an important factor in the building of Canada. Parliament has always considered the railways to be a vital means of tying our nation together. The events with which the railways were associated in the last century—the bringing together of the various provinces, the entry of British Columbia into confederation, to name only two—were matters of constant concern to parliament until the driving of the last spike. There is no question that Canadian Pacific received significant land grants as well as what were large sums of money in those days from the federal treasury. But I would point out that with the exception of certain operating subsidies affecting lines of national importance, the CPR has received no money from the federal government since that time. I would also remind the House that the Canadian National system was virtually completed prior to the first world war. Some 60 years have elapsed since then. But since the take-over of the Canadian National by the people of Canada, vast sums of money have been advanced to the CN in addition to the original land grants made during the earlier years of the system. It occurs to me it is time a serious analysis were made of the viability of this Crown corporation and the capacity of its management. As I pointed out the other day, on the basis of established values we should not be continually faced with appeals for further money for operating capital to supply the need of this railway.

I wish to draw the attention of the House to certain figures which appear in the balance sheet of the CNR. Net new investment made by the CNR during the last fiscal year amounted to $102 million. The capital cost allowances for tax purposes on existing equipment owned by the company was $126 million. So the CN had at its disposal more funds than were, in fact, necessary to replace its

stock and make the additional capital investment, since the difference between capital cost allowances and new investment amounted to $24 million. These railways are now in such a state in terms of capital assets that the depreciation of existing assets should more than supply sufficient cash reserves for new capital investment, if the process is properly managed. Clearly, according to the CNR, it does. Yet one of the things the present bill talks about is the advance of money to the CN for the very purpose of providing for the extension and renewal of the system. I am suggesting that, according to the CN statement, this requirement of public funds is not, or should not, be needed. If it is, in fact, necessary, the management of the CNR has a great deal of explaining to do before members of this House.

One of the things that bothers me about the CNR is its propensity to become involved in the grandiose and the spectacular. Sometimes I wonder whether the motive is of a political nature or whether these proposals are simply designed to enhance the public image of the company. A proposal was made to build a communications tower in Toronto. Originally, the tower was to have been owned jointly by the CN and the CP. The CP looked at the Tower of Babel, and decided it was not a good investment. The CN, without consulting the people of Toronto or the Council of the City of Toronto decided to go ahead using its power over Crown land.

I note the bill before us contains a recommendation that an advance be made to the railway company by the people of Canada of $8.8 million to CN Tower Limited. If this bill should pass this House, then the directors of the CNR must be brought before the standing committee of the House and give a detailed explanation as to why this railway, which if it has any justification for its existence must be the justification that it will move grain, people and freight across the reaches of the country, should be building a Tower of Babel in the city of Toronto.

● (1520)

I come to the next matter of experimentation. The CNR decided to engage in an experiment in connection with a turbotrain. That train has yet to run. We have no idea what is the cost of the experiment to the Canadian National system in connection with that train. The directors of CNR had better explain this to the members of the House one of these days.

I come now to commuter services. It is my hope that the hon. member for York-Simcoe (Mr. Stevens) will be speaking to this House later in this debate, but it is clear that the Canadian National Railways operates the commuter services into the city of Toronto. It is also the agent for the province of Ontario which operates the rail service for commuters into the city of Toronto under the Go-line system. The information we on this side of the House have is that the CNR makes a very handsome profit from the people of Ontario and the government of that province in operating the Go service into Toronto and is not at all willing to do anything other than make money out of Toronto commuters. Many of us would like to know the exact cost of operating that Go service. There has been much evidence that rail costs that are totally unrealistic vis-à-vis the capital equipment used, use of rights-of-way and so on, are passed on to commuters. The directors of the Canadian National system had better be well prepared to answer these questions when they come before the committee.

I note also that the Canadian National system wants some more money to refurbish its hotels. When the railways were first built in this country, rail travel was the only means of communication. Obviously, it was necessary at that time for the railways to enter the hotel business. As far as movement of people is concerned, the railways are no longer the prime mover, except for the commuter services. Yet this railway has decided that it has to expand its hotel business.

If we were desperately short of hotels and motels in this country, perhaps that might be a fair decision to make. But we are not. Private industry has been very competent at building hotels right across Canada. I do not have to mention the chains run by the Highland House people, the Four Seasons, the Holiday Inn group and so on, which have been building quite excellent facilities in cities right across the country and, indeed, in some smaller places. Is there any real need for the people of Canada to provide $5,679,000 to the Canadian National Railways to build hotels? After all, the purpose of the railway was to forge links of steel across the nation to unify the country. Has this company any business going into one new venture after another without really getting down to fulfilling its major undertaking?

The other day in this House the hon. member for Gander-Twillingate (Mr. Lundrigan) asked the Minister of Transport (Mr. Marchand) about the ferry service and the number of rail cars presently awaiting transit to the island of Newfoundland. The minister stated that the situation was not all that bad, that there were only 520 cars in the line last year and only 670 cars this year. These railway cars, Mr. Speaker, have been lined up, waiting, waiting, waiting, as the hon. member for Gander-Twillingate said, not for one day, two days or three days, but waiting with their cargoes for up to six weeks. Neither this railway, the government nor the Minister of Transport get upset about this, and they now come to the House asking for another blank cheque. Clearly our national railway is not doing its work properly, despite the subsidies it receives. The directors of this system have a lot to answer for, and they will have to answer to the committee of this House.

I now want to talk for a moment about Air Canada. This is quite a fine corporation that we have, but I suspect it would operate much better if it were not for the interference of the present government of Canada with its operations. A lot has been said in this House about the building of Terminal two at Malton Airport in Toronto. The suggestion was that we would build a new terminal for foreign carriers and Terminal one would be for the exclusive use of Air Canada.

I have placed a number of questions on the order paper with regard to this matter. What happened when the building was completed? It was so poorly and ineptly designed that the private carriers would not have anything to do with it. The rents were so high that the private carriers said, "no dice". So, this government admitted it had goofed and decided to force Air Canada to take responsibility for the goof. It did so, and Air Canada spent a fortune in our money. They are now coming to us and

asking for the money that they used to make up for the goof of the government in the design and administration of Terminal two. I wonder what these independent directors of this supposedly independent Crown corporation were thinking of to be such stupid businessmen that they would take a lease of a terminal which was totally unsuited to its operations. These directors will have to answer some questions about this matter.

Then, there is the matter of certain landing rights. We have been discussing in the House the landing rights at Milan. Air Canada has been seeking these landing rights and so has CP Air. Whether or not Air Canada gets them, the right to fly from Toronto to Milan is an exceedingly valuable right. But rather than assist Air Canada or CP Air to make some money from this route, the government makes no decision; it simply sits on its hands.

Another matter that Air Canada had better explain is the relationship between the government of Canada and a person by the name of Ward, as well as the purchase price of an airline called Wardair which seems to have integrated itself with the government system for charter purposes. I do not have the balance sheets to give the House figures on this, but the very strong suspicion I have regarding the value of the aircraft purchased and the previous profitability of Wardair is that Air Canada paid three or four times what it should have paid for the Wardair system. I think this House must demand from Air Canada a complete explanation of the Wardair transaction.

● (1530)

Even today, we have heard concern expressed in this House about service. When I go to Ottawa airport if I do not have a standing reservation I am lucky if I get out of this city to fly to the Mississauga airport in my riding. There is not nearly sufficient service. The occupancy rate or load factor as shown by Air Canada is 65 per cent. I want to say to members of this House, and I am sure my observation can be confirmed by almost every member, that very few of us have ever flown on an airplane in the last year or so when that airplane was not full. I would say I have yet to fly on an Air Canada plane when it was only 65 per cent occupied. Other airlines operate on a much lower load factor. Yet this airline, on its own figures, has an occupancy rate of 65 per cent and should supply a better service between important business locations.

When I hear, as set out earlier today, and as the hon. member for Crowfoot (Mr. Horner) set out in his remarks on this bill, that there is more than adequate air service between Edmonton and Calgary operated at a profit by a private carrier, because Air Canada could not be bothered, I wonder why we cannot have, without more and more study by the minister, an airbus service between Montreal, Ottawa and Toronto. The reason for this is simply beyond me. The directors of Air Canada have much explaining to do.

Another thing they should explain to us is the reason this airline has decided to use a multiplicity of aircraft. It is presently using Douglas aircraft, the DC-8's and DC-9's, Boeing aircraft, the 747, and the famous Lockheed 1011. I shall not comment on the value of these particular aircraft but it strikes me, as a person with some business experience, that a sensible corporation would attempt to stay

[Mr. Blenkarn.]

with one company so that it would have one set of parts in terms of spares, and one set of maintenance problems rather than three. This might sound a little confusing, but it strikes me as being sensible that one type of aircraft, or one maker and certainly not three, is really all that is required.

Now, to discuss some of the ramifications in respect of the annual reports, I looked carefully first at the Canadian Pacific report. The report is a considerably thinner document than the Air Canada report, but it is printed in just one official language. If one examines the quality of paper, one will find that it is not glossy, fancy paper. It is pretty good paper but of poorer quality when one compares it with the fine paper used by Air Canada and the Canadian National. The Canadian National and Air Canada, after all, can afford the glossy, fine-textured paper and a fine printing display because the payment for this comes from only one source. They have parliament and if they need money they come and get it. They do not have to answer to a great number of shareholders who have their money invested in the company. The situation should be the other way around. The CPR has to market its stock and borrow money on the open market. It has every reason to produce a very classy, if you like, image. But this other company—it is really only one company because CNR owns Air Canada—has only the members of this House to think of and it could print its annual report on mimeograph paper for all we would care. We do not need the fancy printing or the rotogravure. We would be quite happy if it came to us in English and French on Gestetner paper. But they have to make a good show. For whom? I say, Mr. Speaker, probably for themselves.

I wish to go further and do a quick analysis of the profitability of Air Canada and Canadian Pacific Airlines, because the situation is the same as with the railways, except that Air Canada does make a small profit and the railway system loses money. In 1972, Air Canada had an investment of $816 million. With this investment it had a gross revenue from fares of $475 million. In other words, it took nearly $2 of capital to produce $1 of revenue. The Canadian Pacific system had a gross investment of $161 million and a revenue from fares of $172 million. For $1 of investment Canadian Pacific was able to generate slightly better than $1 of revenue.

Let us see what effect this had on its profitability. Air Canada, with $816 million invested—and much of its debt money without interest—after taxes produced a profit of $8.5 million. The Canadian Pacific system, with $161 million in capital, produced a profit after taxes of $5.1 million. Although Air Canada is nearly five times the size of Canadian Pacific, its profit amounts to a difference of only $3 million. This is ridiculous. Air Canada has every bit as good a routing system as Canadian Pacific and has every bit as good facilities at airports. Air Canada has the same technical assistance as the Canadian Pacific system, and yet it cannot show as great a profit. This points out the whole problem in respect of Crown corporations. These Crown corporations should do two things. First, for their profit-oriented sector they should perform every bit as well as a private corporation and indeed, because of the ability to borrow money at less than the market rate in many cases, they should do better. But do they? They do not.

• (1540)

We must say to ourselves that if a Crown corporation is in competition with private enterprise and cannot do as well, then we had better look very hard at the directors, the system and the organization of that Crown corporation—indeed, at the validity of Crown corporations in the first place. When this bill comes before committee, the directors of this corporation, if they have not already been questioned by members of the committee, had better look after themselves. They will have to explain—

Mr. Deputy Speaker: I regret to interrupt the hon. member, but the time allotted to him has expired. He could continue with unanimous consent.

Some hon. Members: Agreed.

Mr. Blenkarn: I have only one or two remarks, Mr. Speaker. I want to say that since this Crown corporation was set up for the purpose of providing service to the public, we as a government should determine the public service quotient in it. If we had a private corporation doing that work, the same thing would apply. We should receive the public service that we require from the corporation. We should then say to the corporation officials: "Do not tell us about the public service problem. We have paid you well for that. It should have brought you profit. You must perform as does any other business, and if you cannot perform that well, then there is something wrong with your management".

Unless we start looking at these corporations very seriously, we will wind up with bills such as this every year. We have the same problem with the CBC. We are told we need that corporation for national communications. It costs us about $100 million a year. We do need that corporation for national communication in part, but let us buy the national communications service from the corporation.

The same applies to transportation. Let us buy the transportation service from the corporation at such rates as we need to pay in order to tie the country together. Having done that, these corporations must stand on their own feet, and so must their management. If they cannot do so, then there is mismanagement somewhere. These people are not working for the public service. They are working for Crown corporations and they are paid as they would be on the ordinary commercial market. These corporations are supposed to pay taxes and do something for the economy of the country. So I suggest to you, Mr. Speaker, and to members of the House, that the management of Air Canada and of CNR leaves much to be desired and there is much to be explained.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I will probably speak for a relatively short time this afternoon, but there are one or two matters which I should like to bring before the House. Much has been said about the CNR and Air Canada, and about the fact that they do not operate as well as private enterprise. I find it rather strange that this point should be made so strongly. Let us remember that the CNR came into business because a number of private railroad companies were going bankrupt. Initially, the CNR was a rescue operation.

Mr. Blenkarn: That was 60 years ago.

Canadian National Railways and Air Canada

Mr. Gleave: I thought everyone knew that the CNR was a rescue operation. I cannot even say which particular government performed that rescue operation, whether it was a Conservative, a Liberal or a union government, but whatever government it was I suspect that it had no alternative. I do not see why we quibble about that matter. So far as the CPR is concerned also, I suppose, the people to my right would say that that company is a great example of private enterprise operating well. Initially, that company also was a great example of a group of skillful financiers and promoters being able to take the public of Canada into camp and come out very well as a result of their manipulations. Let us face it.

Mr. Knowles (Winnipeg North Centre): Shysters.

Mr. Gleave: I do not see the point of wailing about this particular aspect. If the members here want to talk about the type of service that is given by the public corporation, then I think they are quite justified in examining this aspect, and I myself would like to examine it in particular. I regret very much that the matter of CNR financing did not come before a committee of the House before we recessed and before the rail strike occurred. There are railroad employees in my constituency who wanted to put across their points of view with regard to pensions before that committee. They wrote to ask if they could do that. They sought a hearing but were unable to get it. This failure lies at the door of the government across the way. For some reason or other, apparently they did not wish to see CNR financing before the committee. This contributed to some of the unrest that occurred among workers on the railroad because they felt, I think rightly so, that they were being unfairly treated.

The hon. member who spoke before me was very unhappy with the fact that the CNR is in the hotel business, they have been in the hotel business for a long while. I might say, on the opposite side of the fence, that I am very unhappy at the fact they got out of the hotel business in Saskatoon.

Mr. Whicher: They did not make it pay.

Mr. Gleave: As a matter of fact, it did pay the year they sold it. I want to tell the hon. member something else, namely, that the CNR had spent a lot of money on that hotel. They had remodelled the main floor of a very attractive building and they had done a good job. They put in a swimming pool and brought this hotel up to the top standard.

Mr. Whicher: They got the money from us last year.

Mr. Gleave: That is absolutely right. They got the money from the people. And then what did they do? They sold it to good old private enterprise at a figure that they will not disclose. The CNR and the Minister of Transport (Mr. Marchand) will not tell the people of Canada the price for which they sold that hotel. I wrote the minister a letter on August 8 asking him for the price at which the hotel was sold, but he has not yet replied. I received a reply from the minister which is dated October 18 and came into my hands today. It took the minister two months to inform me that he would not reveal to a member of the House of Commons the price at which the CNR, a Crown corpora-

tion, disposed of one of the most valuable pieces of property in the city of Saskatoon.

● (1550)

As I say, it took him two months to write this letter which reads in part:

I have discussed this matter with the Management of the CNR and I am advised that the purchasers of the hotel are Management Associates Limited of Saskatoon . . .

The matter of the sale price is one which the purchaser would desire remain confidential and, in any event, it is not the practice nor the policy of the CNR to disclose terms and conditions of transactions it may have with other parties.

Why not, Mr. Speaker? Incidentally, for the benefit of hon. members to my right, the head of Management Associates is a very prominent person in their party, if that is any comfort to them. Why cannot the members of this House be told the price at which property, which belongs to the taxpayers of this country, is disposed of by the CNR? This is a disgrace, Mr. Speaker. Is the government afraid? Is the minister afraid to disclose the price? Was the price so low that it was not in the interests of the people? Was the price so low that the government dare not inform the people? As I have said, this is one of the most valuable pieces of property in the city, but the government is afraid to disclose the price at which it was sold.

There has been discussion of the amount of debt owing by the CNR. I do not know how important that is, because debt is only relevant to assets and the productivity of a business operation. A debt of $1,000 may be enough to ruin one individual, but another individual or corporation may have a debt of $500,000, with no real problem, because cash flow and turnover can take care of it.

Referring to the service that the CNR gives Saskatchewan people, I would also like to mention how it treats our industry. Hearings were held on the transportation of rapeseed and products manufactured from it, out of Saskatchewan to eastern Canada. After a lot of talk we managed to get a reduction in the freight rate on oil cake meal, but not on the oil.

According to the financial pages of the newspapers the other day Agra Industries, a Saskatoon company, privately owned, has taken over some operations in Montreal where it will manufacture rapeseed products. The reason for this is that the CNR freight rates are so high on the finished product which is manufactured in Saskatoon that it pays the company to ship the raw product to Montreal and process it there. This same company has an operation at Nipawin, where it handles the entire production right through to margarine. It has the capability and know-how, but the freight rate structure is such that it is to the company's advantage to move part of the manufacturing to Montreal in order to be competitive.

As I said at the beginning, Mr. Speaker, I do not worry too much about whether the CNR is publicly owned or privately owned, or whether the CPR is publicly or privately owned, but the manner in which they serve the regions of Canada is something we should all be concerned about in this House. Our record in many instances is not too good, especially when one looks at the outlying regions of Canada, the regions which are totally dependent on rail traffic.

[Mr. Gleave.]

The hon. member who spoke before me referred to the wonderful rail service in parts of Ontario. There railways have to be competitive with water and truck transport, and they must give service. But out where I come from they are the only carriers for some goods. We must use whatever service they care to provide. That is the basis on which they operate.

Here I would like to say a word or two about the condition of the CNR branch lines. The same thing applies to the CPR in our area. There was a small accident on one of the subdivisions. An investigation was held, partly at my urging. The fault was placed on the train crew for running the train at 20 miles an hour. The track was so bad that there was a speed limit of 15 miles per hour. If the train were to run at 20 miles an hour the roadbed would not stand it. There are thousands of miles of track that have not been properly maintained. This is not good service to the people of Saskatchewan.

It is the same story whether it is a question of moving oil or refined products to eastern Canada, whether it is maintaining the roadbeds, or anything else. Today, I talked to the President of the National Farmers Union who told me that the supply of grain cars in Western Canada is in arrears, even though the elevators at Thunder Bay are less than half full. This situation cannot be blamed on the labour dispute which ended a month ago. Something more basic is the cause of what is happening in Saskatchewan and other parts of western Canada. British Columbia has a complaint with respect to the shipment of lumber. What is needed is a different attitude on the part of railroad management. An attitude of expansion instead of contraction is needed. This attitude is prevalent in British Columbia and the Yukon with the development of additional rail lines and services, but for that attitude to fully benefit Canadians it has to reach the interior regions and the prairie regions so that we have a wholly integrated and forward-looking system of delivering service to the people who need it.

● (1600)

Finally, I want to say a few words in respect of the so-called servocentre system. In eastern Canada, as well as western Canada, station agents have been removed and the areas put on an integrated servocentre system which the railroad claims is an improvement. That remains to be seen, Mr. Speaker. I might as well say that in much of my constituency it is not being easily accepted as a better system. I would like to read a letter from one of the towns in my area to the superintendent of express and intermodular services, Canadian National Railways, Saskatoon. In that letter of May 3, 1972, the town clerk wrote:

At our last regular meeting of the town council your proposal to reduce services to Tuesdays and Thursdays came under discussion. As a town, we oppose any form of reduction in services. By not giving service farmers deliver grain elsewhere and freight and express is given to those who give the best service. It appears that poor service is deliberately planned to reduce the volume enough for a permanent shutdown. If this is a sample of what servocentre can do we in small communities have little to look forward to.

That is a sample of some of the letters and opinions that have come to me from towns in my constituency, and I am sure other western members could give similar examples. They do not have to be solicited, they just come. Our

problem is to try to deal with them and to get back from the railroad concerned the kind of service that was once given to those towns. Most of the machinery parts that we get in the town of Biggar come by passenger bus. Now, buses were not designed to haul machinery parts; they were designed to haul people. For a number of years the railroads have made it clear that they do not want to haul people, and now it appears they do not want to haul parts for machines.

We have one of the most efficient agents in our town, and he pointed out that the little baggage compartment of a passenger bus can only hold so many machinery parts in addition to all the luggage. Any parts that cannot be put into that compartment are just left. He says that eventually the agents give up on the whole thing and drive to Saskatoon to get the parts.

The main CN line from Montreal to Vancouver runs through Biggar, yet the main line passenger bus is hauling machinery parts to this town. The only conclusion one can reach is that service to the customer is not the prime objective of either the carrier or the Canadian Transport Commission. I do not leave the Canadian Transport Commission free of blame. I know that its powers are very limited, but I have yet to see it come before a committee of this House and ask for a change in the act so that it can protect the needs of the customer.

As a result of the MacPherson Commission in 1967 and various other hearings and proposals, the new Transport Act created circumstances under which some subdivisions can only tolerate the trains moving at 15 miles an hour. Mr. Speaker, there was a time when I could move as fast as that on a saddle horse, but that is as fast as the CNR can move trains over a subdivision in my constituency. It is ridiculous, but that is the way it is. We haul machinery parts around in passenger buses and people living 70 miles or more outside Saskatoon have to bypass perfectly good towns and machinery agencies to drive God knows where to get parts. Perhaps this House will not believe me, Mr. Speaker, but there are places in southwestern Saskatchewan where the people would not use a car; they would use an aircraft to get the service they need. If this is supposed to be progress, then someone had better change the definition of that word in the dictionary.

I do not particularly want to say anything about Air Canada, as some other hon. members have. I suppose it has its problems, just like everybody else. In the part of the country from which I come, I think Air Canada takes second place to rail transportation, except for moving people. We are mainly concerned about rail and road transportation. If we do not have rail transportation, we have to spend a lot of money building highways for more buses and trucks to do the job that the railways will not do. If the railways eliminate branch lines, then we need more trucks and more expensive highways to move the grain, the produce and the livestock. Rail transportation is pretty important to my area, to the people who use it and the people who run it. I want to say, Mr. Speaker, that I hope we come up with a satisfactory settlement so that we can do the transportation job that needs to be done for the people of Canada.

Some hon. Members: Hear, hear!

● (1610)

Mr. Ross Whicher (Bruce): Mr. Speaker, I do not particularly relish speaking this afternoon on this bill dealing with the financing of the CNR because, frankly, I look at it with a feeling of hopelessness and complete frustration. I look on it with frustration because, ever since coming here in 1968, I have heard members on both sides of the House intelligently criticizing the operations of Canadian National Railways, yet nothing has happened as a result of those criticisms. Of course, the same situation existed for many years before 1968. I hope that members of the government, particularly the Minister of Transport (Mr. Marchand), will read the last two speeches made in this House, the one by the hon. member for Peel South (Mr. Blenkarn) and the one by the hon. member for Saskatoon-Biggar (Mr. Gleave), both of whom are members of the opposition. The feelings they expressed this afternoon are not representative merely of the feelings of the Conservatives, the NDP or of the Creditistes. They are shared sincerely by those who sit on the government side of the House.

I said I was frustrated because I have spoken on this subject on numerous occasions and have listened to others speak on it, but nothing has happened. I also have a feeling of hopelessness, because I am almost totally certain that no matter what the opposition has said in the past or this afternoon and no matter what I say, nothing will happen. The CNR will carry on in its own way, doing exactly as it sees fit. It will not pay one iota of attention to the wishes of the House of Commons. Certainly, this has happened in the past, as far as I can see. The fact is that our feelings, as voiced by the constructive criticism which has been given by members of this House, are shared, in my opinion, by the people of Canada. Those feelings the CNR has completed ignored over the years.

With respect, I suggest that the members of one side of this House are in the position to do something. Surely, I do not exaggerate when I say that the government has the right, the ability—

An hon. Member: And the obligation.

Mr. Whicher: —and the obligation, as an hon. member has said, to do something about this. Canadian National Railways may be a very important segment of the economy of Canada, but if they think they are bigger than the government of Canada or the parliament of Canada, they have gone too far. I suggest respectfully, and I say this apologetically as I hope members of the opposition will appreciate the position I am in, that the government is obligated, not only to parliament but to the people of Canada, to move into this field and, especially in extreme situations, to act.

It is unfortunate that the Minister of Transport is not present this afternoon. I would not want hon. members to think that I would refrain from the remarks I am about to make if he were here. He is obligated not merely to represent the department of government for which he is responsible; he is obligated, as well, to parliament and to the people of Canada and, so far as I am concerned, in some instances that obligation has not been fulfilled.

Let me give an example. Many examples were brought forward this afternoon; however, let me tell you of one that strikes home, that shows that the government has ignored the wishes of parliament and of the people of Canada. Over 18 months ago the committee of the House dealing with transportation visited southwestern Ontario. It went to four cities and towns, Stratford, London, Chatham and Walkerton, the county town of Bruce County which I have the honour to represent. Twenty members of parliament representing all parties in the House were sent to those places to look into railway passenger service as provided by the CNR as well as by the CPR in that particular locality. I will not tell you what went on at the various committee meetings; I will merely say that those members of parliament were so impressed by what they heard that they made a report to this House. It was signed by all 20 members who represented all parties in the House. That report recommended to parliament and to the government that passenger service in that area be reinstated immediately. I am sad to say that that passenger service has not been reintroduced in accordance with the wishes of the committee.

I know members of parliament cannot demand that the government do certain things, obviously. However, I say with respect that when 20 members of parliament representing all parties in the House recommend a certain thing, that thing should be looked into most seriously. It has not been looked into seriously by any means.

We took this matter up with the Minister of Transport. Many members representing all parties in this House have taken up this matter with him. I repeat, respectfully, that that committee report recommended that certain passenger service be reinstated immediately. That service did not involve Ottawa, Vancouver, Montreal or Toronto. I believe Kitchener was involved. The service to which I have referred does not affect the western or eastern parts of Canada. It affects that particular area of southwestern Ontario which I mentioned.

The Minister of Transport has said, under repeated questioning by many hon. members, that he does not have the power to restore the train service, and that the Canadian Transport Commission, established by an act of parliament, runs the whole show. May I remind you of something that happened several months ago. When Bell Telephone came before the Canadian Transport Commission for a rate increase, the government, for reasons unknown to me—and I am speaking as a private member and giving my personal view—rolled back the rate increase awarded to Bell Telephone. If the government can do this with respect to telephone rates, it can do something with respect to the railways.

Some hon. Members: Hear, hear!

Mr. Whicher: If the Minister of Transport wishes to reinstate the train service in southwestern Ontario, he can do it. If he thinks he cannot do it, all he has to do is come before parliament with a bill. I suggest, although I cannot speak for my friends in the opposition, that we, on my side of the House, would give the minister any powers which are necessary for restoring this train service. But, no, he will not do it. We should look at this situation closely.

[Mr. Whicher.]

Many arguments have been brought forward and many constructive criticisms have been made during the present debate, as well as in years gone by. However, I have spoken of one problem that faces us at the moment. Included in that committee report was a suggestion that after the trains were put back in service, there would be consultations with the federal, provincial and municipal officials as well as the railways to try to develop the most economical method of transportation in that particular area. There should be a meeting. It may very well be it may not be necessary to have two trains running into the same city or town on the same day. I will give an example of this.

● (1620)

The city of Owen Sound, a city of just over 20,000 people with another 10,000 in the surrounding district, before the edict of the CTC removing the train service, was served by not only a daily CPR train, but a CNR train. No one in his right mind, in this day and age, would suggest there should be two trains, but for many years there was CP and CN daily service. On a certain day, this service was cut off. There has not been one train since, in spite of the fact the restoration of the service was recommended to the Minister of Transport. The committee's report to parliament suggested that, after the re-initiation of passenger service, there should be meetings to discuss these matters. To give a hypothetical example, perhaps there should be only three trains a week into Owen Sound. Perhaps there should be twice-weekly service or service five times a week. The point is that previously there was seven-day service from two railways.

We asked that the most economical transportation system be developed. This request has been absolutely ignored by the Minister of Transport. I remind hon. members that the subsidies on these trains were something in the nature of three quarters of a million dollars yearly. I am completely against subsidies if something else can be done about the situation. If three quarters of a million dollars is too much, perhaps it should be cut to one half or one quarter million dollars. The people of southwestern Ontario see that the government is able to find hundreds of millions of dollars to increase old age pensions and veterans pensions. They see that the government has increased the tax exemption from $1,000 to $1,500 in one year's time. I feel these people have a very legitimate complaint.

Is three quarters of a million dollars too much of a subsidy for the breadbasket of Canada? I do not use the word "breadbasket" in a boastful way. I want some action. As western members know, one third of the agricultural produce of the whole of Canada comes from the province of Ontario. A great deal comes from the area I am speaking about at the present time. I feel there should be some type of service to that area. A magnificent tower costing millions of dollars is being built in the city of Toronto, perhaps justifiably so. I understand it will be the highest tower in the world. The people in my area are glad to see that, if it is necessary to have the highest tower in the world, costing many millions of dollars. They do not have anything against that. However, they think that passenger service should be re-initiated in southwestern Ontario,

especially when it was asked for by 20 members of parliament who studied the question in great detail.

We should look into the whole question of passenger service, not just in southwestern Ontario, but in the whole of Canada. It is suggested that in the foreseeable future the price of gasoline may be $1 a gallon. There is a great problem of pollution in our cities. Surely, this is not the time when railway passenger service should be finished, especially when 100 per cent of the committee members recommended that train service be re-initiated in the area from which I come.

I am sure members will not be shocked to learn that, instead of re-initiating service, the railway stations in this area are being torn down. One could very well ask what we, as members of parliament, are doing here today or any other day discussing the question of CNR financing. We, the representatives of the people, are asking that passenger service be re-initiated. Not only is this government not doing anything about it, but it is permitting the stations to be torn down. These stations were the real foundation of this country. This is why the railways were built in the time of Sir John A. Macdonald. Without the railways to unify this country, there would have been no country.

I am not the least bit happy with what has been going on in so far as CNR transportation policies are concerned. I could deal with many other areas. I hope that someone in the government will read what has been said this afternoon, not only by opposition members but by me. I wish to give a warning to this government. A month or two ago, the right hon. member for Prince Albert (Mr. Diefenbaker), along with many other people, boarded a train in Toronto and travelled to the city of Owen Sound. At various places along the way, he said that not once during the time he was Prime Minister did he take off any passenger train service in this country. This government had better be listening to what I am saying this afternoon, because the people in that area certainly listened to the right hon. member for Prince Albert.

Some hon. Members: Hear, hear!

Mr. Whicher: One cannot help but respect a gentleman who has given so much service to this great country. Even at his age, he thinks enough of this country, including that area, to travel 125 miles to Owen Sound to look over the situation and say to the people that, in his opinion, there should be train service in that area, particularly when a committee of the House of Commons has unanimously recommended such service. I hope the Minister of Transport will read these words. I say to him that it is high time the government started listening to the voice of the people in this and other areas. If the government does not listen, I say sadly they will be moving to the other side of the House and there will be people sitting on this side who will do these things. The people of my area, in which there are many constituencies, have a desire for the service which has been recommended by the parliamentarians. The government has an obligation to see that they get it.

Some hon. Members: Hear, hear!

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I greatly enjoyed the speeches by the hon. member for Saskatoon-Biggar (Mr. Gleave) and the hon. member for Peel South (Mr. Blenkarn). I particularly enjoyed the fine remarks just directed to the House by the hon. member for Bruce (Mr. Whicher). May I say to him I have heard many of his speeches. It was an outstanding, direct speech of the kind a good representative should make in this chamber.

● (1630)

Some hon. Members: Hear, hear!

Mr. Macquarrie: I was wondering whether the quality of his capacity as a parliamentarian derives in part from the fact that he has spent some time in the opposition. I believe that being in the opposition is good for a member of parliament. Now, I have been here too long. I have been six years on that side and ten here and if I were to stay over here much longer I would be too good, and that upsets the balance! But I believe that to be nurtured and nourished in the opposition makes for the kind of fine representation we have just heard—vigorous representation on a most important matter.

As I join this group of people complimenting the CNR today, I agree with those who point out that this is a fundamental question both in magnitude as it extends across the country and in depth, historically. The hon. member is right. The birth of Canada, the creation of the dominion under Sir John A. Macdonald, was attained only through the practical tie of a railway. One of my political ancestors on the Conservative side—I prefer the progressive side—but one of my ancestors on the Conservative side, old Sir Alan MacNab used to say simply "Railways are my politics" and let it go at that. When I was checking on that piece of data to find out whether it was MacNab or Hincks, I discovered a delightful interpretation of what the letters CNR really mean. In the olden days those letters used to mean two things—"certainly no rush", and "collects no revenue". That was said 90 years ago, 80 years ago, 70 years ago. And I hear people saying it in so many words today.

I share the view of the hon. member for Bruce. When it comes to these railway operations there is a feeling of futility, a feeling of resignation. If I were not a stubborn Presbyterian I would say we could do nothing about it. But we must keep going on. I know exactly how the hon. member feels about the report of the committee. I was on the committee when it went east. It heard all sorts of briefs about the Prince Edward Island causeway and there was not sufficient courtesy shown to that committee as to enable it to get its report presented before the Prime Minister (Mr. Trudeau) stood up and said the commitment to Prince Edward Island was being abrogated and that the inhabitants were not getting a causeway. Talk about not allowing the ink to dry. They did not allow the report even to be typed in either language.

Many things disturb us. I, too, am tired and saddened by the tendency of the CNR itself to adopt an attitude of resignation—to pull up lines and tear down stations. I believe that many in this chamber will live to see new railways being built, because in these days of pressure on the highways and danger to the environment there is still an important role for railways to play and it is a great pity that over the last decade or so we have not seen more imagination, more initiative, more determination on the part of those concerned to make the railways stronger and

more competitive, more attractive. Railways can still function.

It has been shown in many parts of the world that not only can railways still function but that they can make money. There is no reason we should weep bemoan and cry our way out of the railway age. If we had the whole winter in which to do so we could bring up from all parts of the country the evidence to underline and reaffirm the assertion that it is lack of good service which has caused the present trouble. The hon. member for Saskatoon-Biggar almost made a slip when he talked about a train that went all across the country. Then he corrected himself and said "the one that begins in Montreal". We in the Maritimes never were linked to the trans-Canada network. We could never get aboard a train in Halifax, get a sleeper and go across to Vancouver. It was always necessary to stop in Montreal for hours and hours. We were never hooked into the system—and this is not to mention Newfoundland at all.

One of the members on this side of the House referred to the situation in Newfoundland. It is a most appalling situation. We on the east coast, in the two island provinces, have had railway service withdrawn from us more completely than any other province in the country. Yet when the railway gets into conflict with its own employees, what parts suffer most? The two island provinces. We don't have passenger service in P.E.I. and in Newfoundland. The "Bullet" has long since been spent, winging its way into forgetfulness as some people would wish. Yet we are the ones who are isolated. We are the ones who lose millions of dollars when our basic industries of fishing, agriculture and tourism are knocked all to blazes in the fights between the CNR and its employees.

I have great sympathy for the people of Newfoundland. They have a terrible situation there. The backlog is enormous. They have our best ferry over there, the *John Hamilton Gray*. It was supposed to be back in Prince Edward Island around mid-October. But it hasn't come back. And we are now suffering. It isn't the fault of the people of P.E.I. that the Department of Transport or the CNR cannot move traffic from Nova Scotia to Newfoundland. It is not the fault of Prince Edward Island, yet we are joining once again the people of Newfoundland in paying for an egregious error on the part of someone else. It should not require a genius to tell you there is something wrong and that remedial steps are necessary if year after year there is a serious backlog in dealing with traffic.

I regret the Minister of Transport (Mr. Marchand) is not here. I say with all due respect that he should be.

Mr. Mazankowski: Nor the Minister of Finance. It is his bill.

Mr. Macquarrie: Yes. The Minister of Finance should also be here. Why is he not here? This is a matter of tremendous importance and great concern to all our people. It is a sloppy situation. Years have passed during which things should have been done, and they have not been done, as the Anglicans say. The rights of the committee have been suspended or abridged. Opportunities for in-depth discussion have been vitiated. Yet we are at it again. Problems have come to attention even since I entered this chamber today. Near the City of Charlottetown, precisely joining it in fact, are two smart, up-and-coming communities of about 8,000 people. The residents of those communities cannot get CNR deliveries because they are not in the City of Charlottetown. How does one explain that?

The other day—an item not as glittering as the one described by the hon. member for Peel South (Mr. Blenkarn)—there was a big announcement of a new management team for the CNR ferry service. I read it many times over. It was fluff and complete buncome, absolute froth. Not a thing to give to people who had just gotten over another suspension of services from the mainland. We in P.E.I. will never be content, or feel we have been properly served, or ever feel that our terms of union with confederation have been properly fulfilled until our citizens have the same right to link up with the national transportation network as those who do not have the good fortune to live on a beautiful island. Why should our separation by nine miles of water involve us in constant frustration and heavy cost at all times? Have we not reached the stage of comprehension at which someone can say that for reasons of cost, convenience, speed of movement of goods and people it is proper, right and just and in accord with the terms of union to regard the link between New Brunswick and Prince Edward Island as if it were a part of the trans-Canada Highway?

● (1640)

People from Saskatchewan travelling to Manitoba do not pay $3 to $4 to get across the boundary, but we have to pay through the nose every time we go to New Brunswick. We do not mind so much paying when we come the other way because when we get to P.E.I. we are somewhere pretty nice, but all the same it is just not fair. I am not the first—probably I am the one hundredth and first—representative from P.E.I. who has pointed out this fact in direct and sincere terms. But no matter what one's party label, action must be taken.

No member of the government needs to be told that, although transportation is vital and essential to the whole dominion, in the Atlantic area, an area where there are islands, peninsulas and inlets, transportation is the question. It was the question in our island in 1873; it was the question in the two mainland provinces in 1864 and 1867, and it has been the eternal question in Newfoundland. One has only to hear the question period to know that it is still a burning issue.

What has been done to alleviate our problems? During the last four years prior to the event of October 30, 1972 there were nine freight rate increases. These were scarcely helpful to our economy. How often have we called for movement into a stage of technological advancement? How many times have I alone pointed out the need for upgrading the facilities at Charlottetown Airport. Our province of something over 100,000 people has about one million visitors a year. They are smart people. The island is one of the beauty spots of this continent, indeed in this hemisphere. They want to come to P.E.I., and they want to come in comfort. The Charlottetown Airport is served by a very fine service which is provided not by the government but by Eastern Provincial Airways, one of the greatest friends Prince Edward Island ever had. You can fly by first-class, comfortable jet on three flights daily to Montreal and to other parts of the Atlantic region. EPA has

brought us into the jet age, but the Minister of Transport (Mr. Marchand) and his predecessor have been keeping us in the prop age.

To give one rather meaningful illustration of what I am talking about, Charlottetown Airport has seating space for about one-third of the load of the aircraft that use the airport. Surely, this cannot be very clever planning. You would think someone in the department would come up with a better solution than that. I have made no mention of other requirements, such as a restaurant, lounges and all the rest, which the people in upper, central and western Canada have. We do well to have a coffee machine that works, yet we are one of the great tourist centres of Canada.

Why is it important to assist our tourist industry? Because Prince Edward Island does not have all that many other avenues for economic achievement and advantage. Surely, it is sound sense, sound administration and good government to develop such comparative advantages as a region or a province has. The movement of our choice agricultural products and fine products of the sea, as well as the rapid and comfortable movement of an ever-growing number of tourists,—all are important. The responsibility for this movement lies squarely on the Department of Transport, and largely on Canadian National Railways, the corporation we are discussing today and which our predecessors have discussed down through the years.

Our main concern is that some move be made to give us a more comfortable airport. I am pleased that some important steps—and they are important steps—have been taken to upgrade our airport in terms of safety facilities and so on. EPA has an outstanding safety record, and I think we now have pretty up-to-date technological improvements in that important area in the airport. Most Prince Edward Islanders have to fly Air Canada when they leave EPA because it is a regional carrier, so they are also concerned about the other aspects mentioned by previous speakers. I never thought it was very clever when the ticket office and the main ticketing process was moved from Ottawa to somewhere else. I am strongly opposed to any downgrading of service of any kind by the government for the nations capital. I noted the expression used by the hon. member for Wellington (Mr. Hales) today, and I think he is quite right.

Here I join with the hon. member for Bruce in calling for some attention to be paid to what members are saying and to what the committee is doing. I do not pretend that I am always a member of the Standing Committee on Transport and Communications, but I have the conviction that it is a committee that works very hard and has come very close to both the frustrations and the wishes of the people of Canada. I have looked over the reports of that committee and the evidence to come before it, not only with reference to the matters mentioned by my hon. friend from Bruce but with regard to the transportation situation all across Canada, and I would agree that, had the government and some minister listened and done something about the committee's recommendations, we would have had a great diminution of the kinds of grievances which pervade the generality of Canadian citizens when they think or talk about the two great carriers, Air Canada and the CNR. I should like to hear members of the House say that Air Canada is the finest airline in the world; but they would not be listening to what their people say if they did that.

I am sure none of us enjoys denigrating or criticizing Air Canada or Canadian National Railways. In a sense, Canadian National Railways was, in part, the creation of one of the greatest Canadians who ever lived, Sir Robert Borden. He saw what had to be done, and with his usual pragmatic commonsense, when someone was twitting him and saying "You don't believe in government-owned railways, do you?", he replied "I would rather a government-owned railway than a railway-owned government". And that was not so far fetched at that time.

● (1650)

We want to get away from this apology for our national services. We want to be proud of them. We want to see that the CNR and Air Canada are the best, but they regrettably have a long way to go until that time comes about. I believe it is our job, and the job of members of the committee, to speak out and to criticize if necessary as well as offer constructive suggestions where practical in order to bring about an improvement in the service. We must prevail upon these bodies to do much more than merely come here for money in order to discharge the great responsibility and immense trust which is theirs. Because it is theirs, it is also ours.

I believe we should stop this sloppy procedure and should, as one of the high priorities of this session and as one of the high priorities of the Parliament of Canada, listen to some of the cries of members who know the problems. We should be moving very fast because things are becoming worse. We read of more trouble in Air Canada, such as resignations and so on. This is not good enough. It is not good enough to vote sums of money and then forget about it. The problems are here. The situation is serious and it calls for remedial action.

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, Bill C-164 is a bill to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada. This is a publicly owned transportation system in this country. The bill calls for an expenditure of $225,500,000. At the outset, I should like to say I have great reservations about this bill for a number of reasons. One reason for this exercise is that the CNR started out with the debts of bankrupt railways and has been saddled with these debts since.

I should like to quote a letter from the National President of the Canadian Railways Employees Pension Association in order to give the historic background. This letter was written in March this year and reads:

> The CNR came into existence in 1923 through the consolidation of a number of bankrupt railways which the government could not allow to go into receivership, for fear that the public and private credit of the nation would be impaired. One of these railways was the Grand Trunk Railway, which was British owned and directed from London. Since more than 70 per cent of the foreign investment capital in Canada between 1900 and 1913 came from the London market, $1,753 million out of a total of $2,545 million, the government was reluctant to allow the company to default. The other major company taken over by the government was the Canadian Northern, which had borrowed heavily on its securities from the Bank of Commerce. To allow the railway to go into receivership would have caused the bank's failure and financial panic. The CNR system's future profitability was further

impaired by the government's policy of periodically transferring to it bankrupt lines acquired because it was politically, and socially necessary to maintain their operation. Furthermore, in addition to the system's heavy burden in having to maintain unremunerative services, the government transferred to it all the debts of the constituent companies, which means in effect that the government transferred its own railway debt to the national system. As a result the CNR has been able to meet all its interest charges only ten times; any wonder the CNR claim they cannot pay fair and just pensions to its employees. Don Jamieson, then Minister of Transport, said about 10 months ago . . .

You will remember that this letter was written in March.

. . . that the government was going to look at the vast debts which the CNR employees of today are carrying.

I might add that not only are the employees or CNR carrying it, but the people of Canada as well.

Let's hope they do it soon.

It seems to me that the government of Canada should remove this handicap by taking over the almost $2 billion debt of the CNR. As a nation, I do not feel we have any financial obligation to pay off the debts of bankrupt railroads. We do not have this obligation because governments are not known to pay off creditors in bankruptcy. This is one case in which the government has assumed an unusual obligation. Secondly, this ritual will not solve our basic transportation problems. Instead of voting more money to pay off old debts, our energies should be directed to rationalizing our total transportation system. State ownership of our entire transportation system appears the only long-term solution to obtain the kind of railways system required, especially in Canada's prairie region.

In a country like Canada, with a small population spread over a wide geographic area, transportation is a vital part of economic development. As such it should be controlled by the state.

May I call it five o'clock, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Central Nova (Mr. MacKay)—Public Service—Regional pay inequities— Reasons for not applying same principle to members; the hon. member for Richmond (Mr. Beaudoin)—Airports—Mirabel—Expropriation procedure—disparity in offers; the hon. member for Meadow Lake (Mr. Nesdoly)—Agriculture—Brucellosis—recommendations for control and compensation—government position.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills.

[Mr. Nesdoly.]

PRIVATE MEMBERS' MOTIONS

[*English*]

SPORTS

SUGGESTED ESTABLISHMENT OF FUND TO SUPPORT NATIONAL HOCKEY TEAM

Mr. Joe Hueglin (Niagara Falls) moved:

That, in the opinion of this House, the government should give consideration to the advisability of establishing a national endowment fund to which tax deductible private contributions may be made in support of a salaried Team Canada which would not only compete for Canada in international hockey but would also compete against local teams in all areas of Canada on a year round basis with proceeds from games played in Canada to be divided between Team Canada and the support of sports activities in the area in which the game is played.

He said: Mr. Speaker, last year in September two of the greatest competitive events which Canadians had the opportunity to witness were occurring at the same time. The first of these, in which many of us played an important part, was the election. The second, but first in the minds of the people of Niagara Falls and Fort Erie, was the hockey competition that was taking place between Team Canada and the team from the Soviet Union. Perhaps my fellow members of parliament did not experience the same reaction in their portion of Canada that I received. But as I attempted to knock on doors, the television set was on and I hesitated to break into the concentration. As I spoke to merchants, I found that their concern was about our team's position rather than about tax problems that they may have been facing.

● (1700)

Most important of all, my own concentration on the election was broken when I saw literally hundreds of the students at my high school following every play on a television set that had been established in the cafeteria. They were watching it with unified intensity in almost complete silence until a goal was scored either against us or for us. Canada's honour as a nation was, I believe, at stake last year. It was at stake in the minds of young and old, of Francophone and Anglophone, and of many who are not as fluent in either of those two tongues as they are in that of the land of their birth.

At that time, the idea of this resolution was born. It asks the government to give consideration to the creation of a vehicle that can serve as a unifying force in Canadian life, unifying in that it touches the interest of almost all Canadians of whatever age, economic status or origin they may be. This resolution is presented in my name, but its authorship must be given to many of the citizens of Niagara Falls and Fort Erie who discussed the subject with me last fall, and who really brought these ideas into being. The basic idea is that the government of Canada play a role in establishing a Team Canada. Beyond this basic point, there are many details which are included in the resolution upon which others more familiar with sports than I can no doubt improve. But if the basic point is accepted, no doubt the other points can be worked out satisfactorily to Canadians at least, although our sometime friends in the Olympic games may not find them acceptable.

Is there justification for the spending of public funds on such a team? If there is not, then there has been a misappropriation of many millions of dollars on other projects over the years, I would submit. Few Canadians out of the total will ever see the National Gallery, few will see the National Arts Centre, and relatively few will read or see books or films that are government funded. I am not saying that these moneys are ill spent. What I am saying is that these cultural activities do not touch most Canadians as Team Canada would. Culture in the narrow context has, in North America and perhaps in most other countries, always appealed to and been supported by a limited segment of the community, but plays, ballet, and so on, are state supported in Canada to some degree. Hockey is part of Canadian culture. It is a development within the Canadian culture. It is ours, and I submit that it is certainly worthy of support, as worthy as any of those cultural programs which are now funded.

If funds are to continue to go to these other activities which touch only the few, who would deny them to an activity that touches us all? Let the government endow this Team Canada, but let private individuals who wish to be patrons be allowed to donate their own funds as well. Thousands of private businesses and individuals support local teams. Indeed, without them many of our minor leagues could not exist. Permit them to do so at this level as well. Indeed, in recent months individuals have approached me to learn if they could be permitted to outfit local minor teams with the same tax concessions afforded companies at present. If they respond, as I am certain they will, the government role need be only that of providing an endowment, for these private contributions will soon play a major role in the financing of our team.

Perhaps such a happy combination of private and public means might even overcome the objections of those who presently deny us the right to participate in international hockey. Certainly, the combination of public initiative, coupled with private support, is something that can commend itself to each of us, no matter what our personal political philosophy may be. Young men who played for such a Team Canada would, in my estimation, have to be paid, certainly not at the levels at which some of our commercial teams are able and willing to pay their players. The commercial teams pay for profit; the players play for profit. Team Canada's players would have to be rewarded well, not with niggardly pay, for the time taken from their lives which they would be contributing, but they would be playing not for profit alone but for their country. I sincerely believe that we have young men who would play for this reason, young men who after a time would develop into a team which would regain us our stature in international hockey without us having to bring back all those men who have become professionals.

Will such a team be accepted in international hockey? If it is not, then the farce that we have seen in the last few years would be complete. We all know that foreign teams are not composed of amateurs in the true sense but of people who are supported in their careers. Indeed, we all know that even in local teams, in some cases at least, jobs have been opened up to players who are an asset. This is no secret, I believe, and I think it is generally accepted. The Olympics was started as an amateur venture. There are no real amateurs who take part in it in the sense in which it was started, that is, to give it a good try for a few weeks. All are dedicated athletes training full time. This does not take away from them in any way. I am simply saying that for them the sport absorbs almost all of their lives.

Surely, Team Canada, funded more and more from private sources, would have to be accepted. If it were not, then, in my opinion, we should do away with the hypocrisy of formal international competitions of this nature once and for all. Team Canada, funded initially by the federal government and increasingly by private contributions, calling upon young men of ability to represent Canada, what would it do aside from trying to get international competition to regain supremacy for us in our sport? It would do this. It would travel from Bonavista to Vancouver Island, certainly from the Great Lakes border and perhaps even to the Arctic circle. There are those things which unite us in Canada and those which unfortunately differentiate and sometimes divide us.

Certainly for me, coming to this House has been an enlightening experience if for no other reason than that the great differences that exist in our land have been brought home to me as never before. Having been raised and having worked very largely in southwestern Ontario, having spent years studying history and geography in college and years teaching history and geography, did not prepare me for trying to fully comprehend the breadth of our land or the great intensity with which members from other regions regard concerns which have been unknown to me or which I have found to be of no great importance. Canada is bound together by ties of history, economy and sentiment. We are faced daily with trying to reconcile divergent economic demands. Part of our history has been divisive rather than uniting in nature. Surely, any activity that ties us together by sentiment and by media exposure can be nothing but good, particularly if it is produced locally and is in no manner a divisive force.

For some, myself included, the expansion of commercial hockey in recent years has destroyed a focal point of interest. It used to be that I would support Toronto all the way, and then if they were beaten out of the play-offs I would immediately switch to the Canadiens as they were the Canadian team in the play-offs. Today, I am lost in a welter of teams, with the result that all bearings are gone, and this welter of teams is very largely foreign.

● (1710)

Team Canada would travel across Canada playing local teams. It may be too much to hope for, but perhaps local commercial teams would play for benefit performances. If not, then local teams of another nature would certainly be fielded. I have no doubt that if Team Canada came to Niagara Falls or Fort Erie, our arenas would be filled to overflowing. They would be filled for a number of reasons. First, there would be interest in our national team; second, there would be hope that our boys would upset them, and third, there would be a direct benefit to be derived by the local arena or area from the game.

Report concerning Team Canada on the national news could be a unifying force. As it moved from one arena to another across Canada, it would be a constant factor in the news, a constant factor to which we could all relate. It

could introduce our young people to cities and towns about which they know little or nothing. It would be possible to put in the hands of our children Team Canada maps upon which they could trace the team's progress and learn about our country in the process. I know the ability we display in getting young children up in the mornings for hockey practice. I can see this as a very valuable teaching aid in the hands of good teachers. It could be a very considerable force for good.

I believe local people would look forward to a game because their team might be added to the victors' list. It is well known that each team has a good night and a bad night. I suggest each town would look forward to having its name on the national news as having beaten the national team. I know that the citizens of Niagara Falls and Fort Erie would be greatly pleased to have this occur, and I would suggest that in this they would be no different from people in the ridings of other hon. members. The team would be prepared for road trips abroad; they would be prepared for travel, and for strange arenas. They would be trained to play as a team, and they would be in shape. These have been problems in the past for our teams.

The final reason local citizens would support this concept of Team Canada is that it would bring benefit to local sporting activities. Surely, there are few municipalities in the country that could not use half of the net proceeds from a Team Canada game. I know that in Niagara riding arenas are needed, soccer fields are needed, baseball fields are needed, and a host of other facilities are required to provide recreation of a positive nature for our children. I expect that municipalities in other ridings across the country are in a similar situation.

Team Canada coming to play in a local arena would be a positive way of sharing in our national team's development, while at the same time contributing to local activities in a manner whereby something is received in return. Since this suggested venture involves the expenditure of public funds it is presented as a resolution, asking the government to give consideration to establishing a Team Canada rather than actually establishing it right now. To those who, either as private members or as ministers, are concerned about the expenditure of public funds on such a team, may I say one again that millions of dollars have been spent on cultural ventures which are of benefit only to the few, and some of which have no hope of ever being self-sustaining. It is my belief that if the government sees fit to adopt this recommendation Team Canada very shortly could be self-supporting.

In concluding, Mr. Speaker, may I return to the origin of this resolution. It came during a time when we were united as a nation watching Canadians striving to win for Canada. It came from Canadians who were concerned that we be able to field a team of ability in the future. If adopted by the House, and acted upon by the government, we can not only produce such a team but have it perform a valuable role in strengthening our bonds of fellowship across the country and in aiding local sports activities.

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I rise to say a few words in support of the resolution introduced by the hon. member for Niagara Falls (Mr. Hueglin). I am very glad to do so because the resolution takes into account the tremendous influence of hockey in Canada, not only as a sport but as an activity that provides a common denominator of Canadian interest across the nation, and because the resolution also indicates the hon. member's recognition of the fact that public as well as private enterprise is a very logical ingredient in this field of endeavour.

[Mr. Hueglin.]

It was last year in this place, noting across Canada the interest in hockey and that all the populated regions except those in the Atlantic area had major league public interest in hockey, that I proposed consideration be given to providing federal funds which, coupled with provincial and civic money, would make financially possible what is desirable, namely, the extension of major league hockey into the Maritimes. All across the nation, with the advent of T.V., hockey Canadians have something in common. We all relate in watching these games. But the people in the Maritimes are left out. They are not lacking in athletes or interest in hockey. However, they are lacking in one centre of population big enough to launch and maintain a major league hockey team.

A few years ago every man, woman and child in the country, all 22 million of us, contributed approximately $2.20 each to building the National Arts Centre in Ottawa, a monument to culture in Canada. I have nothing against that, Mr. Speaker. Yet the National Arts Centre probably plays a part in the lives of a minority of the adult population of the country. Relatively few Canadians will ever get a chance to visit the centre. But together we provided it. I wonder if, in the same spirit of co-operation, we could get together to provide covered stadia where they are needed for the promotion of hockey in Canada. Would this not be a worthwhile effort on our part to benefit Canadians? As the resolution before us indicates, athletics, sports, and particularly hockey provide a facet of Canadian culture, one which in my view should be encouraged.

The hon. member's resolution for a tax aid for Team Canada would also do as I have proposed, and I repeat the federal government should take the lead in promoting and aiding the establishment of major league hockey in the Maritimes, in a centre like Halifax. This would give Canadians from Atlantic to Pacific a common denominator of interest. Mr. Speaker, we do not have too many things in common in this country. Here, in what this resolution proposes, is something which, if we promote it, can have that effect, can be good for athletics, for sport and for national unity.

Mr. Jim Fleming (York West): Thank you, Mr. Speaker, for recognizing and allowing me to speak on this resolution, which I am sure has the support of most members of this House and most Canadians, with the exception of a select few, particularly those in a position of power within professional hockey, who might not support it. However, if I can talk about the resolution for the next few minutes, we may find that there are some problems involved that might jeopardize its success, problems which I think in all honesty should be brought forward. I probably would not be speaking on this resolution were it not for the absence of the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Cafik), who in fact is in another arena today trying to draw together his own team, which I understand is not salaried and whose expenses are not tax deductible. Of course, when I

speak of hockey and Team Canada and the role that sport plays in Canada, I can only speak as a spectator, not as a participant, as is the case with many Canadians. But I can share with all members of this House and people throughout the country, the special joy and pride in our national sport. I believe we should give serious consideration to the motion before us today.

● (1720)

I should like to refer to the Report of the Task Force on Sports for Canadians issued on February 28, 1969 which puts into perspective some of the problems we face in this motion. On pages 29 and 30, the report discusses Canada's national hockey team in the following words:

In Olympic competition, Canada was usually the undisputed world champion until 1956 when our team was defeated by the Russians. (The one exception, Britain's triumph in 1936, was hardly irritating to Canadians, since most of the players came from Canada). The U.S. won the Olympic title in 1960 and the Russians took it in 1964 and 1968.

As time has gone by our fortunes have gone down, until the report was issued in 1969. The report continues:

In 1930, there began the practice of an international tournament each year, sponsored by the International Ice Hockey Federation. This has come to be recognized as the world championship in those three years of the four when the Olympics are not held. Canada has not won this championship . . .

This report, of course, was published in 1969.

. . . since the Trail Smoke Eaters triumphed in Switzerland in 1961. Next year, the championship tournament will be held in Canada for the first time.

We recall that taking place. To continue:

It is worth noting that Canada, the original home of ice hockey, has no special place in the International Ice Hockey Federation. It is merely one member with two delegates. The weight of membership strength is in Europe. Further, the executive leadership of the IIHF has seemed to rest for a generation with a Mr. Bunny Ahearne, an Irishman resident in London. At present, very little ice hockey is played in Britain, and Britain rarely fields a team for international play.

The report goes on to refer to Mr. Ahearne. We all know of his problems and his impact upon Canada as head of the IIHF. Later, the article says:

The organization and selection of an amateur national hockey team for Canada has become a more difficult and thankless task since high quality teams began to emerge from Russia, Sweden and Czechoslovakia in the mid-1950s, just at the time when the quality of our national senior champions, the winners of the Allan cup, was slipping.

Five years ago, . . .

That would be 1964.

. . . the recognition that our champions alone or aided by selected players were inadequate as representatives in the international tournaments led to the development of the national team concept. The managers and scouts of the national team have found a strong resistance to their recruiting efforts among the owners of some amateur teams. These men do not wish to lose their stars because of the potential loss of revenue and the weakening of their teams' capacity in league play.

The professionals have resented the effort of the national team because it has and will deprive them of the services of some outstanding NHL prospects. The NHL has also been reluctant to release any professional players who sought to be reinstated as amateurs in order to qualify for the national team. There is an inherent difficulty, of course, in that the system of contracts, drafts and waivers in the professional hockey setup gives rights to every team in the arrangement, most of which are in the United States. Why should a manager in Tulsa or Baltimore waive on claiming a player just because he wants to play for and is wanted by the National Team of Canada?

You will recall some of the problems that we had in that situation last year, even with the Team Canada. To continue:

The concept of the national hockey teams had had several elements of reasoning and motivation. Firstly, there was the idea of providing some continuity of players and coaching from year to year. Secondly, there was the belief good playing talent could be attracted by the chance to represent one's country; to get a higher education while playing (especially a college education), . . .

Perhaps that could be part of the concept that the hon. member for Niagara Falls (Mr. Hueglin) puts forward.

. . . to have an income while playing and at college; to travel widely both in Canada and abroad; and to get a splendid opportunity to develop individual and group hockey skills under good coaching and through excellent competition.

The practical problem of financing the national team was faced by establishing the Hockey Foundation, under which businessmen raised funds through corporate donations, through obtaining government grants via the CAHA, and from the revenues brought in by games in which the National Team took part.

That is not something new; it has gone on for years and years.

At first, the National Team was centered in Winnipeg; then in 1967-68, another team or a "B" team was established in Ottawa. A surprisingly high number of young men has come forward in the past five years to try out for the National Team.

That is going back to 1969.

It is a fair judgment, we think, that the team representing us in this period has been better than we could get with an Allan cup or Memorial cup championship team. It has not been good enough and there have been problems in recruiting, in getting good competition, and in getting the necessary financial support.

There are several bald consequences of the failure of the National Team concept on the ice at international tournaments.

This is as it was in 1969, of course.

Despite the personal sacrifices of our young players, who have tried gallantly to uphold our hockey traditions, the defeats our National Teams have suffered have had an adverse effect, not only upon our hockey reputation, but upon the standing which Canada generally has abroad. Officials of the Department of External Affairs have assured us that this deteriotation in the over-all image of Canada abroad, and especially in Europe, because of our recent failures in hockey, is of much concern to them. The "body sporting" in Canada, including both those directly involved in the game and the huge public who know it enough to consider it our own, are discouraged, pessimistic, angry, or demanding of a better performance.

The article has summed up the problems of trying to put a national team together in 1969 and comments on why it did not work. Now comes the important part:

We found an amazingly strong agreement in all the meetings we held with various hockey groups across Canada that Canada must have a strong National Team. Accordingly, we sought out the area of friction and weakness, particularly by convening a "summit" meeting on hockey in Ottawa on December 10, 1968. There were present, representatives of the National Team, the Canadian Amateur Hockey Association, the President of the National Hockey League, the senior officers of the Montreal Canadiens and the Toronto Maple Leafs, the Directorate of Fitness and Amateur Sport and a number of interested business men.

The following points emerged. Canada is being defeated in world competition because the rules of eligibility and the nature and application of the international playing rules work against her. The European countries, particularly the Russians, are not

weakened in choosing their teams by the skimming of the cream of players into professional leagues as happens in Canada. Everyone with an interest in Canadian hockey must work together in a voluntary and free way in order to improve our representation and record. We must press for "open" competition. We must insist on the removal of artificial barriers to the participation of our best players.

Certainly, that concept changes part of the motion.

Meanwhile, we must create a unit involving all interested parties to develop and manage and sustain the Canadian team at international tournaments, whether these are "closed" as now or ultimately and hopefully "open".

We note approvingly the initiative shown at a gathering held in Ottawa on February 20, 1969, . . .

Just shortly before this report was released—

. . . chaired and convened by the hon. John Munro. Out of this meeting came the announcement of HOCKEY CANADA. As conceived there, it dovetails with the recommendations we now make, and it follows on from our summit meeting last December, and discussions previously held between the CAHA, NHL teams' officials and National Teams over the last two years.

This 1969 report of the Task Force on Sports for Canadians went on to recommend:

. . . that a non-profit corporation, to be known as HOCKEY CANADA, be established for the purpose of managing and financing the National hockey teams of Canada.

The report contains a series of recommendations on how Team Canada would be set up and these have basically been followed. In recent years, we have found that sport at the international level has assumed an increasingly important place in the eyes of people all around the world. We have had our own discouragements, as in the 1960's when we fell behind in world competition, and ran into problems with the International Ice Hockey Association.

The effect of international competition upon internal and domestic development of each sport is most important. The highlights of such events are individual performances. When you talk about hockey, you must look to what happened in the initial games last year. Players were picked out of the various teams and so the players had not worked together, but finally they came through for their country in a manner that I do not think any of us expected. The international effect of competition at home and abroad is very important and, as the task force report concludes, was felt last year in diplomatic circles in Europe. Apparently national prestige was low with European countries as the performance of our teams in international competition fell behind. Until the early 1950's, we were doing well in the world championships in ice hockey. The one exception was 1936 when the British team won the championship and that was principally a team made up of Canadians anyway, so we could not feel too badly about that.

● (1730)

We know about developments over the past two decades in Russia, Sweden and Czechoslovakia. Certainly the United States has come a long way. The national team concept, which started all this and which brings us to this discussion, was first introduced about one decade ago under the guidance of Father Bauer. That team was first housed in Vancouver, then Winnipeg, then Winnipeg and Ottawa. Again efforts were made to put together amateurs but we just could not keep up with the competition by working on that basis.

The problems of establishing an ongoing Team Canada today are even greater. The establishment of the World Hockey Association has created a war for the best available junior players, with the result that salaries have skyrocketed in the NHL and in the World Hockey Association. In essence, the sources of talent are being drained at a greater rate than in former years: anybody who watches hockey will not argue with that assertion. This has come about because of the expansion of the NHL and the introduction of the World Hockey Association.

Team Canada would have extreme difficulty in obtaining the kind of competition it would need in order to keep its players competitive and, indeed, it would experience great difficulties in keeping its players. Even if it were possible to obtain the calibre of player required for international competition, it is easy to visualize that those players would soon become bored with the usual kind of competition which could be offered to them and it is very likely that sooner or later most of them would return to the professional ranks.

You would need one excellent team with top pay; and remember you have to compete with the NHL and the WHA if you are to get it. In this case you are talking about millions of dollars and long-term contracts. The question is, even if you get players on the team, how do you keep them there when they do not have their own kind of people to compete with? The only way to do this would be to create the sort of Team Canada which we have had in the fairly recent past, and deal directly with the NHL and the WHA.

Such a team would be ineligible for Olympic competition; let us remember that. And assuming that it consisted of professional players who were salaried, it would have difficulty in arranging regular, ongoing games with teams from other countries outside of world championships or Olympic Games. Graduated junior players in themselves would not be competent to compete equally in world championships. That was borne out last year when the chief responsibilities for Team Canada rested with the experienced NHL players on the team.

It should be noted that the International Ice Hockey Federation does not recognize players in our established professional leagues, including the National Hockey League, the World Hockey Association, the Central Professional Hockey League and the Western Hockey League. That is where the professionals are; that is where the best players come from. The motion before us suggests that players of that caliber ought to be included on the team. Frankly, under the rules of the International Ice Hockey Federation they would not be eligible for certain kinds of competition.

The responsibility for fielding a hockey team to represent Canada in international play rests with Hockey Canada. It is a non-profit corporation established under part II of the Companies Act. All the varied interests in hockey in Canada, the Canadian Intercollegiate Athletic Union, the Canadian professional teams, the NHL and the WHA, the players' association, the public at large and the government are represented on the board of directors of Hockey Canada.

I am saying that over the years we have tried to establish our national team. Father Bauer tried to establish it over one decade ago. We tried to take on the Allan Cup champions and the team could not keep up with them. You run into a difficult situation in competing with what are salaried and professional teams in Europe, something we cannot get across to Bunny Ahearne and others. One ought to point out, if we are to consider this motion seriously, that passing the motion will not enable us to meet all the requirements in this field.

Concern over this question has been generating through the years. That concern came to a head long before the showdown last year in which we came through in the final minutes. It came to a head with the task force report on sports and brought about the creation of Hockey Canada. Hockey Canadian fact represents all the groups in hockey. Hockey Canada is classified under the category of institutions to which one can make donations which are tax deductible. I think that is an excellent idea.

Perhaps one of the good things to come out of this motion might be the suggestion to Team Canada that they start a major fund-raising drive to support the team which is envisaged in the motion. The money so raised could be put into the kitty and, together with the funds derived from the games which would follow in which our best professional players would be used as they were last year, could then be disbursed in order to encourage amateur hockey across Canada.

It is a fact of life that if you want to employ a salaried team it will be classed as professional, and that rules you out of the International Ice Hockey Federation and out of the Olympic Games. So where will you use such a Team Canada. With whom will they compete? We could get the very best players and pay them wages which are above those paid by the NHL and the WHA. However, if the public which loves this sport so much was not able to watch such a team competing with teams in the NHL and WHA, at least not in the regular season—I do not know how one could arrange these games, although perhaps they could be arranged in the off season or in the training season—how could one hold such a team together?

Surely we should be spending millions of dollars for a team that was not at its best. It could not really compete in Canada and keep up with the rest of the teams playing, and meanwhile it could not compete internationally either in International Ice Hockey Federation games or in the Olympics. So I suggest that although there is a great deal of merit to this motion, there is no need now to establish a national endowment fund contributions to which would be tax deductible. I suggest that if we employed a salaried team that would rule us out in Canada and in Europe.

May I make one final point. A member of the New Democratic Party supported the motion. He suggested that the hon. member for Niagara Falls (Mr. Hueglin) recognized that sometimes the public sector can compete successfully with private enterprise, and therefore he was especially pleased to support this motion. I think we are entering very dangerous territory if we end up with a government-supported team. Instead of the independent body, Hockey Canada, being responsible in this field it might be the government which had a direct role to play. The government might be responsible for a team that could compete with our own national teams or with international teams.

If it were to fail internationally, we might end up with an election campaign in which the issues might not compete with hockey for attention but in which hockey might be a predominant topic for discussion, at the expense of other issues which are of vital importance but which may not receive such widespread public attention as hockey.

In conclusion, may I read a few sentences from "A summary of the organizational development, activities and achievements of Hockey Canada, January, 1969, to May, 1972." I will not read it all; I merely wish to put the following on record:

> Hockey Canada is an organization established early in 1969 to achieve the following objectives:
>
> 1. To develop, operate, and manage a national hockey team or teams to represent Canada internationally.
>
> 2. To foster and support the playing of hockey in Canada, and in particular, to develop the skill and competence of Canadian hockey players and coaches in co-operation with other hockey organizations.

I think we are looking for a better way to make our system of hockey work. I think Hockey Canada has given us a good start. I am not at all satisfied that the dispute in the private sector between the NHL and the WHA has been resolved to the satisfaction of the Canadian public, but surely that might be done by Hockey Canada which was an initiative of this government.

Mr. Denis Ethier (Glengarry-Prescott-Russell): Mr. Speaker, it is not often in this House that we have the opportunity to discuss such a pleasant piece of legislation or motion. I say this especially as we debated earlier today the bill on capital punishment. That has been a debate in which many members have been carried away emotionally. I am sure there will not be anything emotional about this debate.

May I inform the hon. member for Niagara Falls (Mr. Hueglin) that I share his views regarding the importance of our national sport. I am sure we all remember the high-class entertainment that was provided by Team Canada one year ago. Team Canada demonstrated to the whole world that hockey in Canada is not only a national sport, but that with the event of the Canada-Russia series it has become an international sport. We are very proud that Canada holds the world championship title in this sport. May I take this opportunity to congratulate all the members of Team Canada for their great victory over the Russians.

Our love for hockey and our concern for ensuring its continuity obliges me to take a stand different from that taken by my colleague from Niagara Falls on this motion. A government-sponsored team would bring serious opposition to private enterprise which has provided and is still providing us with our favourite entertainment. Such a team could hinder the financial success of teams in the private sector. Eventually we should see lower salaried players engaged in this sport, which would result in a lower calibre of entertainment. I do not think the hon. member for Niagara Falls wants this to happen, nor does any other Canadian want it to happen.

My first point is this: I doubt seriously whether the government should be allowed to compete with private enterprise.

An hon. Member: It is doing it in the oil business.

Mr. Ethier: About 300,000 Canadians participate actively in this sport, I am informed, and as that number includes high-salaried players playing for professional teams in our two hockey leagues, I am sure many young players today anticipate a future as professional hockey players. Without private enterprise which constantly contributes financially to our young hockey players, a great many of our young people would be deprived of an opportunity for a career that not many fields in private enterprise could offer if hockey were eliminated.

One must also consider the advantage derived from each young Canadian being able to develop physically while practising this sport. As one who has coached many junior hockey teams for numerous years, I would certainly feel a great loss if private owners of hockey clubs stopped sponsoring hockey because of a drop in their revenues occasioned by the competition of hockey teams sponsored by our government.

● (1740)

Another point we must consider is the high rate of delinquency in the young people of our country. We must appreciate what hockey does to reduce this. We must take into account the amount of time our youngsters spend in outdoor rinks and arenas. This takes them off the streets where they often get into mischief. We should be thankful we have Canadians interested enough to invest in and promote such a healthy sport.

In this bill the hon. member asks that donations to Team Canada or Hockey Canada be tax deductible. I am sure that at the present time donations to Hockey Canada are tax deductible because it is a non-profit corporation. The hon. member must also consider the possibility of teams being refused in international competition. Hockey players receiving remuneration or a salary certainly could not compete in the Olympics. For this reason I felt I should speak on this bill.

I enjoy the wonderful sport of hockey, as do most Canadians. I want to be assured it will continue. However, I cannot go along with the hon. member in asking that the government compete with the private sector. I am sorry to say to the hon. member that although I love the sport, I will not support this motion.

Mr. Barnett J. Danson (York North): Mr. Speaker, I am delighted to participate in this debate because the hon. member for Niagara Falls (Mr. Hueglin) has raised a point we must think about and discuss. I agree that people in his constituency, like mine and probably most others, feel very strongly about this subject. However, we must be careful that we do not get carried away in our enthusiasm to the point where we forget about sport for the sake of sport. We should not concentrate too much upon winning. This attitude has disturbed me somewhat.

In our whole orientation toward sports, particularly hockey, many of us grew up in the days when we did not have artificial rinks except for very special occasions. This made for a very erratic schedule, certainly around the Toronto area. I appreciate that it would be different in the Edmonton area. Even though it is windy there, if you could get on the windward side of the hon. member for Edmonton Centre (Mr. Paproski), you would be all right; you would be well protected.

In our relationship to sport there should not be emphasis upon winning at all costs. This is important. We have to rethink what we are trying to do in our society and in training our children. I am disturbed in this respect. I have four sons, all of whom are serious hockey and football players as well as participators in many other sports. Despite the fact they are good, cleancut athletes, I think they are taught to be dirty players: that is part of the game.

I spoke to a high school teacher who is coaching a football team. The school does not have a grade 13 and this is the first year it has had a senior team. Strangely enough, after losing the first game 48-0 and the second 38-0, they started to win the odd game. He took these young men who never played football before and welded them into a team. I am somewhat embarrassed to say that I am sure he is teaching them every dirty trick in the book.

An hon. Member: Did you speak to the principal?

Mr. Danson: I suggest it is a matter of principle.

An hon. Member: Hear, hear!

Mr. Danson: The point is, we can and must have clean sports. We must take away the emphasis on winning. This applies as much to international sports as to national sports in Canada. It seems we are building up an international relationship through hockey. I was proud of our national team but I was astounded at the behaviour of our fans who went to Moscow. Although I attended only one game, I was embarrassed at the performance of the fans in Canada. It was the greatest hockey I have ever seen—absolutely first-rate hockey. Certainly we should take hockey seriously. However, this killer instinct of winning for the sake of winning, or believing that Canada would be dishonoured if it lost a hockey game to the Soviet Union, is not right.

I always understood that lacrosse was our national sport but we seem to take hockey as the national sport. We should be pleased that hockey has been taken up by so many countries with Canadian coaches and players. These nations have done extremely well on their own. If they beat us in hockey that is part of the game, although I like to see us win.

Mr. Paproski: It is a good thing they won.

Mr. Danson: I think the hon. member has a point. I wonder how many seats in this House it would have cost if we had lost that series. I made a canvass in connection with the series, although I could not go from house to house to canvass all my constituents. I remember people running out on to their lawns when the winning goal was scored by Henderson. Two young men were roofing a house in my constituency. They had some other supplies on hand to help them enjoy the game and I thought they

were going to fall off the roof. I continued canvassing because I am conscientious with regard to what is good for my country.

Some hon. Members: Hear, hear!

Mr. Danson: At the first house we could not talk to each other. We sat there with tears in our eyes. They gave me some medicine which carried me on for a little while longer.

The hon. member's motion is important. As the hon. member for York West (Mr. Fleming) said, most Canadians and most members of this House would have tremendous sympathy for it. I certainly do not object to it. I think it has immense merit, but not in its present form. Some of us support it in principle. It certainly would have an impact on the sporting community, particularly Sports Canada and Hockey Canada. I think there is some merit in the federal funding of a national team that represents Canada abroad, but it should be channelled through Hockey Canada. That is where it belongs. That is what Hockey Canada is all about.

It is a credit to parliament that it supported this government in establishing Sports Canada which has done a great deal. When members visit their constituencies they see that the fellows who used to run provincial and national leagues from kitchen tables now have at least minimal facilities. I see how great the spirit is in my constituency. We have a softball team which won the world championship in Manilla. The members of the team were welcome and honoured, when they visited our gallery, by the Prime Minister (Mr. Trudeau), by parliament and by Sports Canada. I do not think this would have happened so readily if it were not for the great job Sports Canada is doing in all sports with which it is associated.

However, I do not think a permanent hockey team would really reflect the many top players we would like to see represented on a national team, although we see them playing together as a team all the time. Most of our players were far superior but they had not played together as a team long enough. Competition in our regrettably highly commercialized sport of hockey would make it exceedingly expensive or perhaps impossible. Finding a permanent team of sufficiently high standard would be difficult.

● (1750)

Though we were terribly impressed by the Russian team, I understand it is only one of about nine teams of a similar character. I was in Siberia, Russia, last May. I was not sent there; I was on a voluntary visit. It was a beautifully sunny day in the south of Russia, but in the north it was darned cold; it was below zero. I saw children between 8 and 10 years of age playing hockey on artificial ice in an indoor arena. It was very interesting for us to see those youngsters playing hockey so seriously. I do not say it was great hockey, but one could see the difference in style in the way they were being coached. Those children were really skating; there was very little body contact. However, the point I am making is that in Russia there are a number of teams of the highest calibre competing against each other, and this calls for a great effort on our part.

I think the hon. member is on the right track. In a sense, I believe one has to isolate Team Canada; I do not believe it would be good policy to make it part of a wider project. I believe people sincerely wish to support Team Canada. There is nothing seriously wrong about establishing a corporation, giving it a charter, and so on, enabling it to operate independently. But in my view this would be a wrong approach. I believe we should think in terms of Hockey Canada and establish a special fund for Hockey Canada or Team Canada in care of Hockey Canada. The fund would be devoted specifically to supporting the Canadian team. I think, then, the team would be better financed than an NHL team since, as I say, a large number of Canadians would support it on a regular basis.

The idea of a permanent team causes me some concern. I do not know where one would get the players to comprise such a team or who they would play against. I do not wish to talk out this motion, because I believe it is a worthwhile one. I would support it as Hockey Canada with a tax-free privilege for donations intended for Team Canada.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I compliment the hon. member for Niagara Falls (Mr. Hueglin) for bringing this motion forward for discussion. I suggest to him and to the hon. member who has just spoken that the most important fact in hockey is not money, but is conditioning and the will to play. As one who comes from a small community in Ontario, I well recall the days when we used to run to the barn to get out the squared-mouth shovel which we used to clean-off the ice in a ten-acre filed so that we could play hockey. Our sticks were usually from a branch of a tree cut in a nearby swamp, and in this way many of the great hockey players of the future developed in those years.

Mr. Bell: What about your pucks?

Mr. Hopkins: Since those days hockey in the rural areas has developed along more sophisticated lines. First, small outdoor rinks were built, and finally covered rinks, leaving the way clear for the establishment of what is known in the rural areas as a bush league. I have played in these bush leagues and I must say I was in much better condition then than I am today. I can recall occasions when I travelled six miles on foot to get a ride for another nine miles to play hockey in my home arena. The visiting team might have come from 30 miles away.

Mr. Bell: Did you ever use a magazine as a shin guard?

Mr. Hopkins: Players in hockey teams all over Canada have come up through these ranks—

Mr. Speaker: Order. I regret very much having to interrupt the hon. member whose speech was obviously of great interest. Indeed, hon. members might, by unanimous consent, be willing to allow the hon. member to continue for a while.

There does not appear to be unanimous consent, so I must consider that the hour set aside for private members' business has expired.

Canadian National Railways and Air Canada

BUSINESS OF THE HOUSE

TIME AND DATE OF VOTE ON CAPITAL PUNISHMENT BILL

Mr. MacEachen: I should like to report to the House that the representatives of the various parties have met pursuant to the special order dealing with the amendment to the Criminal Code, capital punishment and agreement has been reached on the time for the vote on third reading of the bill. The vote will take place on Wednesday next at 2.30 p.m. It is understood that whatever proceedings are before the House at that time will be interrupted, that the bells will ring for 15 minutes and that the vote will begin at a quarter to three. That is the agreement reached among representatives of the four parties.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: Then it is so ordered.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-164, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, as I was saying when I was speaking at five o'clock, some hon. members who spoke before me were bemoaning the fact that the Minister of Transport (Mr. Marchand) was not in the House to listen to their words of wisdom. I am glad indeed the minister is present now; perhaps he will listen to my words of wisdom.

I have a special affinity for the railroads. Although I have never worked on the railroads, I have travelled a great deal on them. My first father-in-law came to this country in 1928 and worked for two years in northwestern Saskatchewan building a railroad from Shellbrook to Shell Lake, Saskatchewan, using horses, canvas tents and what-have-you. In those two years he earned enough money to bring over his wife and two children from White Russia.

In subsequent years I became a widower and remarried, this time a girl from Newfoundland whose father was a retired railroad worker. He tells me that he was one of the workers on the old Newfoundland railroad company which was going bankrupt and was inherited by Canadian National Railways, as I was pointing out prior to five o'clock. He was one of the gentlemen who was on the Newfoundland railroad company black-list—he was one of 30—because of their attempts to organize a union. As I say, he is now retired and he tells me the pension is not high enough.

I was trying to say before five o'clock, Mr. Speaker, that we have never had competitive railroad systems in western Canada. The CNR and CPR are like two trees planted too close together; the trunks and branches are so interwoven that neither is able to develop its full potential. For example, in areas of Canada CNR and CPR share almost the same roadbed, they are that close together. I am thinking particularly of one example between Perdue and Biggar, Saskatchewan, where the tracks are within a stone's throw of one another yet there are CNR and CPR trains going by several times a day on the main line.

To rationalize adequately our railway system in Canada all railroads should be brought under state ownership. The CNR is now state-owned, and the CPR should be. This has been the thrust of the policy of our party almost since its inception. In my own province of Saskatchewan, transportation policies have tended to work against Saskatchewan's small plant industrial economy. Basically, Saskatchewan is agricultural but we do have a small plant industrial economy too. There is a significant area of monopoly in the transportation industry with higher rates and service problems.

The railroads must develop reasonable rates with which the people of western Canada can live. If not, the government must step in and act, using transportation as a key instrument in national policy and national unity. I quite agree that a two-language policy is necessary for this country socially and culturally, but I feel transportation is also the key to national unity, something I think the government has overlooked.

For too long the railroads have been encouraged to extract their fixed costs and overheads from those areas which are not endowed with intermodal competition. Western Canadians have made disproportionate contributions toward the fixed costs of the railroads. The railroads must also be a key instrument in northern development. I think the government of the day must take a very close look at the whole concept of a railroad down the Mackenzie Valley and into northern Saskatchewan to transport the uranium deposits there which will be of key significance as we move closer and closer to a so-called energy crisis.

Several weeks ago I asked the Prime Minister (Mr. Trudeau) about the high cost of food in the north—the Northwest Territories, northern Alberta and northern Saskatchewan. He replied that this was really the responsibil-

ity of the provincial governments. I think transportation is the responsibility of the federal government. When people have to pay almost $2 a dozen for eggs in Arctic Red River near the mouth of the Mackenzie delta in the far north, I think the time has come to develop the north; and transportation is one of the keys.

For too long the rate-setting policies of the railroads have been based on fictitious water competition. Rarely are we given details of the name of the water carrier, the rates charged, the tariff applied, the type of service and the frequency or capacity of the service.

● (2010)

I understand from the Western Economic Opportunities conference that the Government of Canada has agreed to make some of these figures, statistics, and so on, known to the provincial government. This is appreciated by the people of the west. We need a framework to compensate for the overwhelming advantages through the size, volume and competition in the transportation field which industry now enjoys in the most favoured regions of central Canada. Such an approach must take into account the total production and distribution problems of a single industrial plant, a group of plants or an entire industry within a province such as Saskatchewan, or even within a region.

The largest discrepancies exist between regions such as the western provinces and the central provinces, or between the maritime provinces and the central provinces. I am also opposed to rail line abandonment such as the proposed abandonment of the line from Shellbrook to Spiritwood and Turtleford. This would mean that some farmers would have a grain haul of 50, 60 or 70 miles. We do not dispute the fact that some rail lines should be abandoned, but it must be on a rationalized basis.

Provincial policy in Saskatchewan is to encourage decentralization as much as possible and to locate industries in the smaller towns and villages. We want to preserve the rural way of life. In the face of this, branch line abandonment and centralization of rail services is negative. Centralization in the form of servocentres will not necessarily give the best service. The CNR today is talking about servocentres. As I mentioned earlier, this does not mean there is no room for rail rationalization in western Canada, but it means we must be aware of all the social costs and psychological implications. It means that national transportation policies must be grounded in regional needs and regional economics.

Now may I say a word or two about the airlines. I have heard many people complain about the service of Air Canada. They have said that the service is terrible, the food is terrible, and so on. So far as I am concerned, the food is okay and the service is not too bad. Every once in a while one misses a flight out of Ottawa because of freezing rain or because the runway is icy, but that merely proves that man has not conquered nature completely. Despite man's great advances in technology, we still are not at a point where we can have de-icing machines and technology that make it possible for a flight to leave at the exact time every day, 365 days of the year.

I have flown on a number of airlines. The food service of Air Canada is not bad. The hostesses are always polite. However, I do have a few criticisms in the nature of suggested improvements. For example, I am rather opposed to these expensive air terminal buildings which are sometimes foisted upon communities as symbols of community pride or monuments to politicians. We have huge terminal buildings in Montreal and Toronto and a fair sized one in Winnipeg. The one in Saskatoon is too small.

When I fly into the northern part of my province, I am lucky to find a little shack to go into to keep warm. In some cases there is nothing; one must step out into the blustering wind and snow. I would sooner have decent runways and navigational aids in some of the outlying regions of Saskatchewan and northern Canada. In my constituency there is a need for good runways and navigational aids in places such as Meadow Lake, Buffalo Narrows, Beauval, Cluff Lake and many other northern communities.

Again, I should like to commend the federal government for taking the initiative in allotting $100,000 to the community of Meadow Lake to pave 2,800 feet of runway there. It will be the first paved runway in my constituency. I hope this is followed up with many more. It should also be an instrument of national policy to build roads to the north. I think we should be looking at things far beyond rail line or airline transportation. At least we should be willing to share the expense of road building with the provinces in the more inaccessible regions. For example, in my area a road is required to Cluff Lake and the south shore of Lake Athabasca. This would be a boon to the development of some of the rich uranium finds in the area. In Saskatchewan also we need a north-south jet service extending into the United States. The government of Saskatchewan asked for such a jet service and were refused. Air Canada should be looking seriously into the matter of serving some of our centres such as Uranium City, North Battleford, Prince Albert, Yorkton, Weyburn, Swift Current, and so on.

Coming back to the question of the railroads, if the railways insist on abandoning trackage then they should also forfeit an equal percentage of land and return it to the provinces concerned. They should return both the physical property and the mineral rights. For example, if they want to abandon 20 per cent of the trackage in Saskatchewan they should give us back 20 per cent of the 15 million acres of land, together with the mineral rights, to compensate our loss.

Only if the activities of the CNR and CPR are completely co-ordinated can a limited plan or rail line abandonment be struck. We must have complete co-ordination. The railways ought to sit down with the provincial governments involved, the elevator companies and, most importantly, the farmers' representatives and representatives of communities, the smaller communities in particular, to design a plan which would utilize the best tracks with the least detrimental effect to the communities concerned.

Why do railroads need money? Here we are about to vote $225 million. Why do they need this money if very little of it is spent on keeping up the trackage? In my constituency the elevators are plugged. There are no boxcars. The tracks are poor. One might ask why this situation is allowed to exist.

An hon. Member: A poor MP.

Mr. Nesdoly: A gentleman over there says it is because there is a poor MP. I think it is because of poor government, period: that is what we have had for the last 20 years.

I should also like to ask why the railways hang on to rights-of-way on which track was never laid or on which it never expects to lay track. I will give an example. There is a railway right-of-way in my area of northwestern Saskatchewan. Thirty years ago the right-of-way was obtained for the Canadian National from St. Walburg to Loon Lake, Saskatchewan. That trackage was never laid. There is no railway to Loon Lake, but they still have ownership of the right-of-way. In the village of Loon Lake, which is one of the very few places in Canada which is totally surrounded by an Indian reservation and which is one of the few villages in Saskatchewan still growing, the railway has a right-of-way on which 20 or 30 houses could be placed. They refuse to pay frontage taxes for sewage and water, or to give the land back to the village so that it would have the land for expansion purposes within the community.

● (2020)

I think, also, that the financial dealings, statements and transactions of the CNR should be more open to the public than they have been up to the present time. Many questions have been raised in my own province with regard to the sale of the Bessborough Hotel. When queried as to the price at which the hotel was sold, the company said it was not in the public interest to divulge it and that to give the information would be to give their competitors an unfair advantage.

So they would not reveal the price of the hotel. Yet they sold a hotel in Saskatoon. They spent, I do not know how many millions of dollars, on a huge edifice in Toronto which when it is completed is supposed to be the highest building in the world—over 1800 feet high. And for what? What does that have to do with transportation? I sometimes question what the CNR is doing. Certainly, if they spent a little more money fixing up the tracks in Saskatchewan and buying a few more boxcars, it would be money put to better use than on the CNR building in Toronto.

There are 2,000 hopper cars that the CNR and the CPR are supposed to use to haul grain. They cannot haul grain on half the trackage in the prairie provinces; and we have not yet heard from the government what the deal was with the CNR and the CPR with regard to the rental of these hopper cars and what would be their use.

Basically, railroads should be an instrument of national policy, of national unity and they should be used to serve this country and to bring about the unity of our nation. I will not stand here criticizing the CNR, because I am convinced that it is a good railroad and that it serves its social purposes—which the CPR refuses to do—despite the fact that its financial situation is not quite as good as that of the CPR. But I must also remind hon. members that the CPR was given large sums of the taxpayers' money, land and mineral rights in this country to build up the huge empire which it now has. Yet that company does not provide the type of services which the CNR provides.

[Mr. Nesdoly.]

Every time a little rail line goes bankrupt, the CNR swallows it, perhaps, as I said earlier, for social or political reasons. I think it is about time we looked at our total transportation system and co-ordinated it. I believe quite strongly that the CNR, the CPR and in fact the whole transportation system should come under state ownership.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I find that Bill C-164, gives members of the House an opportunity to look at the railway system and the airline system which is owned by the taxpayers of this country. I want to point out that the CNR is underwritten by the taxpayers of Canada. When it first set up its operation it amalgamated Grand Trunk, Grand Trunk Northern and Grand Trunk Pacific, and since that time any profits which accrue to the CNR operation are used to pay back the barons of England from whom the government of this country at that time had rescued these almost bankrupt railway companies. I hope the government will see the light and will realize it is time to liquidate the $1,900 million of public debt owned by the CNR, then perhaps we can go forward with the kind of profitable operation which we have proved the CNR could be.

I always find it rather strange that it is advantageous to those who support the free enterprise system—which you may observe is neither free nor enterprising—to maintain the present arrangement whereby the people of Canada have to cough up annually large sums of money to help pay the interest on that original loan. This effects the operations of the CNR and any profits which it has made. Indeed, it is always very nice to be able to say that the CNR did not make a profit. The public, of course, must not read between the lines and must not notice that the profit which accrues is used to pay off the interest on the original loan. People would like to say that the government cannot run any business profitably nor any transportation system. To say so is always in the interests of those who support the free enterprise system. I have only one answer to that, which is, as my colleague has suggested to me, horsefeathers.

It seems to me that when we look carefully at the operations of the CNR we find that in effect it has been very successful. We find that in the year ending December 31, 1972, for example, the CNR had a profit of about $45 million. As a matter of fact, the total railway operating revenues rose 10 per cent, from $1,141 million to $1,257 million. The carload freight revenues were up by 8.6 per cent, due mainly to the rise in traffic volume. Passenger service revenues rose 3.9 per cent. Also, the CNR paid $178 million in taxes to all levels of government in Canada in 1972. In addition to that, I repeat that the CNR's net profit was some $50 million.

Now let us look at how the CNR treats its employees, the people who help to produce the wealth of this railway company. I find the rates of pay of the CNR very interesting. For example, the CNR pantryman with 19 years of service or over gets $2.97 an hour. A waiter on the CNR with 19 years of service or over gets $3.11 an hour. A CNR porter gets $3.14 an hour. A cook assistant gets $3.21 an hour if he has 19 years of service or over, and the cook himself with 19 years of service or over gets $3.53 an hour. The chef gets $4.12 an hour.

If those are the rates of pay which this government-operated business pays its workers, no wonder we have the unrest on our railways that we are experiencing these days. I ride trains regularly, my community at Capreol is on the main line, and I find that the morale of the CNR employees on the trains is pitifully low. It is at rock bottom, largely because of some of the steps being taken by management to cut back the work force and to increase the workload. I find, for example, that in 1972 in the CN St. Lawrence region there were 1,000 persons employed in the dining and sleeping car service. In June, 1973, that figure was down to 347. Remember, Mr. Speaker, CNR passenger service has been increasing; indeed, revenues from passenger service have increased by 3.9 per cent—but the work force has gone down.

● (2030)

How does the CNR treat its retired workers? We find that as of January, 1971, the CNR was paying 5,052 pensions of less than $50 per month, and of that number most were pensions of $25 per month or less. In 4,194 cases, pensions up to only $99.99 were being paid. The Government of Canada has seen fit to provide for payment of pensions to employees of dozens of Crown corporations under the Public Service Superannuation Act. I maintain the government should force the CNR to pay the same type of pensions to its employees with provision for 2 per cent of salary for each year of service.

Other things are responsible for lack of morale among CNR workers. Air Canada employees receive a free pass once a year on the CNR but this does not work in reverse; CNR employees do not get a pass once a year on Air Canada. This can only lead to resentment, to a feeling of being second-class employees receiving second-class or indeed third-class pay. Another thing that concerns me about the CNR is its board of directors. I looked at that board and found it was sadly lacking in representation from ethnic groups. With the exception of two French Canadians it seems that Anglo-Saxons make up the board of directors. There is N. J. MacMillan, chairman and president, J. W. G. Macdougall, R. A. Bandeen—

Mr. Sharp: Those are not Anglo-Saxons; they are Scots.

Mr. MacEachen: On a point of order, Mr. Speaker, the suggestion made by the hon. member is that these Scots are not real ethnics. The Scots were the first ethnics of this country.

Mr. Rodriguez: Mr. Speaker, with a name like mine I was looking for more Irish names like my own on this board of directors. To continue the list, there is Pierre Taschereau, J. R. Richer, A. H. Hart, M. Archer, R. T. Vaughan, J. L. Toole, W. R. Corner, E. P. Stephenson, K. E. Hunt, George Lach, W. H. Bailey, J. M. Duncan, R. E. Lawless, D. W. Blair, J. F. Roberts, W. D. Piggott, A. R. Williams, J. H. Spicer, J. C. Gardiner, John Gratwick, S. D. H. Thomas, and E. J. Denyar. I also found that many of these people are on the boards of directors of other companies. There are no workers represented on the CNR board of directors, yet they are the ones who know what is wrong with the railway. Democracy is not apparent in these government-appointed directors. They are all appointees from a very elite group.

I am also interested in the way the CNR approaches the public. It seems it has discovered that its greatest source of revenue is in carrying freight and in that field it practices a great deal of discrimination against certain parts of the country. The greatest discrimination in freight rates is practised against northern Ontario. The hon. member for Meadow Lake (Mr. Nesdoly) mentioned northern Saskatchewan and the freight rate discrimination there. I say there is not an area in Canada more discriminated against, so far as freight rates are concerned, than northern Ontario. Indeed, the area between Quebec and Armstrong in northern Ontario shows the highest freight rate structure in northern Canada.

The freight rate structure in northern Ontario discriminates against local development. It is based on the volume of the items being shipped out. This has led to the development of northern Ontario as a resource depository from which raw materials are shipped. The mining companies get the benefit of lower rates. Recently I discovered that it costs $8.66 per ton to ship iron ore from Copper Cliff to Pittsburgh, Pennsylvania, but to ship a ton of fertilizer from Toronto to the Sudbury basin costs $90. How can we develop diversification of our industry in northern Ontario if freight rates make it more profitable to ship raw materials from there? This has been a bone of contention in the north for many years.

Recently the government of Ontario announced an 18 per cent freight rate cut on all freight shipped by the ONR or Star Transport. As you know, Mr. Speaker, ONR operates only in northern Ontario. It does not operate out of the region; we have to depend on the CNR or CPR for that and our hope was that the Minister of Transport (Mr. Marchand), or the government, would cut CNR freight rates in a similar fashion in order to assist the establishment of secondary industry in our area. But we have not heard one word of any reciprocal action by the federal government. Indeed, we see that what the Turgeon report had to say is as true today as it was when it was first made. It reads in part:

> It has been pointed out to the commission that in this regard railway management in the past has often proceeded, in fixing freight rates, without sufficiently considering the interest of the community to be served, and without even showing a proper conception of the long-run interest of the railway.

I suggest that we in northern Ontario have been discriminated against by the CNR in the matter of freight rates. This is why Eaton's and Simpsons have two catalogues, one each for northern Ontario and for southern Ontario. In all cases, the items advertised are more expensive in northern Ontario than in southern Ontario. This is why workers in the Sudbury basin must continually demand a higher rate for the work they do, because they have to contend with prices that are highly inflated due to freight rate costs.

This leads me to another point. The railway roadbeds were laid down about 70 years ago. These roadbeds were laid to accommodate trains of that time which were much shorter and lighter than modern trains, but no improvements have been made to them. It takes the CN passenger train 7½ hours to travel from Sudbury to Toronto. Apparently this is because of the slow orders on the line. When the track was laid, the trains were pulled by steam engines and the rail line went around the lakes so that the trains

could stop to get water. That day has gone, but the lines still go around the lakes. Mr. Speaker, I believe the government ought to spend about $5 billion straightening out the lines to make the service faster and more convenient.

● (2040)

These days we hear a great deal about the gasoline shortage and the fuel shortage. We hear the Minister of State for Urban Affairs (Mr. Basford) saying that cities must not be allowed to sprawl the way they are at the moment. The railway lines are already there, and it seems to me we ought to be converting people to the use of public transportation. I am firmly convinced that the CNR does everything in its power to discourage passengers from using its service. It has taken a leaf out of the book of CPR in that respect, and I disagree with it. We should be trying to get the CNR to establish an improved passenger service.

During the last election campaign an announcement was made about the removal of railway lines from downtown cores. The CN quickly moved their lines from downtown Sudbury to the suburbs. But the CPR lines are still there. CN built what I call a little passenger hut, Mr. Speaker, because that is what it is. Every time we get a fog that closes the airport, a crowd of people go over to get the train and find they have to stand out in the rain. That little waiting-room is not any more than two feet by two feet, and I am not exaggerating. The area has a population of close to 180,000, so the waiting-room is not adequate. People become disgusted when they cannot even find shelter from the elements. The town of Capreol is on the transcontinental line, and there we find a building that must be at least 100 years old. It must have been there at the time of confederation, Mr. Speaker, and apparently has some historical significance because it is crumbling away. However, no effort is made to provide for passengers' comfort.

If we do get on the train, we find that the price of meals is exorbitant. I think inflation hit the railways ten years before it hit the rest of Canada, and I strongly suspect that they use the profits of the dining-car to pay for the private cars that they have all over the country for the personal use of the regional managers. Liver and onions costs $2.45, hamburger costs $1.50, coffee 25 cents, and Coke 30 cents a bottle. This sort of thing discourages people. If you want a sleeping berth, you are told that none is available. This happened to me, and then I went to the Ottawa station and asked for a berth to Vancouver and was told that one was available. There seems to be no system of reservations at all for the public convenience.

If the energy crisis continues, then a public transit system for this country will become increasingly important. But the government seems to think they have things under control. When we ask the minister a question about the possibility of cutting freight rates, we are told that this would have to be done by the Canadian Transport Commission. Mr. Speaker, who runs the country? Surely not some commissioners sitting around in opulent rooms. Surely it is the government elected by the people of the country. I believe the proceedings of the House of Commons should be televised so that Canadians could see what happens when important questions are asked. Matters touching on the lives of the half million people in northern Ontario are brushed aside and we are told that a commission has to make the decisions. Why do we need a government, if a commission can decide? I cannot speak too harshly about that kind of thing.

In closing, Mr. Speaker, I want to point out that it is apparently all right for CNR to subsidize commuters between Detroit and Pontiac, Michigan, to the tune of $375,000 annually. We have been doing that since 1954. If we can do that, then what about the people who live in northern Ontario? Perhaps we should subsidize their foodstuffs. If the government of the province of Ontario can equalize the price of beer between southern Ontario and northern Ontario, surely the federal government can do something to ameliorate freight rates in northern Ontario so that the region does not have to develop only as a resource economy. An adequate rail service would be the first step toward developing secondary industry in a area such as mine. Millions of dollars are spent on the educational system there, but when the young people reach working are they find they must leave because there is very little opportunity for those aged 18 to 25.

How can urban sprawl be stopped when the people of northern Ontario have no secondary industries, no interesting jobs in research and development to offer the young people who find they have to go to the large urban centres where the opportunites are greater? I wish the people of Canada could be transported into this House to see what goes on.

I urge the Minister of Transport to use the power of his office to make sure that Canadian National Railways, which is owned by the people of Canada, is used for the benefit of Canada. Some great things could be done. This railway system links the two ends of the country. Surely we could improve the system to the point where people would prefer to go by rail rather than drive on crowded highways on which they may be prone to accidents and the hazards of inclement weather in areas such as the one I represent. Can we not improve the service to the point where people will want to use the railway? I urge the minister to use his power in that way as an elected officer of this country.

● (2050)

Secondly, I am concerned about freight rates. They are most important, Mr. Speaker. The Ontario government has cut freight rates on the ONR by 18 per cent. Why cannot the CNR do the same? The CNR ought to cut freight rates in that area if we are to move out of that second-class slot in northern Ontario in which we merely take stuff out of the ground, ship it out and then take back the finished product. Surely we can expect the Liberal government to act in this regard. Liberal members have represented northern Ontario for the last 50 years. Formerly, 9 out of 12 members representing the area were Liberal. Just before I came along, 11 out of 12 were Liberal. Surely those Liberal members know that freight rates are at the root of our problem in northern Ontario. Surely those members who represent northern Ontario have the ear of the minister. Indeed, I think they also have his tail, but that is beside the point. The fact is that they ought to do something worthwhile for northern Ontario. They have the power, as they represent the area. The members of my party would be quite willing to support Liberal members

who would like to work in the direction of improving the situation in that regard.

I also urge the minister to use his power with the CNR for the benefit of the workers. The workers are not slaves any more and deserve more than the paltry wages which I have mentioned. Also, pensioners ought to be treated better. As a publicly-owned transportation system, the CNR ought to set a pattern in this field which would be the envy of the so-called free enterprise system. I urge the minister to act in the three areas I have mentioned.

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I think it is safe to assume that members of this House wiser than I am might have been content, in contributing to this debate, to say, "I agree with what was said this afternoon by the hon. member for Bruce (Mr. Whicher)." He represents a neighbouring riding, and I do not think the case with respect to rail passenger service in southwestern Ontario has been more effectively or forcibly put by anyone than it was by that hon. member this afternoon.

I am not indulging in wishful thinking when I say to the minister that in the part of the world which I represent, rail passenger service is not a partisan issue. It is not only Conservatives who ride the rails. Passengers include those who support the NDP and the Liberal Party. I think it is safe to say that the members of all parties representing that part of Ontario have spoken with one voice.

When I came to this House in January, I do not think I was so naïve, as a new member, as to think that the major problems of my constituency would be solved immediately. I confess I was naïve enough to think that I would be given the opportunity to discuss these problems in the House. I must confess, further, that I and many other members were disappointed in this regard. I therefore hope to find some sympathy in this House for my feeling of frustration. That frustration was spoken of so well this afternoon by the hon. member for Bruce, as we have been given little or no opportunity to discuss rail transportation in this House since last January. Those of us who are concerned about this important issue have been allotted a minimal amount of time in the standing committee, and in the daily question period to raise this issue. In the question period the answers or, more accurately, non-answers of the Minister of Transport (Mr. Marchand) have only added to our dilemma.

The hon. member for Bruce spoke of his feelings of frustration and hopelessness. I hope I do not sound as pessimistic as he did. Perhaps his pessimism was induced by the fact that he has been here longer than I have and knows the minister better than I do. The frustration I voice is also the reflection of the feelings of three pertinent groups in my area. These are, first, the rail passengers; at least, those who were at one time rail passengers and would like to become once more rail passengers. The second group consists of the employees of the railways, and the third group for whom little is said is the property owners' group through whose property railway rights-of-way run. This group includes other occupants of such property.

If I may speak about the first group, the railway passengers, let me point out that the fourth report of the Standing Committee on Transport and Communications was tabled in this House on June 21, 1972. It was a unanimous report. I attended meetings in Stratford. There were other meetings all over western Ontario. I remember very well that those who presented briefs or gave evidence usually prefaced their remarks by saying, "We do not think you can do much, but . . . On several occasions they were interrupted by the chairman or acting chairman as the case may be, who said, "We know what you have gone through. You have had meetings with the railways; they have shown a great deal of sympathy and have protested that they will make every effort to improve the situation, but then they have forgotten about you."

These people had met with the Canadian Transport Commission and again had been shown the same sympathy. They had been given excellent heavings, but then they had been forgotten. So when the members of this House making up that committee came to Stratford and called witnesses, the almost invariable response was, "We don't know why we are here, because we have gone through all this before." The committee members said, honourably and sincerely, "You are wrong. We are present to hear you and this is one time when something will be done." I see members of this House present tonight who sat on that committee. I know they are honourable men who meant what they said.

The committee's report was unanimous. It was published as a result of public hearings in western Ontario which had been called for the purpose of eliciting representations on the adequacy or inadequacy of passenger service in that area. It received 55 briefs and heard 68 witnesses. The committee was presented with petitions, letters and mail-in coupons containing several thousand names asking for restoration or continuance of rail passenger service in the southwestern Ontario region.

Despite those these hearings the CTC discontinued rail passenger service in the area effective November 1. At the time of discontinuance the Canadian Transport Commission assumed, and the residents of the area were so informed, that public transportation in forms other than rail would be provided. After about two years, the evidence presented to the committee indicated that there was widespread dissatisfaction with the type of passenger service then provided.

The bus service provided in the area did not constitute a satisfactory alternate public transportation service, nor did any other system of transportation solve the transportation problems of the public. The committee therefore recommended, among other things, first that all rail passenger services which were discontinued on November 1, 1970, should be re-established immediately and, second, that a moratorium should be placed on all pending passenger train discontinuance applications in Canada. The committee also recommended—and this recommendation was as important as the other two—that a joint study group composed of representatives of federal, provincial and municipal officials should be formed. In other words, it recommended that a trilevel study be established immediately, all of which was well put this afternoon by the hon. member for Bruce. This study was to determine a minimum rail passenger network as defined in relationship to the most efficient and adequate transportation system

making the best use of all modes of transportation at the lowest possible total cost.

What happened? As the House well knows, members have been speaking on the subject, and speaking well, for a number of months. Certainly prior to the election of last October my predecessor representing my constituency along with many members of the House acted as spokesmen for the area—but to no avail. I do not think the minister has appreciated the reaction of the community. Those who represent the area no longer measure their mail in numbers of letters; they weigh it. I am sorry that I did not bring my file. I am sure my mail bag is no bigger or smaller than that of other members representing the area. I wish to quote from several letters to show the concern of my constituents. I will not bore the minister with reading all of them. I will read excerpts. First may I read part of letter sent by a senior citizen who is a constituent in Listowel, Ontario. He said, in part:

A great many residents here would appreciate it very much if you, as a member of parliament, could look into it and do something to improve our situation.

The second letter comes from Mitchell, Ontario. It says in part:

This service was hard-earned and paid for by our forefathers.

● (2100)

The following letter was received from the city of Stratford:

Please inquire into what has happened to the recommendations made by the Standing Committee on Transportation in the House of Commons.

The following is from the town of Palmerston:

We are not asking for something that is not our right, or that we should not have. Therefore, why can't we have it? Your support is now requested to keep this concern before the government until action is gained.

The next is from the town of Listowel:

If MP's had to put up with all that . . .

This was written after describing the horrendous situation in getting from point A to point B.

. . . it would certainly be the first motion to come up—It seems, if you don't live in one of the major cities, or want to drive your car, one is just supposed to stay at home.

The next is from a rural area outside Listowel, in Perth county:

Last year my doctor made an appointment for me to attend the cancer clinic in Victoria Hospital, London. I found out there wasn't train or bus service to London so changed my appointment to Wingham and couldn't get there either—I am sure there are hundreds of people having the same experiences.

What has been the reaction of the Minister of Transport and the Canadian Transport Commission? Apparently there is a Canadian Transport Commission study. The standing committee recommended a trilevel study. The Midwestern Development Corporation recommended a trilevel study. Many members of this House did the same. We have a study by the Canadian Transport Commission: right off the bat, that is suspect. In my opinion, the CTC is part and parcel of a deliberate attempt to downgrade rail service in Canada. In any event, this CTC study, which has not been published although it was supposed to be some time ago, was to involve local consultation. I personally checked with four of my colleagues who represent constituencies in this area. Neither I nor they could find one local municipal official who was consulted. We cannot find anyone who was ever consulted. If members, not only on this side of the House but in all parties, from this part of Ontario are skeptical, I think it is with good reason.

This past spring representatives of the Midwestern Development Corporation came to Ottawa to meet with the minister. Circumstances prevented his meeting them, but they met with his parliamentary secretary. When I suggested that this was mere window-dressing the parliamentary secretary was almost at a loss for words. This astonished me. The parliamentary secretary took great umbrage at the fact that I would suggest this was just another bit of window-dressing for the Minister of Transport.

The second group of people for whom I should like to make a plea are the railroad employees. I suggest to the minister that the railway is engaged in a deliberate attempt to downgrade roadbeds and rights-of-way. The result is that many members of the operating union of the CNR are fearful for their lives. I do not want to be an alarmist, but I am consulted almost every week by members of the union safety committee. Incidents such as falling trees and almost impossible visibility are now the rule rather than the exception on certain lines north of the city of Stratford and, indeed, lines that go into the constituency of the hon. member for Bruce. Roadbeds are so poor that reduced speeds are also the rule rather than the exception. In an article in the June 21, 1972, edition of the London *Free Press* on the condition of the roadbed, the hon. member for Bruce was quoted as saying:

. . . claims that the rail lines in the area are in poor repair and unsuitable for service are unfounded.

"The lines are not nearly in as bad a shape as some people think" he told the committee. "I see freight trains going over them every day."

That may very well have been true in June of 1972. I have no knowledge of the situation at that time. However, I wish the hon. member were in the House now to update his report. Remember, that was 16 months ago. On the basis of honest and sincere evidence given to me by the safety committee of the railway union in that area, I suggest these men are operating trains in fear.

The final group for which I wish to speak are those people through whose property the railways have a right-of-way. It is very easy to go on at great length about weeds, fences, and so on. Rather than do that, I wish to give the House one example. It would serve no purpose to name the railway or the specific location, because the Minister of Transport and the Minister of Agriculture (Mr. Whelan) have my complete file on this. Their file is as current as mine as of a week ago. This is a situation that has arisen in two rural townships. The best way to summarize it would be to paraphrase a letter from the fieldman of the Ontario Federation of Agriculture reporting to members of the federation with regard to having a certain situation remedied in the area.

Between June 1 and June 6 of 1973, 11 requisitions for fence repairs were forwarded to the railway. Apparently this is how you initiate fence repairs when it is the railway's fence: a farmer sends a requisition to a district

office, rather than the railway initiating repairs on its own. On June 22 and 25, the fieldman of the Federation of Agriculture talked personally to the district engineer of the railway at the regional office. The engineer indicated he hoped to have something definite before the end of July. On June 29, after a meeting of the directors of the Federation of Agriculture, the fieldman wrote the district engineer asking that definite action be taken prior to July 15. A copy of his letter was sent to me. This was the first time I was made aware of the problem.

On July 9 and 17 I wrote to the Hon. Edgar J. Benson, president of the Canadian Transport Commission, Ottawa, asking for assurance that action would be taken without delay. On July 30 the district engineer of the Canadian Transport Commission in Toronto contacted the federation and obtained the names and addresses of the farmers affected. Remember, this was two months after the requisition had been forwarded. The district engineer of the Canadian Transport Commission is quoted as having said he would forward the recommendations to Ottawa and action would likely be immediate.

On August 10 more requisitions were forwarded to Ottawa. On August 22 the assistant director of the Federation of Agriculture wrote Mr. J. D. Beeton, secretary of the Railway Transportation Committee of the Canadian Transport Commission following a telephone conversation with the railway in Toronto. In this conversation it was stated it might take two months to get the money allocated as it had to be approved by a board in Montreal. Remember, this is a fence in the country which affects 11 farmers.

The letter to Mr. Beeton suggested the railway was dragging its feet. It stated the farmers would appreciate any help that could be given. A copy of this letter was also sent to me, and I again wrote to the Canadian Transport Commission. This takes us to the end of August. On September 12 I wrote a third letter to the Hon. Edgar J. Benson asking for immediate action. I raised this matter in the House of Commons on September 21 by way of a question to the Minister of Agriculture, in the absence of the Minister of Transport. On September 24 I received a letter from Mr. Benson acknowledging my letter of September 12. He indicated that the transport committee of this commission had taken up the matter with the railway. The last paragraph is interesting. I quote:

● (2110)

I thought you should know your representations have not escaped our attention in spite of the period of time which has elapsed since you first brought this matter to my attention. I will keep you informed as to developments.

This takes us almost to the end of September when I wrote to the Minister of Agriculture, with a copy to the Minister of Transport, sending him my complete file on this matter. In the last two or three weeks I have received an acknowledgment from the Minister of Agriculture and another letter from an assistant to the Minister of Transport acknowledging receipt of the correspondence. I received a further letter from the Federation of Agriculture in Toronto, at least a copy of a letter to the Transport Commission dated October 12, indicating that the work had not been started. Then I received a letter on Friday from the secretary of the CTC indicating that the work had been done. Which of these two letters is accurate, I do not know.

I cite this correspondence to show that if there is frustration and anger in southwestern Ontario, it is justified. This anger and frustration is not partisan, as was so well shown by the hon. member for Bruce. I suggest that the railways and the CTC are deliberately avoiding their responsibilities. No doubt they intend, as they did in the case of passengers and mail, to downgrade the service until the business is lost. No doubt they will apply for abandonment.

The Minister of Transport seems content to allow the present course of events to continue even in the face of a unanimous recommendation by the standing committee, in the face of the economics of the situation and in the face of the economics of the situation and in the face of common sense. I can only conclude that the situation in southwestern Ontario is simply a penalty for those ridings which return members who are not members of the Liberal Party, the only exception being the hon. member for Bruce who is trapped in a net because he is surrounded on two sides by water and on two sides by Tories. Thus he is in the same position as we are. It is a sad commentary on the just society.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I rise to make a few comments on the CNR financing bill which deals especially with the financial aspects of the CNR and Air Canada, the two largest carriers in their class in the country. The mere fact that no public audit has been presented to the House of Commons dealing with the financial aspect of the affairs of these companies, together with the failure of the government to refer the annual reports to the transport committee, indicates that all is not well in the transportation field as far as these publicly-owned carriers are concerned.

My riding, being highly rural with a relatively static population, is not faced with many of the problems such as urban sprawl, transportation and housing which confront metropolitan areas, but it is vitally interested in the retention of an adequate rail system and in the policy concerning branch line abandonment. Like the rest of western Canada, the area is heavily dependent upon grain as the main agricultural crop, the production of wheat complementing the grain growing. This means that should the transportation system be further reduced, it would likely result in a corresponding reduction in the productivity of the area.

As far as my constituency is concerned, proposals for branch line abandonment must be considered together with the so-called grain rationalization proposals affecting local elevators; how many would remain in operation, where they would be situated, and what is to be their capacity. Events of the last few months have shown that the world is faced with food scarcities and seems to have narrowly escaped a major food shortage. This has a strong bearing on railway transportation problems in the west.

The relatively rapid increase in the cost of diesel fuel, and the prospect of further substantial increases in the months and years ahead, bring into focus the interaction of various transportation systems and in particular the relative competitive ability of the trucking industry and

the railways. I have been informed by reliable railway authorities that the resistance offered by a steel wheel on a steel rail is only half that of the rubber tire on tarmac. This may not be significant in itself, but it means that in terms of the energy the railway is in theory twice as efficient as highway transport. With the price of energy rising, this factor should considerably enhance the competitive position of the railways and may reverse to some extent the trend to move goods by highway rather than by rail.

I turn now to an issue which was well brought out at the recent conference between the western premiers and the federal government in Calgary, namely, that the railways have consistently refused to publish details of their earnings and costs in the various regions of Canada. In 1968, after my election here, I asked the parliamentary library to undertake a small research project along these lines. The librarian detailed to do this work stated after a few days that there was absolutely no information of any authenticity available with regard to the operations of the two railways—no idea what their costs were in the west or in any other part of Canada relative to the income they earned there. Unless this information is furnished there can be no enlightened discussion about grain freight rates or freight rates affecting secondary industries in the west.

It has always been the opinion of many people that the railways made money in western Canada. But the companies have consistently claimed that freight rates for western agricultural commodities, particularly basic agricultural products and resource products, have been too low. Not until details are made available shall we be able to make any reasonable assessment as to how badly off, or how well off, the railways are in the west. Certainly a comparison between some of the freight rates which particularly affect western Canada, for example, from Montreal to the central prairies, as against Montreal to Vancouver, throws considerable doubt upon the validity of the case made by the railways.

The western conference was preoccupied with some of these transportation questions. When answers are supplied, perhaps we can make progress. Appendix II of the transportation paper presented by the government to the western conference indicates that from 1968 to 1972 the so-called ton-mile of originating rail traffic increased in the west at a rate much greater than the national average, and now makes up more than 50 per cent of the national average. In 1968 the percentage originating in the west was less than 50—about 45 per cent. Westerners who attended the Calgary conference were dismayed by the lack of interest taken by the government in the transportation issue or, at least, by its inability to come forward with any solutions. All four western provinces seemed to regard the issue as one which primarily involved the freight rate structure, a structure which has not basically changed since the railways' task was primarily to move raw materials out of and manufactured goods into the west. Furthermore there were inequities in that governments, particularly the federal government, paid varying amounts of the cost of different modes of transportation. They contended that railways users pay the highest portion of these costs.

[Mr. Ritchie.]

• (2120)

The National Transportation Act of 1967 relies on carrier competition to control rates. The lack of competition in certain regions in the west gives the railways significant monopolies and the railways seem to set the highest possible rate. Numerous examples were given where the rail rate to a northern town would be immediately halved once the highway reached the town. It seemed important to the premiers that there be a full disclosure of the costs of all modes of transportation, and that a rate-setting procedure be established which would include a federal contribution toward costs comparable to that provided other modes of transportation.

A counter-proposal by the Minister of Transport (Mr. Marchand) at that meeting to the effect that the examination of rate-setting by the CTC of different commodities could and should be speeded up was about the only counter-proposal that I could detect. He pointed with great pride to the fact that the CTC had ordered the railways to reduce the rate on rapeseed meal exported out of western Canada. To the cynical, it should be pointed out that normally rapeseed oil is the most valuable product of rapeseed and that the meal is of considerably less value. But at that time eastern Canada was suffering from an animal feed shortage and the rapeseed meal, not normally a particularly attactive feeding supplement, was needed badly here in the east.

I suspect that had the feed grain shortage not arisen there would not have been any reduction in the tariff on rapeseed meal. Had the CTC been genuinely interested they would have reduced the freight on the oil, because it is well recognized by western crushers that the freight rate structure makes it cheaper to ship rapeseed to the crushers in the east than to ship the oil.

The proposal to review the freight rate structure commodity by commodity is long and tedious and each decision is almost out of date by the time it is made. The railway should be obliged to disclose its costs and revenues by regions. I think that western Canada, being a railway monopoly area, should have situated in it a substantial degree of autonomy in management and economic decisions. The present situation whereby the CNR runs the whole of the country from Montreal means automatic distrust and some poor decisions. Until there is more input into the railway management by people who live in the prairie regions, there will be continuing problems. At this western conference the bringing forward of Premier Lougheed's equitable pricing technique showed that the westerners did have productive ideas and thoughtful solutions.

I would like to discuss for a few minutes regional airlines and the service that is given to the smaller communities in the west. The CTC is allowing TransAir to terminate air service to the town of Dauphin. The town of Dauphin has been served by an airline since after the war, when the forerunner of the present CP Air established a line from Winnipeg to Dauphin to The Pas. This seemed eminently successful and provided a much needed service. But as time went on this forerunner of CP Air was dropped and TransAir took over. The growth of traffic to northern Manitoba reached the position where TransAir stopped direct flights from Dauphin to The Pas and

attempted to work a schedule into Brandon and Yorkton and eastern Saskatchewan. This has never been entirely satisfactory and frequent delays, late arrival of planes or no planes at all at times, and no service on weekends, all contributed to damage the reputation of reliability that would have been necessary to make the airline route a viable enterprise.

The approval on October 1 by the CTC of the application of TransAir to drop their Dauphin run has set back the possibility of this community having a reliable air outlet. It is my understanding that in 1966, when the government declared a regional air policy, it was recognized that regional airlines would at times be flying routes on which they would be losing money, but they were to be compensated by the allocation of enough profitable lines to allow them to make a reasonable profit and provide service.

The departure of TransAir from my community means that 60,000 people live more than 100 miles, and many more than 200 and 300 miles, from an airport with scheduled flights. These people pay their share of taxes, and we in Canada support various transportation systems, including Air Canada, with massive sums of money paid out of the federal treasury. We all recognize that this bill is designed to allow Air Canada to purchase aircraft ultimately at the taxpayers' expense, and the cost does not amount to a few hundred thousand dollars but to hundreds of millions of dollars. If the country at large is going to have a subsidized air service, then small communities should have some share and some reasonable service for this public largesse.

The CTC should take into consideration the fact that regional air carriers must have enough profitable lines to carry some unprofitable ones, or there should be some direct assistance given to airlines to maintain service in rural areas. The subsidy method, I understand, has been used to help regional airlines in Quebec and the Maritimes to service some communities. A similar attitude should prevail in the west in some cases. Air service to Dauphin and Brandon and the rest of western Manitoba has been poor. I believe this can also be said of Yorkton and other parts of eastern Saskatchewan. Recognition of their problem is past overdue and immediate action is necessary if the people who live in large sections of rural western Manitoba, and perhaps eastern Saskatchewan, are to have some reasonable air service. Although these people may be scattered, in total they do represent many hundreds of thousands.

I believe that the regional air policy has been productive. I think other airlines that have taken over Air Canada runs are providing good service. Air transport seems to lend itself to competition among many small companies, although the safety factors must be controlled. In essence, I think the government must look at all the services that are supplied to the regions of this country and ensure that all areas receive reasonable service, so that people do not find themselves hundreds of miles from an airport that has a scheduled passenger service.

● (2130)

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, the few remarks I wish to make tonight will be fairly brief, indeed I believe I could deal within a short time with the few points I would like to make.

Since the beginning of this debate, a good many members have dealt with Canadian Pacific management and said one could be proud of it. I noticed also the numerous discrepancies in this House whenever we discuss bills on the means of financing the Canadian National Railways.

On the one hand capitalists in this House say: How is it that the CNR cannot be administered as well as the CPR? They answer: CNR management is inefficient. Let us put that company in the hands of private corporations which will make them produce to the benefit of all Canadians. On the other hand, socialists invariably say that we should at all costs nationalize the Canadian Pacific Railway because they are making profits. That a private company should make profits and even succeed in extinguishing their debts, contrarily to the CNR, that makes no sense.

There is obviously an element of truth on both sides. Undoubtedly, there are many reasons for deep reforms in that field, but beyond great perturbation, there is a daily fact one cannot ignore, it is that of experience. As a matter of fact, in the public as a whole, whose opinion we all reflect in this House, there is a general dissatisfaction with the services provided by either railway company. Railway employees on the whole are dissatisfied with their working conditions and the strike and recent strike threats speak volumes on that. People will say that the unions will settle their problems eventually. Yes, but after how many hardships, how many weeks and months of negotiations, to get finally less than half of what was hoped for.

I said that it was in the ordinary everyday relationships between an employee and railway companies that we have succeeded in forming a fairly accurate opinion about the quality of the service or of the management.

A few years ago, the area which I have represented in the House of Commons for nearly six years lost a passenger train service which we then considered as quite adequate, following an epic struggle involving private citizens, groups and associations, as well as unions.

As a matter of fact, we were trying to obtain service improvements when the Canadian National Railways announced its unilateral decision to abolish the service given by the passenger train known as the "Ocean Limited", that is to remove it from the Moncton-Edmunston-Montreal line in order that it may go to Montreal via Campbellton. The service which has since replaced it is far from satisfactory, so that it is unthinkable for me, for instance, as a member of Parliament, to use it to get to my riding or to return to the House of Commons.

Mr. Speaker, I still keep the pass given by authority of the Canadian Parliament to senators and members of Parliament, in case of a very urgent situation which would prevent me from using other means of transport. I have no intention of using this pass and I have used it only once, I think, since the removal of the "Ocean Limited", in particularly trying circumstances. I do not intend to use it again and keep it strictly for my souvenir album.

If, in the future, I have to use again the CN passenger trains I will pay cash without claiming any reimbursement. I must confess that when I get angry about the CNR

I sometimes think of burning this pass as a protest against their insulting service or their lack of service in certain cases.

The city of Edmundston, which is the chief town of the Madawaska-Victoria riding is the center of CN operations for northwestern New Brunswick. This is only logical. It is also more than that because Edmundston is the operations center for most of the railway line between Moncton and Lévis, over several hundred miles.

Edmundston is a key location for the CNR. For years, many people have found employment there but they have been concerned for several years by the centralization of services and certain operations in Moncton where a true administrative empire is being established. I am also worried about this decline which may be compared to a sacrifice on the altar of technology.

If it is truly impossible to repatriate the many jobs lost in the name of progress to the benefit of bigger centres, the railway could at least modernize its facilities in this city and spend there a small portion of the hundreds of millions of dollars allowed almost yearly by the government. A small amount is spent every year but very little. For example, the time has come to replace the dilapidated old buildings which are housing certain services of the marshalling yard, repair workshops, etc.

Rightly so, the city of Edmundston is proud to be the capital of the Madawaska republic but it is afflicted by a blemish which partly soils its charm.

When going along, for example, St-François St., we cannot miss behind a not overly old station as well as warehouses also not too old, it is true, wooden buildings which seem to be on the verge of collapsing at the slightest breeze.

Such is my personal reaction each time I go in there and I am always in a hurry go get out. However, the CNR should understand me well and I know that my speeches are read and that the CNR authorities always listen carefully when I speak about them in this House or in committee. I do not mean that they always answer my prayers, but at least they hear me.

I do not want those old buildings to be demolished and the services and jobs they lodge to be transferred elsewhere. Far from me this thought. I would like, as do the people who have to work there, to see modern facilities, warm in winter, comfortable in summer, some additions to the shops and the creation of new jobs.

With all due respect to the working class across this country, the kind of workmen who are found in Madawaska-Victoria and in Edmundston are a separate group, very hard-working, earnest, busy, qualified and willing to progress in every field. It was said again and again and I am proud to repeat it on every possible occasion: the greatest resource of my constituency is its human capital and the corporations that come to take advantage of this resource are wise including many businesses that are encouraged by the financial assistance program of the federal department of Regional Economic Expansion, businesses that later become customers for our railway companies and contribute to their development. I suggest that in turn, these railway companies should take more initiative.

[Mr. Corbin.]

I feel, Mr. Speaker, to deal with another aspect of the problem, that members of parliament and the leaders of the Canadian National are usually far from one another in their consultations and that they never meet. It is always the same old story. One day, the CN authorities announce a decision without, on most occasions, consulting municipal, provincial or federal authorities, Chambers of commerce or the management of regional development companies.

This results in a general outcry when the announcement is made. They all feel frustrated as a result of unilateral decisions that affect the economic conditions of a whole region. They then shower abuse on one another, they express their dissatisfaction. And yet, the CN should understand that the people's representatives, at all levels in a given area, must also fulfil a mandate, are responsible and deserve our confidence before so many decisions are taken. Oh, they would say, the CNR could never make the decision. There would be too much political interference. This, Mr. Speaker, could always be a possibility. But anything likely to improve relations between the representatives of the people and the railway companies in Canada,—I specially think of the Canadian National Railways—would be worth testing. This is a question of mutual confidence. I, for one who at one time strongly criticized the CNR, have the impression at times that the future could be more readily based on true dialogue and not the type or irreversible, unilateral action which we all witnessed in the past.

● (2140)

What is stopping that company in each riding or group or ridings from gathering members of parliament from time to time, that is those who want to know about the operations of railway companies, to talk to them about their projects, their needs, their problems in labour relations?

Quite impressive amounts from the public point of view, and that includes us all, are being spent in the form of advertising of all kinds but little case seems to be made of members of parliament in their capacity as representatives of the people. The CNR seems to be satisfied to force members of parliament to dig out the facts as best they can in the House through questions put to the minister responsible for it, through questions on the order paper that can be easily avoided under various pretexts, through examination in committee where the game we feel is not so much to inform or instruct hon. members but to hide the most facts possible.

If that continues, Mr. Speaker, the representatives of the people might react in a surprising way one of these days and the citizens of this country could wake up one morning to hear the newscaster with the other Crown corporation—the one which has to do with broadcasting—say that the night before the House of Commons refused to grant the CNR the votes they were requesting. This is of course a hypothetical situation that should in no way be interpreted as a threat. But I feel that after nearly six years in this House of Commons there is a feeling of frustration on all sides such that that could well happen.

Mr. Speaker, I could continue on but for brevity's sake, I join in my mind my intervention tonight with all those

that I have made previously and which make up a file of claims a number of which have yet to be resolved satisfactorily by the Canadian National Railways.

I appeal to the common sense of the CNR authorities to deal in a more open frame of mind with the representatives of the people. I urge them to trust us more than they did in the past. While I am ready on my part, to co-operate, to pace up and down, as they say, would the CNR authorities be content to sit back behind the legislative wall that created it?

Criticism has its merits, Mr. Speaker, but it is understood that I am not here to praise the CNR. I stand when I have something to say, and that is what I had to say about this railway company.

However, I would not want to return to my seat before quoting from the last number of *Tip & Topics*, a publication of the Atlantic Provinces Transportation Commission. I quote in English a brief passage which follows an additional grant for the transportation of goods from the Atlantic region to western Canada, up to Lévis. The quotation is as follows:

[*English*]

The Atlantic Provinces Transportation Commission welcomes this additional assistance as a very positive step to improve the competitive position of Atlantic manufacturers and producers in the markets of Canada west of the Atlantic region.

[*Translation*]

This is good, this is certainly encouraging for the government and appreciated by the citizens of the Atlantic region. Finally I should like to join my congratulations to those expressed in the news report and thank the hon. Minister of Transport (Mr. Marchand) specially for the prompt attention he gave to the problems of the Atlantic region.

[*English*]

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I suppose that every constituency represented by members of this House has something which is unique to it in respect of its needs as they apply to government services. Perhaps the most significant, or at least one of the three most significant needs of Carleton-Charlotte are the transportation requirements of the area. Transportation is the lifeblood of the industry which exists there, whether it be agriculture, lumber, the fisheries or manufacturing. The products of these industries is destined for markets in the main outside the confines of the constituency. Therefore, transportation becomes perhaps the single most important item for the economic prosperity of the area.

The railway company as it is presently serving the area leaves a great deal to be desired. There is no question that the subsidies which were mentioned by the hon. member for Madawaska-Victoria (Mr. Corbin) are of help. The principle of subsidies for the railways of this nation has been substantiated in virtually every area of Canada. I do not think members of the House or members of this nation should consider that the Atlantic area is the only one which requires subsidies. It was with this in mind, and because of conversations I have over the years, that I placed on the order paper some questions with respect to the assistance given by the Government of Canada to the transportation system of this nation.

● (2150)

The information did not come to me in the fashion in which I asked for it, nevertheless it presented a picture which gave some detail although not sufficient. It showed that in 1970-71 assistance under the Maritime Freight Rates Act for the Atlantic region amounted to $16,800,000, in round figures, in 1971-72 to $20,049,000, and in 1972-73 to $20,573,000.

The information also showed that grants for various branch lines in 1970 amounted to $10,800,000, in 1971 to $22,900,000, and in 1972 to $22,800,000. These went to the Prairies area. I am not critical of any grants which might be paid to any area of Canada, but on occasion people have said to me, "You have the Maritime Freight Rates Act which gives you assistance from the Government of Canada which other areas do not get." What I want to make abundantly clear to the House is that up to July 31, 1973, assistance to various regions of Canada, outside the provisions of the Maritime Freight Rates Act, amounted to $105,829,000 from the federal treasury. So let us not delude ourselves into thinking that it is a unique situation in the Atlantic area so far as subsidies are concerned. It is a totally national situation.

Since land, sea and air facets of transportation are so vital to my area, I tried to get information pertaining to the costs and the programs of government. To give an example, I put a question on the order paper asking for the profitability of the railroads, according to their statements, on a provincial or zone arrangement. The answer was to the effect that neither the CPR or CNR kept regional, provincial or zone statements of profit and loss. This immediately presented me with a problem and a question. How can a government pay a subsidy to any part of the railroad structure in this country if that railroad does not produce figures of profit and loss as they relate to the area concerned for which the subsidy is paid? In our Department of Transport do we have a group of blank cheques which we sign on request from the railroads?

Is this the way it is done? It certainly cannot be based on any picture of profit and loss because that is not available from the CPR and the CNR. My question to the Minister of Transport (Mr. Marchand) at this moment in time is: How do you define a need for a subsidy in any area? How do you justify payment of a subsidy if the railroads do not have their profit and loss figures broken down? The Department of Transport says these figures are not broken down. This puts the Minister of Transport and those agencies responsible to him in a virtually incredible position, and makes him responsible for wanton expenditures without justification by statistical data.

Of course, periodically we do have the ultimatum from our rail system to this effect: If we do not get more subsidies we will raise the rates on manufactured goods going to the prairies. In that case, do we just knuckle under and pay? According to the answer I got, that could be the case. The idiosyncrasies of the rail structure are acting to the detriment of the public of Canada. It is the responsibility of the Minister of Transport to sort this out.

I had the responsibility and the privilege to be a member of a committee in the province of New Brunswick which dealt with railroads and transportation for Canadians. There was no way we would get facts and figures from the

railroad in question so that we could negotiate in good faith or intelligently with respect to retaining or reducing the increases in the rate structure being proposed.

Mr. Guay (St. Boniface): There was the audited report.

Mr. McCain: The audited report did not have it, although there must be a breakdown in there somewhere. But the parliamentary secretary should not quarrel. The answer I received came from the minister. He is responsible for the answer to question No. 2549 which I placed on the order paper on July 20, 1973. The answer reached my office on October 16, 1973, and was that "neither railway compiles profit or loss statements on a regional basis." But, Mr. Speaker, when a railroad wants to abandon a line it has facts and figures to show that the line does not pay. It has facts to show it loses so much and it itemizes the loss. And when it wants to remove passenger service on a particular line it itemizes the loss. Somewhere the CNR has zone, regional and provincial figures, and I believe we should get them.

Mr. Deputy Speaker: This seems a convenient time to call it ten o'clock.

* * *

BUSINESS OF THE HOUSE

Mr. Bell: In asking the House leader the business for tomorrow, may I compliment the government on having eight ministers here for the entire evening. The reason for such activity completely escapes us.

Mr. MacEachen: Mr. Speaker, I want to tell my hon. friend that the reason eight ministers are here tonight is to meet the formidable new House leader for the Conservative Party.

Tomorrow we will continue with this item, followed by the Customs Act.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order No. 40 deemed to have been moved.

PUBLIC SERVICE—REGIONAL PAY INEQUITIES—REASONS FOR NOT APPLYING SAME PRINCIPLE TO MEMBERS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, this afternoon I asked the President of the Treasury Board (Mr. Drury) whether, in view of his attitude toward wage parity or equity for federal public servants, he was going to be consistent and use similar reasoning for paying members of parliament. The best answer he could give me was that members of parliament are not part of a collective bargaining process, as if we did not know that. And if we were, Mr. Speaker, I certainly do not believe that many of us would want the President of the Treasury Board as our spokesman because, with all deference, his antediluvian attitude in some matters causes me to wonder whether some day he will be dragged, kicking and screaming, into the twentieth century.

● (2200)

We are dealing tonight with thousands of nurses under federal jurisdiction who are aggrieved by the arbitral award brought forward by the public service arbitration tribunal. As a result, they are making their feelings known across the nation this evening and are manifesting those feelings in various ways. In Halifax, at the Camphill hospital, the operating room and psychiatric ward are affected. Some wards are doubled up and in many cases patients have been sent home. Similar conditions prevail in Whitehorse, at the Shaughnessy hospital in Vancouver, Deer Lodge in Winnipeg, in Edmonton, and so on across the nation.

In addition, to underline the seriousness of the situation, public health nurses are joining the protest and according to my information are booking in sick in places such as Prince Albert, Edmonton, Calgary, Halifax and Sydney, Nova Scotia, and reports are starting to come in from registered nurses. This government now has a situation on its hands that is affecting the care of veterans. I ask you, Mr. Speaker, what class of people in this nation is more deserving of respect, of gratitude and of the highest standards of hospital care and treatment than veterans?

The hon. members for Winnipeg South Centre (Mr. McKenzie), Winnipeg North Centre (Mr. Knowles), and Humber-St. George's-St. Barbe (Mr. Marshall) have been bringing the situation before the House, so the government cannot say it did not have warning. In the past, the hon. members for Dartmouth-Halifax East (Mr. Forrestall), Halifax-East Hants (Mr. McCleave), and St. John's East (Mr. McGrath) have all consistently prodded this government about its attitude toward regional wage parity. On occasion I have asked the Minister of Regional Economic Expansion (Mr. Jamieson) about it, as has the hon. member for St. John's East. This government has been given plenty of reminders about its inequitable policies.

Let us consider a typical statement of government policy in this regard. I should like to read a document that is quite literally on its way to many members of parliament. It is a petition put out by the nurses who in their opinion are aggrieved by government policy. It reads:

> In view of the outcome of the recent federal nurses arbitration tribunal in which Treasury Board originally tried to suppress information of vital concern to the nurses and then failed to implement its own policy as stated by the Parliamentary Secretary to the President of the Treasury Board on April 17, 1972, and by the President of the Treasury Board on October 12, 1971 . . .
>
> The nurses as citizens and public servants feel it is their responsibility to submit a vote of non-confidence in the Liberal government.

Unfortunately, they can only do this symbolically, but it gives some indication of the depth of their feelings about the way they have been treated. There are sections of the Public Service Staff Relations Act which permit the government to modify its policies with regard to the way nurses are presently treated. Nurses would like to see

national wage parity, but failing this they would like to be paid as well as their provincial counterparts.

Briefly, some of the worst areas are these: the maritimes, where nurses at the maximum level are about $570 behind; Quebec, where they are $1,491 behind; Alberta, $556 behind; Manitoba, $381 behind; and British Columbia, where they are $426 behind the maximum level. In Nova Scotia, public health nurses are below their provincial counterparts by at least $1,000. Also, the federal government has the worst vacation arrangements because their nurses get only four weeks vacation after ten years of service, whilst most provinces give four weeks after five years of service.

In the Treasury Board's arbitration brief which was submitted in relation to this particular group of nurses, I believe it was stated that as a nationwide employer it was essential that the government's policy on pay benefits take into account the rates of pay and patterns of benefits applying to workers in related employment in the private sector. It is very obvious that this is not the case, Mr. Speaker, and that the government has not in fact lived up to this policy.

I realize, as does our party, that it is not realistic to think that wage inequities can be corrected overnight, but we can surely make a beginning. Our national economy should accept the philosophy of equal pay for equal work, which could be carried out in basic stages. The first step would be immediate acceptance of equal pay increases so that the disparities are not forever increased. Secondly, one could immediately commence upward revisions and gradually phase out inequities on a regional basis over an appropriate period of time.

I suggest again, with deference, that for a change the government should practice what it preaches. The minister knows very well that the present position regarding nurses is not equitable. I earnestly ask the minister to take steps to give nurses under federal jurisdiction a better deal as a step toward more equitable regional pay in the public service generally.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Answering the hon. member for Central Nova (Mr. MacKay), Mr. Speaker, may I say that I hoped he might have said other things pertaining to nurses. For example, he could also have spoken about holidays and other fringe benefits. I say that from a personal point of view, with due respect.

If I may more directly answer his question, let me say the following. As the President of the Treasury Board (Mr. Drury) has said on more than one occasion, the government, as employer, is committed to paying rates which are equitable and competitive with rates being paid outside the public service for similar occupations. Where the outside pay data for occupational groups indicate significant variations from the Canadian average, and where the area of recruitment and the mobility of employees within the public service is limited, the government, as employer, considers it appropriate to pay regional and not national rates of pay.

Paying national rates of pay in such circumstances would only serve to overpay employees in some regions and to underpay employees in other regions in relation to the rates of pay prevailing in those regions, neither of which situation, from the employer's point of view, is desirable or viable.

With reference to the rates of pay for hon. members of this House, the Beaupré committee set up to make recommendations to the government did not, it will be remembered, recommend regional rates for members of parliament.

● (2210)

[*Translation*]

AIRPORTS—MIRABEL—EXPROPRIATION PROCEDURE—DISPARITY IN OFFERS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, on July 5, I directed to the hon. Minister of Transport (Mr. Marchand) the following question:

Mr. Speaker, since there are disparities or differences in prices for those who are expropriated, . . .

depending on the airports and for pieces of land of equal value . . .

. . . can the minister ensure the House that he will carry on an investigation with the officials responsible for the expropriations . . .

Mr. Speaker, I wish to bring to the attention of the House the significant differences which exist between the prices paid to the land owners who have been expropriated to make room for the Mirabel Airport in Sainte-Scholastique and those paid for similar purposes at Pickering, in Ontario. I wish to point out, Mr. Speaker, the difference between the prices that officials offer to pay in relation with expropriations for the construction of both airports and even to the expropriated owners at the same airport location. The last figures we got give a good idea of the extent of the problem.

As the owners at Sainte-Scholastique receive on an average $200 per arpent—or acre—compared with $2,200 per acre to the expropriated owners at Pickering; as $3,000 are given to all former owners in compensation for the relocation when nothing is given to the owners at Sainte-Scholastique and as an annual rent of $2,000 is required from the former owners at Sainte-Scholastique compared with $1 a year plus taxes from the former owners at Pickering and as 10 per cent per acre above the evaluation price of $2,200 per acre is given at the time of purchase to the expropriated owners at Pickering as a readjustment for the cost of living when nothing at all is given to the expropriated owners at Sainte-Scholastique, and as an amount of $300 million has been set for the expropriation of the 18,000 acres of land for the construction of the Pickering airport when only $125 million have been set for the purchase of 88,000 acres of land at Sainte-Scholastique, I think it would be wise to study these enormous differences in evaluation.

I fail to understand the difference in the advance paid to the expropriated owners at Sainte-Scholastique and that vary between nothing at all and 100 per cent of the amount in some instances. Then I find difficult to explain why, after four years, some of these expropriated owners did not receive a letter or an offer in writing telling exactly what they will receive for their assets and damages incurred by the obligation to move out.

When I visited the two airport locations I had the impression that many aspects of the situation were the same. Yet there is a big difference in the way the expropriated owners are treated in the two airport locations. The enormous difference means that in Pickering speculation will benefit the expropriated while in Sainte-Scholastique, it will benefit no one. It will only succeed in making the expropriated lose large sums of money, because the difference of amounts paid for identical values is atrocious.

The manner in which the expropriation was done varies greatly between one place and the other. Here are two reasons why: first, the new expropriation act presented a few months after the Sainte-Scholastique expropriation and a letter from the Minister of Transport (Mr. Marchand) which assured the expropriated that they would be treated according to the spirit of the legislation; second, the determination of the people in Pickering not to give away their possessions or almost, and how I understand them!

I found out, Mr. Speaker, that expropriation causes less prejudice of all kinds to the farmers of Pickering than to those of Sainte-Scholastique, as far as the value of farms is concerned.

The farmers expropriated at Sainte-Scholastique face many problems which would be too long to list here, but I thought it advisable to inform the House. The loss in value is not taken into account, and those losses are even more detrimental because in Sainte-Scholastique, there are only 88,000 acres to disrupt.

Who knows what tremendous moral pressures and tensions every expropriated farmer was subjected to during the protracted negotiations which, in some cases, have been going on for 4 years.

I ask now, Mr. Speaker, that a special committee be set up in order to put an end to these blatant disparities between the treatment given to the farmers expropriated at Sainte-Scholastique and at Pickering and that justice be done in all cases, so that the former owners who must make room for international airports or for the expansion of international airports will be glad to move, because I think that those airports are necessary.

[*English*]

Mr. Joseph-Philippe Guay: (Parliamentary Secretary to Minister of Transport): Mr. Speaker, land at Mirabel was expropriated in March, 1969, whereas the Pickering expropriation took place in January 1973 under a new expropriation act which became law in July, 1970. Notwithstanding this, in the main the same basic principles for compensation were followed in both expropriations because the new act merely modified the rules for compensation allowed under the old act. In the final analysis market value is the basis for compensation under both acts.

We have stated repeatedly that it is not realistic to compare market values in one area of the country with those in another, particularly at different times and under different conditions. Market values in both cases were established by expert appraisers through the examination and analysis of comparative sales in the open real estate market to establish prices that willing buyers were paying for comparable properties. This then became the compensation base, and it is inconceivable that government agents would resort to intimidation and threats to force owners to accept an amount below fair value. The history of federal expropriations indicate the reverse is true.

Whether or not the Mirabel owners have been treated as generously as those at Pickering is a matter of judgment. Although government administrators attempted, to the best of their ability, to observe the principles of the impending new expropriation act, the very size of the project, coupled with severe operational time limitations, made it difficult at times to interpret the rules of an act which was still in the drafting stage at the time. While the same principles of compensation have been followed in both expropriations, confusion has quite naturally bred discontent and has led to charges of discrimination.

The record shows that all but 28 owner residents at Mirabel paid no rent of any kind for about 21 months, over 1,500 did not pay rent for almost three years, and at least 100 are still not paying rent. Nevertheless, the residents of Pickering were given rent-free occupation for 23 months, and in addition all had the opportunity to receive the full compensation three months after the expropriation, a benefit which could not be afforded the people in Mirabel under the old act.

Due to the confusion I have referred to, the Minister of Transport (Mr. Marchand) and the Minister of Public Works (Mr. Dubé) have arranged to meet, in November, with representatives of the people at Mirabel to discuss problems. Of course, I am not in a position tonight to prejudge or to announce what the results of that meeting may be.

AGRICULTURE—BRUCELLOSIS—RECOMMENDATIONS FOR CONTROL AND COMPENSATION—GOVERNMENT POSITION

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, on July 13 of this year I asked the Minister of Agriculture (Mr. Whelan) several questions regarding brucellosis, a disease that is currently plaguing northwestern Saskatchewan. It seems to be concentrated mainly in that part of the country. One of the questions I put to the minister was this. I asked whether he had considered a brief presented to him by a group of farmers in northwestern Saskatchewan, and whether he was yet prepared to implement some of the recommendations contained in it. The answers given by the minister were evasive. His only contribution was to define the word "brucellosis" as "contagious abortion." Second, I asked the minister whether he was prepared to begin adopting a humanitarian approach to farmers who suffer losses when their herds are infected by brucellosis and when he intended to make the necessary decisions to help bring this disease under control. He had no answer to that question.

My main concern now is the necessity for a humanitarian approach to the situation of farmers whose herds of cattle are affected by the disease. In August, after the parliamentary recess had begun, many farmers were up in arms over the handling of this matter and this culminated in a demonstration at Debden, Saskatchewan, during which the federal government attempted to use strongarm methods, including the calling in of the RCMP. Demon-

strators shouted that farmers were "fed up with legal robbery". Since August, as a result of various representations made to the government, the situation appears to have stabilized, at least temporarily. This is to the government's credit. It is certainly time this happened because some farmers have been fighting this disease for five years, during which time the approach of the government has been extremely inconsistent. I think it is to the credit of members on this side of the House that the government did finally take notice.

There are still a number of reasons for concern. I am thinking, particularly, of the method of compensation. A couple of farmers in the Debden area find themselves in difficulty because about $30,000 due to them in compensation has been held back. Their herds have been wiped out. They were told that until their premises had been cleaned up, no money would be forthcoming. These farmers are finding it very difficult to get by, and I think at least some part of the compensation should be paid them; perhaps the rest could be held back until the premises had been cleaned.

Another farmer, from Pierceland, Saskatchewan, suffered the loss of his entire herd. He was awarded a considerable sum by way of compensation and he has cleaned his premises to the satisfaction of inspectors. The work has been approved by veterinary inspectors. But no cheque has been sent to him. He is in need of the money; he wants to get back into the cattle business. Again, many farmers feel strongly that spring compensation rates should be higher than fall compensation rates, because the condition of cattle in spring is usually poorer than in the fall even though they may be as valuable.

● (2220)

Thirdly, many famers I have talked to feel that compensation rates should be set at least at 90 per cent of replacement value and that there should also be compensation for calves. This is where the government has been rather inconsistent. Some farmers were paid compensation for calves this year if they were insistent enough; others have not been paid such compensation.

Further, there are many farmers, including Mr. F. M. Clark of Meadow Lake, who are concerned about the taxation status of compensation received for animals affected by bangs. I did try to obtain some information on this question and a Mr. R. H. Ashman, the farm taxation expert of National Revenue, has confirmed that compensation received on animals affected by bangs is considered taxable income. The fact that this compensation may not even approach the fair market value of the animal is not considered because the agricultural operator has been allowed the cost of acquiring the animal or raising it.

According to Mr. Ashman, the cost of replacement is also considered a deductible expense for taxation purposes. So that if the replacement cost exceeds the amount of the compensation, no apparent taxable income, or in more general terms no net expense, is incurred. If a net income is incurred because the animal or animals have not been replaced, the agricultural operator can average out his taxable income over a period of five years, according to section 119 of the present Income Tax Act.

Many farmers feel that this is unjust. It seems to me that compensation payments should not be taxable until a farmer has had an opportunity to replace his herd—a period, say, of two years. If they are not replaced within two years, then the income should be taxable. I think special consideration should be given to these farmers, rather than applying the complicated procedure outlined by Mr. R. H. Ashman. Otherwise farmers will not have an opportunity to plan their finances.

I should like the Parliamentary Secretary to the Minister of Agriculture (Mr. Corriveau) to comment on some of the matters I have raised.

[*Translation*]

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I would like to provide the hon. member with a few facts on this situation. He mentioned that it had reached epidemic proportions. That, Mr. Speaker, is not accurate. If we consider Canada as a whole, we find that the infection rate this year compared to that of last year, is the same. In Saskatchewan, the infection rate has actually been reduced as compared with last year. Therefore, we are not faced with a brucellosis epidemic problem. Nevertheless, it is true that in Saskatchewan a few herds are or have been infected with brucellosis. Most of these are to be found in the northern part of the province.

Mr. Speaker, the department has studied the report prepared by the Northern Development Association on brucellosis control and has advised that organization. I think it is necessary to check the infection spread by brucellosis in that area and we will make every effort to reach that objective. As I said, Mr. Speaker, the Health of animals branch of the department deals with the control of that disease and thanks to its continuous effort in that field for the past several years, Canada enjoys world recognition as holding one of the best records in the control of brucellosis.

However, I have asked the department to intensify tests in Saskatchewan, to look after the testing of community grazing grounds and also to take measures concerning animals in stockyards and at auctions. Furthermore, my department will demand more cleanliness on the farm, a fumigation of premises as well as the implementation of a more rapid process for the slaughtering of animals with positive test results, and they will also require the application of quarantine measures to all infected herds.

In conclusion, Mr. Speaker, I feel that through intensified government measures and with the understanding and co-operation of all farmers, that disease will be fully controlled in Canada.

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

APPENDIX

[*Translation*]

SPEECHES ON UNVEILING AND DEDICATION OF BOOK OF REMEMBRANCE COMMEMORATING NAMES OF NEWFOUNDLANDERS WHO GAVE THEIR LIVES IN WAR

MR. PROSPER BOULANGER (MERCIER): Mr. Chairman, distinguished guests, ladies and gentlemen. It is with deep emotion and great joy that I have the honour this afternoon to represent the hon. Lucien Lamoureux, Speaker of the House of Commons, and also the privilege of introducing the Hon. Daniel MacDonald, Minister of Veterans Affairs.

I think that there is no need to introduce Mr. MacDonald. Even if during the last years, he has been before all a politician—first at the provincial level and now at the federal level—he has remained nevertheless strongly devoted to his first love: farming. And whenever his ministerial responsibilities allow him to do so, he likes to go back to the red soil of his farm in his province.

[*English*]

That he is a war veteran is obvious; and the scars he bears show that he knows, personally, what it means to be at the "sharp end" in battle. He is well aware too, also from personal experience, of the provisions of Canada's veterans charter and of the way in which its benefits have been, and are, administered.

[*Translation*]

The contribution of Canada and Newfoundland to two World Wars was such that at memorial ceremonies, it is difficult to find someone who has not lost a relative or a friend. This is all the truer in the case of men such as Mr. MacDonald who fought the enemy at close range.

During the few months since his appointment as Minister of Veterans Affairs, Mr. MacDonald has proved that he has set his heart on the needs and aspirations of veterans and their family.

[*English*]

I am sure that, in unveiling this memorial to the war dead of Newfoundland, Mr. MacDonald will want to leave us a message that certainly takes a special significance, coming from a man with his past and experience.

Ladies and gentlemen, the Honourable Daniel MacDonald, Minister of Veterans Affairs.

HON. DANIEL J. MACDONALD (MINISTER OF VETERANS AFFAIRS): Mr. Chairman, Reverend Sirs, Honoured Guests, Ladies and Gentlemen:

I am indeed privileged to be playing a small part on such a solemn and historic occasion. We are here to witness, and take part in, the unveiling and dedication of a book which commemorates the names of more than two thousand men and women who gave their lives bravely and willingly for the ideals of freedom which we all hold so dear.

These were a very special group of people and they came from a very special place. It is fitting that the book bearing their names will rest, proud and silent, in the Memorial Chamber of the Peace Tower. Many of those whose names are listed here have no known graves but now their names are recorded forever in this book in the capital of our country.

It is also fitting that so many of their friends are here today. I would like to thank the province of Newfoundland for arranging to bring so many of your brave sons and fair daughters to be witness to this memorable event.

The story behind the production of this book started over six years ago. A certain pressure group from one of the larger island provinces felt, and I must say with justification, that the names of their fallen heroes should be enshrined in the Memorial Chamber along with those other Canadians who had made the supreme sacrifice for their country.

One of the main driving forces in this group was a veteran of both World Wars and a man who is held in great respect in his native Newfoundland. I refer to Major, the Hon. C. W. Carter, Senator. I know—but I want to be sure that everyone knows—just how much Senator Carter contributed to the successful completion of the project. It is said that no man is indispensable but Senator Carter came awfully close to proving that saying wrong.

A great many people contributed their talents and energies to producing this book and, unfortunately, it is impossible to name them all. There are, however, two whose dedication and industry must be identified. One of them, Major Sidney Frost, is with us today and I want to thank him officially for his part in initiating and bringing this project to a successful conclusion. The other one was Mr. Alan Fraser who regretfully did not live to see the fruition of his labours. I am happy to see Mrs. Fraser here today to witness the dedication of this superb piece of work to which her husband contributed so much.

Many others worked long and faithfully gathering the information which was required. I know that, when you see this book, you will appreciate that their reward is the knowledge of a job well done.

Canada has always deservedly had an international reputation for excellence in the ways in which she commemorates her war dead. Whether the memorials are in stone or vellum, they reflect the feelings we have for those who fell that we might live. They have a dignity and a glory worthy of those in whose memory they were created.

Just this summer, while on an inspection tour of our memorials and cemeteries in Europe, I had the privilege of visiting Newfoundland Park at Beaumont-Hamel. I know quite a few of you have made a pilgrimage to this hallowed piece of Newfoundland but I wanted to relay the feelings I experienced to all who are here today.

The impact of this impressive memorial was staggering. I came as a complete stranger but I was immediately filled with a compassion and awe for the courage of those who had passed this way on the first day of July in 1916. This

monument is a worthy tribute to the fearless and intrepid men of Newfoundland who fell in World War I and who have no known graves.

In just the same way, I am confident that the Book of Remembrance which will be unveiled today, will be a magnificent memorial to all whose names are inscribed in it. A special copy of this book is being prepared which will be presented to the Province of Newfoundland and which I understand will be located in a place of honour in St. John's where it will be readily available to the public. Copies of this book will also be sent to all the other provincial capitals so that ex-patriate Newfoundlanders living in those cities will be able to see them.

I would like to tell you about our procedure in Ottawa concerning the showing of the Books of Remembrance. The pages are turned daily, always at 11 a.m. which was the time of the cease-fire of World War I. The control system is such that anyone can request and be told the date on which the page containing the name of their loved ones will be open. In this way families of those recorded in these books can time their visit to Ottawa to coincide with the date on which the page in which they are interested will be on view.

I mentioned earlier that this book contains the names of more than 2,000 Newfoundlanders. The exact figure is 2,327. We realize, even though the search for names was painstaking, that there may have been some omissions. Provision has been made in this book to add the names of any who may have been overlooked.

So, what has been a labour of love, has now been finished. It started when the Hon. Roger Teillet was Minister of Veterans Affairs and it was conscientiously continued under his successors, the Hon. Jean-Eudes Dubé and Senator Arthur Laing. Now I have the privilege and honour of unveiling the Newfoundland Book of Remembrance. I do so with a deep feeling of both pride and sorrow.

(Minister reverently lifts flag from the Book, hands it to the Protective Service Deputy Chief who, with assistant, folds it and hands it back to the minister)

I will now ask the Hon. Joseph Harnum, Lieutenant-Governor of Newfoundland, to come forward, so that I may present this flag to him for safe-keeping in Newfoundland.

HOUSE OF COMMONS

Tuesday, October 23, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

BROADCASTING

PRESENTATION OF PETITION RESPECTING ADVERTISING ON CHILDREN'S PROGRAMS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have the honour to present to the House a petition under the provisions of Standing Order 67. Very briefly, the petition prays that the House will cause the Canadian Radio-Television Commission to implement the recommendations of the Standing Committee on Broadcasting, Films and Assistance to the Arts which were concurred in by the House on July 24. If the petition is found to be in order, it is my hope that by agreement the subject matter of the petition or the petition itself can be referred to an appropriate committee.

* * *

WAYS AND MEANS

TABLING OF MOTION TO REMOVE CUSTOMS DUTIES FROM CERTAIN PETROLEUM PRODUCTS

Hon. John N. Turner (Minister of Finance): Mr. Speaker, under the terms of Standing Order 60 I wish to table notice of a ways and means motion proposing the removal of customs duties for an initial period of two years for certain petroleum products including gasoline, light heating oils, diesel and aviation fuels and feedstocks for the petrochemical industry.

Mr. Speaker: I assume that the minister has the consent of the House to return to motions for that purpose. Agreed?

Some hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I wonder if I could have permission to revert to motions for a brief statement about the business of the House. I should like, first of all, to draw to the attention of hon. members who may not have been in the House yesterday when agreement was reached that the deferred division on the amendments to the Criminal Code will take place tomorrow, Wednesday, at 2.30 p.m. The normal business will be interrupted at that time for the purpose of taking the vote. Thursday of this week will be an opposition day to be taken by the New Democratic Party. Tomorrow, regardless of the progress that is made on the business already announced, we will deal with the report stage of the Canada Pension Plan bill.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

UNEMPLOYMENT RATE INCREASE—REQUEST FOR EXPLANATION—DISINCENTIVES TO WORK AS FACTOR IN LABOUR SHORTAGES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is addressed to the Minister of Finance who has now had a week to examine the latest unemployment statistics which at that time he said were "startling, disconcerting and very difficult to reconcile" with what he termed to be the very strong expansion of the economy. Now that the minister has had a week to look into this question, has he been able to reconcile what appears to him to be a contradiction? In a word or two, has he an explanation he can give the House?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think I gave an explanation in reply to the hon. gentleman's question a week ago.

Mr. Stanfield: With due respect, I do not think the minister expressed anything but surprise and amazement. Specifically, with regard to the widespread labour shortages which he said were being reported to him from across the country, has he found any evidence of disincentives to work in his examination of these labour shortages?

● (1410)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, there may be a number of factors in play. One of them certainly is reflected in the help wanted index released yesterday which shows that the number of opportunities for jobs, as published in the daily newspapers across the country, rose by 21 per cent during the third quarter of 1973.

Mr. Stanfield: Mr. Speaker, I would like to ask the minister, who a week ago seemed to be puzzled by the existence of these labour shortages in association with the sharp increase in the seasonally adjusted figure for unemployment, whether he has found any evidence that these unfilled jobs are the result of any disincentives to work?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I said to the hon. gentleman last week when he first put these questions to me that we are awaiting with great interest the study of the Economic Council of Canada analysing the state of the labour market as reflected in the statistics.

UNEMPLOYMENT RATE INCREASE IN LIGHT OF INCREASE IN JOB OPPORTUNITIES—REQUEST FOR EXPLANATION

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, on the point mentioned by the Minister of Finance that there has been a 21 per cent increase in the Canadian help wanted index I wish to direct a question to the Minister of Manpower and Immigration who is now back in the House after four days' absence.

Some hon. Members: Oh, oh!

Mr. Lundrigan: Would he like to indicate what explanation his department has for the fact that there is an increase of 21 per cent in the index of people seeking jobs, based on advertisements in newspapers, and there is still not only a high unemployment rate but there has been a very substantial increase in the unemployment rate in the last two or three months?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we are always eager to improve the information base on which we provide matching of jobs seekers to existing vacancies. I cannot give any single, simplistic answer as to why that increase has taken place in the unemployment rate, but we are doing our best to improve our manpower office services to match jobs seekers to vacancies.

Mr. Lundrigan: Mr. Speaker, assuming the minister is investigating the productivity of his Canada Manpower offices may I ask him this question. In view of his statement that employment is high where it counts and unemployment is high only where it apparently does not count, in certain regions and among young people, would he indicate what he meant by that statement and, more important, would he modify it and offer some constructive programs to the country to help the regionally depressed areas and particularly young people among whom unemployment is around 12 per cent?

Mr. Andras: Mr. Speaker, the premise on which the hon. member bases his question is quite incorrect. That was not the statement I made. What I said was that while unemployment is unhappily high it does not represent one big monolithic unemployment problem, that we do have intolerably high unemployment among young people and serious regional unemployment, which I think is almost the opposite of the interpretation the hon. member put on my speech.

While I was away from the House during the four days to which the hon. member referred I was consulting with the western provincial governments and other people there, and we explored many of these aspects. As I did then I indicate now that we are looking very carefully at improving manpower services, with particular reference to job information centres and job banks.

Mr. Lundrigan: Mr. Speaker—

[Mr. Stanfield.]

Mr. Speaker: Is the hon. member rising on a point of order?

Mr. Lundrigan: I want to ask the minister another question.

Mr. Speaker: Order, please. The hon. member and others, including the hon. member for Don Valley, apparently wish to ask supplementaries. My suggestion is that the Chair be allowed to attempt to complete the first round of questioning and then return to the hon. member and to others who may have supplementaries on this important matter.

* * *

ENERGY

OIL—POSSIBILITY OF DIRECT SALE BY VENEZUELA TO CANADIAN GOVERNMENT

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources but in his absence will direct it to the Prime Minister. During the energy minister's recent discussions with the Venezuelan government regarding oil supplies to Canada, did the Venezuelan government indicate that it was prepared to sell oil directly to the Canadian government?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Minister of Energy, Mines and Resources will be in the House tomorrow and will be able to answer the hon. member.

* * *

INQUIRY OF THE MINISTRY

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I wish to address a question to the hon. Minister of Finance.

Can he say whether a serious study on the profitability of Canadian federalism has been made by the federal and the Quebec governments?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, for the Department of Finance, Confederation is always profitable.

Mr. Beaudoin: Can the hon. minister say whether the federal government is aware of the fact that official figures provided by his department have been used during the Quebec election campaign?

Mr. Speaker: Order. In my opinion, the question as formulated is not in order.

[*English*]

The hon. member for Don Valley on a supplementary to the first question. In any event, I recognize the hon. member at this time. The hon. member for Don Valley.

THE CANADIAN ECONOMY

PRESENT LEVEL OF INTEREST RATES AS FACTOR IN SLOWING DOWN ECONOMIC GROWTH

Mr. James Gillies (Don Valley): Mr. Speaker, I have a question for the Minister of Finance. Does the minister and the Department of Finance attribute and in what proportion do they attribute the slowdown in the growth of the economy to the high interest rate policy that the government is now following?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there is no evidence that the high interest rate is either contributing to a slowdown or is geared to slow down the economy. It moderates the expansion of the economy in two ways, first of all, by responding to the extremely strong demands for credit to accommodate that expansion and, second, by reflecting the international interest rate structure.

Mr. Gillies: If the high interest rate policy is not slowing down the rate of growth in the economy and therefore moderating inflation in the way that the government is trying to solve the inflation problem, is the minister contemplating some policy that will reduce interest rates so that housebuilding and other activities in the economy may be expanded?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think the premise of the hon. gentleman's question is a little in error since new starts in housing are again at a record figure.

Mr. Gillies: Mr. Speaker, may I put the question a different way. The evidence is quite clear that in the second quarter and probably the third quarter the economy is not expanding, unemployment is rising, there is a high level of inflation, and high interest rates are contributing to this. Is the government going to do anything about it?

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the economy is still growing at the rate predicted by the government and rejected by the hon. gentleman in February. The real rate of growth of 7 per cent across the country shows that the economy is at or near capacity.

Mr. Gillies: Mr. Speaker, I want to pose this question so that I will not be out of order. Surely the Minister of Finance must realize as does everybody else in this country—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Perhaps the hon. member might ask the question, but if he wants to put it so that it will be correct procedurally I think he has started off on the wrong foot. He might try again.

Mr. Gillies: Given the fact that the growth in the economy experienced this year all took place in the first quarter and given the fact that in making economic policy one does not look backward but forward, is the minister going to do something about the interest rate policy in the country at the present time?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, we are looking forward to a strong rate of growth both in 1973 and 1974.

DISPARITY IN COST OF LIVING FIGURES FOR VARIOUS CITIES—MEASURES TO CORRECT—ACTION TO REDUCE FREIGHT BACKLOG AT NORTH SYDNEY

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. In view of the fact the cost of living index for regional cities of Canada released last Friday showed wide disparities, for example, an increase of 1.4 per cent in Thunder Bay as opposed to .4 per cent in Ottawa, is the minister looking into the cause of these price disparities, and what corrective measures does the government propose to take?

• (1420)

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, the government has announced a number of measures over the past several months aimed at restricting increases in the cost of living and has made a commitment to introduce other measures as required. This is a matter in which I am certainly taking an interest and the Food Prices Review Board is as well.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I seek the co-operation of hon. members in attempting to make progress. We are still on the first question, as hon. members will appreciate. I will recognize the hon. member for St. John's East and then the hon. member for Gander-Twillingate, after which I will recognize the hon. member for Winnipeg North.

Mr. McGrath: Mr. Speaker, may I direct a further supplementary to the Minister of Transport. As the same consumer price index showed a 3.2 per cent increase in the cost of food at St. John's, Newfoundland, the highest by far for any city in Canada, is the minister, in light of this fact, now prepared to take very serious measures to alleviate transportation difficulties, more particularly the freight backlog at Sydney, Nova Scotia, which has accrued as a consequence of the failure of the government to take necessary action.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think that this is not in accordance with the facts. I regret that the hon. member does not recognize all the efforts that have been made in order to decrease the backlog. There are about 400 fewer cars there than there were three weeks ago. So we are making this effort. I might say that St. John's, Newfoundland, in common with all of the Maritimes, profits from special freight rates that do not apply in other parts of Canada.

Oral Questions

INQUIRY AS TO INTRODUCTION OF SPECIAL PROGRAM TO REDUCE UNEMPLOYMENT AMONG YOUNG PEOPLE

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is for the Minister of Manpower and Immigration. As unemployement among young people under 25 is approximately four times the level among people over 25, and as the minister has indicated that employment opportunities are where they count, I wonder if the minister is seriously considering any special program for young people, aside from the anticipated Opportunities for Youth program for next spring, to make sure that our young people do not continue to be disillusioned and become disaffected from our economic system?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I am a little puzzled by the hon. member's reference to "employment opportunities where they count." That interpretation of my speech is a bit baffling. Nevertheless, I do recognize the fact that employment opportunities for young people and for certain regions of Canada require a much more precise rifle shooting approach to them than is required to respond to the general, global unemployment rate. That was the theme of my speech the other day.

Mr. Lundrigan: Then why does the minister not do that?

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MANPOWER

LOCAL INITIATIVES PROGRAM—REASON FOR ALLEGED DECREASE IN FUNDS—CRITERIA FOR QUALIFICATION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, may I direct a question to the Minister of Manpower and Immigration. As the seasonally adjusted rate of unemployment has increased to 6 per cent and as unemployment among persons between 14 and 24 years of age has risen to almost 11 per cent of the possible work force, can the minister explain why funds made available for local initiatives projects, which involve mainly young people, have been reduced this year to $83 million from last year's start-up figure of $165 million and a further supplementary amount last year of $70 million?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the start-up figure last year at this time, if I remember correctly, was between $80 million and $85 million. This is under constant review.

Mr. Orlikow: In view of the very high unemployment among young people, why have the criteria for qualifying for projects been made so much more difficult this year, with the result that there will be far fewer people working on these projects?

Mr. Andras: Mr. Speaker, I rather doubt that is the case. I think the revisions in the criteria were designed to ensure that the funds under this program would go to the pockets of highest unemployment rather than being diverted to other services no matter how worthy or justified they might be for other reasons.

[Mr. Marchand (Langelier).]

VETERANS AFFAIRS

POSSIBLE SLOWDOWN OR FREEZE ON TRANSFER OF HOSPITALS TO OTHER JURISDICTIONS

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of Veterans Affairs. In view of the abrupt desire to retire of Dr. Ritchie, Assistant Deputy Minister of Hospitals, can we now infer that there will be a slowdown or, even better, a freeze on the transfer of veterans' hospitals to other jurisdictions?

Mr. MacDonald (Cardigan): Mr. Speaker, I am sorry but I did not have my receiver on and did not hear the question.

Mr. McKinnon: Mr. Speaker, in view of the abrupt desire to retire of Dr. Ritchie, Assistant Deputy Minister of Hospitals, can we now infer that there may be a slowdown or, even better, a freeze on the transfer of veterans' hospitals to other jurisdictions?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, to answer the first part of the question may I say there has not been any sudden intention at all, as is known by many of us. As far as hospital transfers are concerned, the policy of the government has not been changed.

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[*Translation*]

AIRPORTS

STE-SCHOLASTIQUE—REQUEST OF PEOPLE WHOSE LANDS WERE EXPROPRIATED TO MEET WITH MINISTER

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to ask a question of the hon. Minister of Public Works.

Fifteen days ago I submitted to him a petition from the 582 expropriated owners at Ste-Scholastique. Can the minister tell us when he will meet with them?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, I have already had the pleasure of meeting in my office a committee representing the Ste-Scholastique expropriated owners. My colleague the Minister of Transport and myself have decided to go to Ste-Scholastique, probably in the next 15 or 20 days. The date has not yet been set definitely, but we are now checking what methods can be used to ensure that all cases are settled fairly.

* * *

[*English*]

FOOD PRICES

GOVERNMENT POSITION RESPECTING REVIEW BOARD CLAIM THAT PRICES NOT ROCKETING OUT OF CONTROL AND EXCESSIVE PROFITS NOT BEING MADE BY PROCESSORS

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. According to Canada

Department of Agriculture figures, the wholesale price of beef in Toronto declined by 17 per cent in the past ten weeks while weighted average retail costs on a survey of five Toronto supermarkets only declined by 6.8 per cent. Does the government continue to support the assurances of the Food Prices Review Board that food prices are not rocketing out of control and that excessive profits are not being taken by processors?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, the facts speak for themselves.

Mr. Jelinek: Can the minister advise the House if it is the government's policy to encourage a slower decline of retail prices than wholesale prices?

Mr. Speaker: Order, please.

* * *

FINANCE

BASIS OF MINISTER'S FISCAL POLICY AND ECONOMIC PROGRAMS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is for the Minister of Finance. On October 9 the Governor of the Bank of Canada indicated that monetary policy is now based on the assumption that economic growth is largely responsible for inflation and we must live with a high level of unemployment. Is the minister now basing his fiscal policy and economic programs on the same assumption?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not believe the premise of the hon. member's question properly reflects a correct reading of the governor's speech.

Mr. Grafftey: Mr. Speaker, I rise on a point of order.

Mr. Sharp: Quote the speech.

Mr. Grafftey: I am quoting verbatim the speech made in Quebec. I was perhaps out of order last week, but not this week.

Mr. Speaker: Order, please. The hon. member for York East.

[*Later:*]

Mr. Grafftey: I simply wish to ask the Minister of Finance if his fiscal policies and economic programs are based on the assumption that economic expansion is largely responsible for inflation?

Mr. Turner (Ottawa-Carleton): No, Mr. Speaker.

Mr. Grafftey: Will the minister then inform the House—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Brome-Missisquoi has a further supplementary which he might be allowed to ask.

Mr. Grafftey: In view of the minister's answer, will he inform the House how he proposes to reconcile his views with the expressed point of view of the governor of the Bank of Canada?

Mr. Speaker: Order, please. The hon. member is inviting the minister to make a statement which should properly be made on motions.

* * *

UNEMPLOYMENT INSURANCE

DATE OF PROCEEDING WITH BILL C-125

Mr. Ian Arrol (York East): Mr. Speaker, yesterday in the House the President of the Privy Council was asked when Bill C-125, designed to tighten up the regulations relating to unemployment insurance, might be brought forward for debate. He replied:

Consideration will be given to bringing it forward at an appropriate time.

In view of the present desperate difficulty being experienced by many industries, particularly in Toronto, in getting permanent help, will the President of the Privy Council take appropriate action and bring the bill before the House this week or next week, certainly this session?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I will consider the hon. member's representation in drawing up the legislative program for the next couple of weeks.

* * *

● (1430)

EXTERNAL AFFAIRS

ARAB-ISRAELI WAR—CEASE-FIRE VIOLATIONS—REQUEST FOR INFORMATION—CANADIAN PARTICIPATION IN POSSIBLE PEACEKEEPING FORCE

Mr. Ron Atkey (St. Paul's): Mr. Speaker, my question concerns reported violations last night and today of the United Nations cease-fire in the Middle East by Egypt and Syria. Has the Secretary of State for External Affairs any further information to report to the House and the country with respect of these violations and the attitude of the Canadian government with respect to participation in a United Nations peacekeeping force in the apparent absence of any acceptance of the cease-fire by a number of states taking part in the conflict?

Hon. Mitchell Sharp (Secretary of State for External Affairs): We are still hopeful that the initiative taken by the two superpowers and the action of the Security Council calling for a cease-fire will be effective. Yesterday I indicated clearly that if we could be helpful in getting a cease-fire established we would be ready to serve, or if we could be useful at a later stage in connection with the negotiations we would be very ready to serve there, too.

Oral Questions

IMMIGRATION

INTENTION RESPECTING EXTENSION OF ADJUSTMENT ASSISTANCE PROGRAM

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In view of representations made by the Canadian Council of Churches and other organizations that the immigration adjustment assistance program be extended beyond its expiry date, October 15, may I ask whether the minister does, in fact, intend to extend that program?

Hon. Robert K. Andras (Minister of Manpower and Immigration): I have weighed this matter very carefully on the basis of all the representations I have received, for and against, and other evidence I have sought. After assessing the question I have decided not to seek the authority of parliament to extend the opportunity for adjustment of status in Canada. I appreciate the opinions and sentiments expressed by all hon. members who have written to me.

Mr. Gilbert: In view of the department's practice of accepting early applications for registration under the act, will the minister consider accepting late registrations under the same act?

Mr. Andras: Since October 15, the expiry date, we have received only 33 such inquiries in all our immigration offices across the country. We have examined these and in cases where there are compassionate grounds for landing as provided in the existing act, which gives me some discretionary authority, we have taken such action and we shall continue to do so. But this does not in any way mean a restoration of the mass adjustment of status program that existed up to October 15.

INTENTION RESPECTING PERSONS WHO FAILED TO REGISTER UNDER ADJUSTMENT ASSISTANCE PROGRAM

Mr. Duncan M. Beattie (Hamilton Mountain): In view of the statement made by the minister on CTV on Sunday, October 14, that his deparment had no immediate plans to deport illegal immigrants after the deadline date, and his subsequent statement—

Mr. Speaker: Order, please. This might be a proper moment to remind hon. members that as far as possible questions asked in the House should not be based on statements made outside the House. We have often found ourselves in difficulty in the past as a result of trying to avoid this long established rule. I feel that in practically all circumstances the question can be asked directly without basing it on a statement made outside the House.

Mr. Beattie (Hamilton Mountain): Thank you, Mr. Speaker. Can the minister inform the House just what he proposes to do with illegal immigrants or aliens who have refused to register and are apprehended?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, since the hon. member did refer to a statement of mine, I should like to point out that I made whatever comments he said I made were in response to a question asking whether there was going to be a witch hunt. I said there was not going to be one. The new law is well known to all hon. members. The law will be enforced. Where there are reasons on compassionate grounds for considering a particular case, we shall do so. Otherwise, should a straight case arise, for example, involving a criminal who has been apprehended and who is in contravention of the Immigration Act, I think there is no doubt that deportation would take place. The hon. member is aware that the right of appeal has been restricted. The law will apply, and that is what hon. members recommended during the debate.

[Mr. Sharp.]

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AIR CANADA

POSSIBILITY OF REORGANIZATION OF TOP MANAGEMENT LEVEL—REPLACEMENT FOR PRESIDENT

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct my question to the Minister of Transport. In view of the fact we have witnessed the departure this year of three top executives of Air Canada, including the president, John Baldwin, can the minister advise the House whether a reorganization of the top management level of Air Canada is taking place and, specifically, when we may expect an announcement as to a replacement for Mr. John Baldwin?

Hon. Jean Marchand (Minister of Transport): I do not know of any reorganization in Air Canada. The president left a few weeks ago and I hope he will be replaced very rapidly. But his departure is not related to any restructuring of Air Canada.

* * *

GRAIN

FEED GRAIN—ANNOUNCEMENT OF SELLING PRICES FOR WHEAT, BARLEY AND OATS

Mr. J. H. Horner (Crowfoot): Mr. Speaker, my question is to the Minister of Justice, in charge of the Canadian Wheat Board. Is the hon. gentleman prepared to announce this week the price of off-Wheat Board grain so that uncertainty may be removed from the operations of the feeding industry?

Hon. Otto E. Lang (Minister of Justice): The Canadian Wheat Board announced its selling prices under the new feed grain policy for feed wheat, feed barley and feed oats yesterday at about one o'clock, Winnipeg time.

* * *

INQUIRY OF THE MINISTRY

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Finance who admitted last week in a news release that he was basing his calculations for next year on a staggering increase in inflation amounting to 6.6. per cent. How does the minister intend to get inflation down to that figure?

[*Translation*]

AIRPORTS

STE-SCHOLASTIQUE—REVIEW OF EXPROPRIATED OWNERS' GRIEVANCES

Mr. Francis Fox (Argenteuil-Deux-Montagnes): Mr. Speaker, I wish to direct a question to the hon. Minister of Transport.

In view of the fact that the Ste-Scholastique expropriated land owners have serious grievances to air concerning the treatment they have received in comparison with those of Pickering, can the minister advise the House whether he intends to look into these and bring about the necessary corrections?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the hon. Minister of Public Works advised the House a moment ago that we intended to go very shortly to Ste-Scholastique to learn first hand of these grievances and make sure that the expropriated owners are fairly treated.

* * *

[*English*]

ENERGY

TAR SANDS OIL—NEGOTIATIONS WITH SYNCRUDE RESPECTING POSSIBLE WRITE OFF OF ALBERTA'S SHARE OF EARNINGS IN COMPUTING TAXABLE INCOME

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct this question either to the Minister of Finance or to the Minister of National Revenue. Jurisdiction appears to be shared between them.

Has either of the ministers taken part in any negotiations with Syncrude, in order that the development may proceed and a secure supply of crude petroleum can be obtained, with respect to a write-off from the taxable income of the Syncrude group of the 50 per cent which the province of Alberta will get out of the project when developed? Has there been any discussion along those lines so that the project may proceed and secure supplies of crude petroleum can be assured?

Hon. John N. Turner (Minister of Finance): My colleague, the Minister of National Revenue, says that he replies "no" to that question. I did have conversations, not with Syncrude but with the Minister of Finance of the province of Alberta, and I expect to be meeting him next week together with two of his colleagues.

Mr. Woolliams: Can the minister tell the House at this stage whether a decision has been reached by the federal government with respect to a write-off concerning this project which will go ahead if the federal government creates the proper atmosphere?

Mr. Turner (Ottawa-Carleton): I think the hon. gentleman would expect me to listen to the representations of the government of Alberta and, indeed, in due course, to the representations of the company in order that I might have all the facts available before making a decision.

FISHERIES

SUGGESTED SUBSIDY FOR REPLACEMENT OF OBSOLETE VESSELS AND SHIPS LOST AT SEA

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a suggestion for the Minister of Fisheries which may help lower the unemployment rate. When announcing a three-month freeze in August on construction subsidies for all new fishing vessels the minister stated that this action was taken to achieve a controlled development of the fleet. In view of recently released figures which show a decline in Canada's groundfish landings, would the minister reconsider his action and at least make subsidies available immediately for the replacement of obsolete vessels presently used for fishing, as well as assistance for the replacement of ships lost at sea due to fire or storms?

Hon. Jack Davis (Minister of Fisheries): The problem, Mr. Speaker, is that the hon. member's pessimism about the prospects of the fishery is not shared by those who are building fishing vessels. There has been a tremendous increase in the number of fishing vessels being built, to such an extent that our subsidy moneys have all been used up and we are having to make more funds available. Obviously the industry thinks that prospects are bright. We have simply tried to shave off the peak off what is an exceptional building boom and spread it out over a longer period.

● (1440)

Mr. Crouse: Mr. Speaker, I asked a specific question of the minister in view of the fact he has placed a deliberate moratorium on the construction of all fishing vessels and he has not answered it. I will repeat it because obviously he did not hear it. I ask the minister whether he will reconsider his action and make assistance available to replace ships now fishing that are obsolete or ships that are lost at sea due to fire or storm? I submit such action would not increase the fishing effort—

Mr. Speaker: Order, please.

Mr. Crouse: —but would retain the status quo.

Mr. Davis: That is a new question, Mr. Speaker. The hon. member probably knows that we are considering another type of subsidy for the conversion, upgrading and otherwise of existing vessels.

* * *

HOUSING

ACTION TO REDUCE MORTGAGE INTEREST RATES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. In view of the fact that 96 per cent of all NHA loans being made in the metro Toronto region go to people with incomes exceeding $10,000 a year, or family incomes above that figure, which means that the poor and people with average incomes are getting nothing, can the minister announce whether the government intends to do anything about bringing mortgage rates down soon?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, my colleague, the Minister of State for Urban Affairs, is in western Canada attending a tri-level conference dealing with this type of problem, and he has already stated the percentage of loans available under preferred NHA rates. In terms of the detail of that question, I will convey it to my colleague.

* * *

TRANSPORT

BACKLOG OF FREIGHT AT NORTH SYDNEY—SUGGESTED USE OF ARGENTIA-NORTH SYDNEY FERRY ON YEAR-ROUND BASIS

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Minister of Transport. In view of the fact the Canadian government is unable to cope with the freight backlog at Sydney bound for Newfoundland, would the minister give consideration to having the Argentia-North Sydney ferry continue on a year-round basis as recommended by groups of people in that area and other bodies in Newfoundland?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think the premise is wrong, but probably this is the normal way of putting a question to a minister. We have been looking at all possibilities in order to get rid of this backlog, which existed last year and on which I did not even receive one letter from the opposition. Notwithstanding that, we are going to look into all possibilities, including the one mentioned by the hon. member.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

ESTABLISHMENT OF REGIONAL OFFICES IN QUEBEC—DELAY IN PAYMENT OF BENEFITS

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

In view of the many problems that occurred last year at the Unemployment Insurance Commission, the minister informed us this summer that regional offices favouring decentralization would be set up this very fall in areas such as the north shore and the riding of Charlevoix, among others.

Mr. La Salle: In Joliette too.

Mr. Caouette (Charlevoix): Also in Joliette, for instance. In view of the fact that since September the Unemployment Insurance Commission has been at grips with delays such as have been experienced last year, can the minister say when the offices whose construction was announced last summer will be set up and when the operation will begin?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I should like to separate that into the general and the specific. If the hon. member can give me some specifics I will look into those, but in general I think progress toward completing the reorganization of, or the so-called new approach to, unemployment insurance has been done with dispatch. It was started in April, accelerated in August and will be generally completed around the first of December. I commend the commission for their vigour.

[*Translation*]

Mr. Caouette (Charlevoix): Mr. Speaker, I should like to put a supplementary question.

Without generalizing, could the minister explain why people in the Quebec City area have been waiting since the beginning of September for their unemployment insurance benefits?

[*English*]

Mr. Andras: Mr. Speaker, I do not think I could be that general, but I would be happy to deal with specifics. If the hon. member will give me some case histories we will move very quickly on them.

PROJECTED BENEFIT AND ADMINISTRATIVE COSTS FOR 1973

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration as a supplementary. Given the optimism of the Minister of Finance respecting growth for the balance of the year and knowing that the government must have some projections in terms of employment and unemployment, can the minister advise whether he has any projected figures for the cost both of benefits and administration for the year 1973? Or can he assure us, because of this optimism, that the total cost will be less this year than it was last year?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think I answered a somewhat similar question two or three weeks ago in which I indicated there are offsets. There is the rise granted by statute in the eligible income due to the increase in the average wage rate, which has an effect on the average cost per week of benefits. There is the factor of the length of time on benefits, there is the maturity of the plan in terms of maternity benefits and sickness benefits, and so on. The question cannot be answered either yes or no; anyone who thinks there is a simplistic approach like that is mistaken.

Mr. Speaker: Order, please. At this point I bring to the attention of hon. members that there are only three or four minutes until the end of the question period.

Mr. Alexander: Mr. Speaker, I have one short supplementary question. Apparently there are no figures and I think the cost is going to be much higher, but let me ask the minister this. Is it the intention of the government to introduce by way of regulation an increase in employer-employee contributions? I have read it will be something like 50 per cent. Is that a fact?

Mr. Andras: Mr. Speaker, if such policy is determined it will be announced in the regular manner.

RELATIONSHIP BETWEEN JOB VACANCY INCREASE AND INCREASE IN BENEFITS PAID

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the minister. In view of the publication today of statistics expecting the rate of rise in job vacancies in this country, is the minister's department undertaking a study to determine whether or not that rise in the rate of job vacancies is related to the rise in unemployment insurance benefits that are being paid out?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we have a monitoring process which was described in fairly gory detail in the House in the spring and which in several ways is constantly monitoring the activities of claimants to make sure they recognize their clear obligation to conduct an active job search. As vacancies occur in any given area and are identified, then that obligation becomes more intense, and our approach to claimants reflects this.

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NATIONAL DEFENCE

GAGETOWN BASE—REQUEST FOR PROGRAMS TO ACHIEVE FULL UTILIZATION

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of National Defence. In view of the excellent facilities at Canadian Forces Base Gagetown which are not being fully utilized, will the minister give consideration to new programs which will take advantage of the substantial public investment there?

Hon. James Richardson (Minister of National Defence): Yes, Mr. Speaker, I am very glad to assure the hon. member that the Department of National Defence recognizes the value of the training facilities at Gagetown. We intend to make full use of them and in fact expand them over the years.

* * *

TRANSPORT

REQUEST THAT SEAWAY BE KEPT OPEN BEYOND NORMAL CLOSING DATE

Mr. Paul E. McRae (Fort William): Mr. Speaker, I have a question for the Minister of Transport. In view of the failure of the railroads to move grain through the port of Thunder Bay at an adequate rate, and in view of the possibility that in the event of an impending oil shortage in the east considerable quantities of oil may be moved by tanker, is the minister considering ways and means by which the seaway might be kept open beyond the normal closing date?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, if this is useful and it can be done we shall examine it, but we have no control over the weather and ice. This suggestion will be kept on the desk and if it is feasible the hon. member can be sure that we will take it into consideration.

Oral Questions

PUBLIC SERVICE

POSSIBILITY OF REVIEW OF NURSES' WAGES AND FRINGE BENEFITS IN LIGHT OF DISCONTENT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Prime Minister. In view of continuing nationwide discontent expressed by nurses under Treasury Board jurisdiction in regard to wage disparities and fringe benefits compared with those prevailing in the private sector and provincially, does the right hon. gentleman intend to instruct the President of the Treasury Board to review the situation with particular reference to section 76 of the Public Service Staff Relations Act?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have absolute confidence in the President of the Treasury Board's handling of this matter.

● (1450)

Mr. MacKay: Mr. Speaker, in view of reports received from the nurses that they intend to seek a meeting with the Prime Minister to explore their grievance when he is in Halifax in the near future, will the Prime Minister agree to meet with them at that time?

Mr. Trudeau: Mr. Speaker, I have not received such a suggestion until now. I will look into the matter.

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VETERANS AFFAIRS

STEPS TO ENSURE PROPER CARE OF VETERANS IN LIGHT OF NURSES' DISCONTENT RESPECTING PAY

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. In view of the fact hundreds of nurses involved in the dispute are working at veterans hospitals, will the minister advise, further to what he told me yesterday, what steps he is taking to ensure that those veterans under chronic and domiciliary care will receive proper treatment continuously?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): The information I have from across the country is that the patients are receiving good care and that the morale is good and the nurses are doing a terrific job.

Mr. Speaker: The hon. member for Victoria-Haliburton will be recognized for the purpose of a supplementary. The Chair will then see the Leader of the Opposition and call orders of the day.

MEASURES TO INCREASE BED CAPACITY IN HOSPITALS

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my supplementary is directed to the Minister of Veterans Affairs and concerns the backlog of veterans seeking admission to veterans hospitals, especially at Sunnybrook Hospital in Toronto. What measures has the minister taken to increase the bed capacity of veterans hospitals?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, to answer that question, it is not very long since I visited Toronto. I spoke to approximately 100 patients at Sunnybrook Hospital. They were very satisfied with the treatment they were receiving. So ar as I know there are ample beds at this time. If there are not, we can certainly look into it.

Mr. Speaker: Order, please. The Leader of the Opposition.

Mr. Stanfield: Mr. Speaker, my question is directed to the Secretary of State for External Affairs.

[*Translation*]

Mr. Speaker: I apologize to the Leader of the Opposition. The hon. member for Témiscamingue wishes to put a supplementary question, after which I will recognize the Leader of the Opposition.

Mr. Caouette (Témiscamingue): I rise on a point of order, Mr. Speaker. Last evening, on the CBC French network, Mr. René Lévesque stated that the Prime Minister would be resigning on November 15 next. Since when does the Prime Minister notify René Lévesque of his intentions before parliament?

Mr. Speaker: The hon. member will admit, I am sure, that it is not a point of order.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the members opposite, as Mr. René Lévesque, take their wishes for granted. Some people think that the representation of French-speaking persons in Ottawa is too strong, but such is not my opinion, Mr. Speaker. As for myself, I intend to continue to carry on my duties—

Some hon. Members: Hear, hear!

* * *

[*English*]

EXTERNAL AFFAIRS

POSITION OF MINISTER RESPECTING DELIVERY OF OIL BY TANKERS TO PUGET SOUND REFINERIES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, before I ask my question perhaps I could assure the Prime Minister, through you, that many in parliament will find that a comforting reassurance.

I should like to ask the Secretary of State for External Affairs a question arising from his assurance a number of months ago in connection with the delivery of oil to refineries in the Puget Sound area that he had only begun to fight. Can he tell us briefly how that fight is coming on or whether he has really left the ring?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, like the Prime Minister I intend to stay very much in the fight.

Mr. Speaker: Order, please. Is the hon. member rising on a point of order?

Mr. Bell: On a question of privilege.

[Mr. Scott.]

Mr. Speaker: The hon. member rises on a question of privilege. Before I recognize the hon. member I would remind hon. members that we have reached the end of the question period. However, I recognize the hon. member on his question of privilege.

Mr. Bell: Mr. Speaker, as recorded on page 7085 of *Hansard* for yesterday, column one, I made an interjection that I meant to reflect on the government, but I may have brought in a respected civil servant with a distinguished war record. I have been assured that the Assistant Deputy Minister of Hospitals resigned voluntarily for health reasons and that there was no implication of policy. Therefore I would withdraw that without reservation. Needless to say, I am still opposed to the government's policy of closing down veterans hospitals.

Mr. Marshall: On a point of order—

Mr. Speaker: The hon. member rises on a point of order.

Mr. Marshall: Mr. Speaker, in his answer the Minister of Veterans Affairs suggested that morale was high and that the service was as good as it should be—

Some hon. Members: Oh, oh!

An hon. Member: Just listen.

Mr. Marshall: I think there should be a change because certainly many representations are coming to members of parliament and, indeed, to the minister indicating dissatisfaction in respect of the handing over of hospitals and indicating dissatisfaction with the services in the hospitals.

Mr. Speaker: Order, please. The hon. member will appreciate that this is a point of debate and not a point of order. I suggest again to hon. members that it is irregular after the question period to seek supplementaries on alleged points of order. I appreciate that the hon. member may feel he has a grievance in relation to the answer given to his question, but that cannot be raised by way of a point of order or question or privilege.

Mr. Nystrom: Mr. Speaker, I hesitate to rise on a point of order but I believe the issue is of national importance. I just received information a few moments ago that the Texaco and Imperial Oil Companies are diverting tankers from the Middle East to the United States. In light of that I wonder whether I might have the permission of the House to ask the Prime Minister whether or not he is aware of this?

Mr. Speaker: Order, please. I am sure we could have a situation every day in which hon. members receive information during the question period and seek unanimous consent of the House to prolong the question period. I suggest to hon. members that is irregular. I am sure the hon. member can go to the minister, speak to him and obtain the information he is seeking.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order or perhaps I rise to give notice of a point of order having to do with the attaching of the Governor General's recommendation to a bill, first reading

of which was given yesterday. I refer to Bill C-224 which proposes to amend the Canada Pension Plan in ways with which I completely agree. I wonder, however, if Your Honour would study the question concerning whether there should be a Governor General's recommendation with regard to a bill which involves no expenditure of public funds. I was indeed aware of the recommendation because it appeared on the order paper when the bill was presented for first reading yesterday, but I did not have the bill until this morning. I have carefully studied the bill. So far as I can ascertain every cent of expenditure referred to in that bill is to be paid out of the Canada Pension Plan fund. It is not a charge in any way on the federal treasury.

I would point out, Sir, that when the Canada Pension Plan was first introduced the defence in respect of there being a Governor General's recommendation, and also a resolution back in those days, was that there were certain administrative charges until the plan was functioning. But of course we are away past that stage. I also remind Your Honour that there have been two or three private members' bills which have been allowed, despite the fact that no Governor General's recommendations were attached, because the Canada Pension Plan even to the point of administrative expense is completely self-sustaining.

● (1500)

Mr. Speaker: Order, please. I appreciate the hon. member giving notice of his point of order, but it seems to me that he is arguing the point of order which he says he will raise later. I appreciate the point which the hon. member is making. It will be notice, not only to the Chair but to hon. members to the left and to the right of the Chair, to give the matter some thought in the meantime so they will be ready whenever the order is before the House, which it is not at present.

GOVERNMENT ORDERS

[*English*]

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed, from Monday, October 22, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-164, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973 to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, perhaps the first thing I should do now that I am rising again is to put the hon. member for St. Boniface (Mr. Guay) at ease. I am sure the information which was not given in answer to my question is available somewhere, but I am citing this incident as an example of the difficulty a member of this House experiences in participating fully and intelligently in any debate on transportation. There is no available means by which members may find out where the dollars and cents are going in the transportation system of our nation. Whether it be Air Canada, the public telecommunications system or the Canadian National Railways, these figures are absolutely unavailable, hidden or refused. I think it is significant that today the Minister of Transport (Mr. Marchand) probably evaded the answers to all the questions except two. In answering those two, he had a chance to take a small crack at the Maritimes and to help Mr. Bourassa by going into the Ste-Scholastique problem. Those are the only two definitive answers that he could give in the House, and certainly all questions were within the scope of the minister.

There is no doubt that the initial planning of the transportation system of this country was conducted in a capable and wise way. The results proved the worth of the plan, or at least they did until such time as we found that we had no national transportation policy. We now find ouselves failing as government to keep pace with the needs of the times. This absence of policy, the absence of concrete action, the fractionalization of the whole problem as we take it point by point and region by region have all negated much of the good that should have come from the wisdom of our forefathers as they planned our system.

For instance, we have seen the passenger service virtually disappear from the scene. I submit to you that this was by design or through lack of action by the government at the crucial moment when the passenger system over the rails became so totally and utterly inconvenient that the travelling public refused to patronize it. When you find yourself at McAdam Junction, or in the wilderness somewhere in this country, waiting two, three or four hours to catch a plane you realize that with a little bit of co-operation between railroads and some good planning by the management of the travelling public could have been convenienced to the point where we could still have had not only an active but a prosperous railway passenger service, one which I think this country needs in the worst possible way.

I can remember as a young man sitting at Windsor Junction in Nova Scotia for four hours waiting for the CPR and CNR trains to connect so that I might move from one train to the other to my destination. I can assure you that any wait of four hours from 2 a.m. to 6 a.m. in the wilderness around Windsor Junction certainly discourages one from travelling by rail. It is a dandy little point, but a miserable station at which to wait. I submit that this was intentional. I submit that the government of Canada either does not know or did not care. These incidents involving misservice to the public took place one after the other.

With regard to the shipment of freight, it is obvious for those who are using the rail system, as it was to those who were using the passenger system and resorted to automobiles or aeroplanes as an alternative means of transporta-

tion, that there has been a serious breakdown of the dispatch system in the organization of the railroads. There has been an abandonment of the recognition that a perishable product has to be shipped promptly and that it cannot be allowed to rest on the siding. There has been an abandonment of the policy which kept cars rolling and thus utilized. I am wondering to what extent this abandonment of efficient dispatch has contributed to the car shortage which exists. I am not convinced that it is absolutely necessary that 500 of the rail cars of this country be tied up in Sydney almost as a habit, according to the Minister of Transport yesterday.

I am convinced that good planning, good dispatching and good organization by the CNR could move these cars, and that someplace, where there is now a shortage some of those 500 cars could be made available to the people who require transportation for various items of commerce within this nation. This puts the onus fairly and squarely on the government in general, and the Minister of Transport in particular. We can cite instances in agriculture where the turn around time for cars on a 450 mile haul is approximately 17 days. There is no excuse for any such delay. These cars are often loaded within a day. They can reach that 450 mile distance in 24 to 36 hours with proper dispatching. They can be unloaded, if placed properly, within a day, and they could conceivably be back for reloading quite comfortably within a week. If we consider the demurrage that an individual would be charged if he held that car for 10 to 11 days on his own siding, what must it cost the railroads to absorb the cost of idle equipment in this country by virtue of poor dispatching?

These are items to which I think in times of car shortages from the Okanagan to the Annapolis and from Newfoundland to Victoria, the minister should give his full attention. He should not be making excuses for them, he should not say that they are the result of habit. He should say that they are items to which he will give his immediate attention, and will try to resolve them forthwith. This is a serious matter. I was amazed at the fact that the hon. member for Madawaska-Victoria (Mr. Corbin) could speak on this subject last night and not mention the problems connected with the transportation of agricultural products which exists in his constituency. In my opinion it was a gross oversight on his part. The transportation problem, both in respect of the time of delivery and the cost, of as well as the other ancillary charges which the railroads add to the transportation bill, has deprived that area of his constituency and a comparable area of mine of hundreds of thousands of dollars on an annual basis.

When one tries to discuss these items with the railway authorities, one receives no logical answer. Why does the hon. member for Madawaska-Victoria not join me in putting pressure on the government to resolve these problems? This is the co-operation that is required in the interest of Canada, of his constituency and mine. This is a dire need for a portion of his constituency and mine, but it was not mentioned at all in his remarks last night.

I stated that it would seem as if the abandonment of the passenger service was almost intentional in view of poor connections and poor service. I am wondering if the dispatching complications which have arisen, and which require more turnaround time than would have been required 10, 15 or 20 years ago, are also intentional? Is there no solution to this? It certainly contributes to the car shortage problem for all commodities in Canada. Mr. Speaker, there is some proper criticism due to me in as much as I am being somewhat repetitive. If you look back you will see that I made somewhat comparable remarks, as reported in *Hansard*, at an earlier date during this session. But I think the remarks made by the various members of parliament, whether they come from P.E.I., Newfoundland, or from Crowfoot, should impress upon the government that the problem is of major consequence, and of particular consequence to my constituency, an agricultural one, which will only get competitive transportation if, as and when the railroads adopt an efficient and competitive pose toward that industry and its requirements.

[Mr. McCain.]

● (1510)

Now, Mr. Speaker, I would like to mention one other thing, which I am sure I mentioned previously, and on which I hoped I would have had an answer. It is a matter I certainly intend to press. As the CNR took over various facets of bankrupt railway companies, what became of the land grants made to those companies? Were they returned to the Crown? Are they assets of the CNR? To the best of my knowledge they are not. The CNR took over defunct railway lines with all their equipment and all their indebtedness.

Contrast that with the CPR. The CPR retained its lands, and presumably continued to manage them at a profit. But to the best of my knowledge—again I had hoped to have had an answer to this in reply to an earlier question—the total real estate holdings which the CPR received as an incentive to build its railway line are now retained in an independent holding outside the transportation field, and the benefit from these lands does not accrue to the transportation benefit of the people of Canada. That was not the intention when those lands were granted to the CPR. The lands were given to provide assets and revenues that, in the long run, would make the railway a viable operation. They have now been transferred to another account. Again I ask if this is correct? In my opinion something should be done about it.

We have a system in Canada of combination rates, Mr. Speaker. If you want to ship a carload of apples from a point in British Columbia by CNR to a non-competitive point in some other part of Canada, or a carload of apples by the CPR to a non-competitive point some distance from the Annapolis Valley, or a carload of potatoes from New Brunswick or P.E.I. to a non-competitive point, the railways will give you a specific rate. In effect they say, "Because this is a non-competitive point we will really collect from you." As a result, you may well pay 15 cents or 20 cents per hundredweight more to send goods to a non-competitive destination than you would pay to send them to a much more distant destination which is competitive. The Transport Commission is exercising no authority with respect to rates. The results of any investigation do not seem to be made available to the public, and this is to the detriment of the country.

If members opposite want to do something about the cost of living, then it is incumbent upon the government to take a look at some of the methods used by transportation systems, particularly the railways of this country, in

imposing themselves on the people of Canada at any expense. The various subsidies which have been granted by the government are not negotiated as part of a national plan. The Minister of Transport made that quite clear today as he backhanded the Atlantic area. They are negotiated in isolation.

There are abandoned track grants for the prairie area. There is the Maritime Freight Rates Act for the Maritime area. There are other vehicles by which money is put into the hands of the railroads. But none of them are part of a national plan. All of them are used as a method to assuage a region at a particular moment when the pot is beginning to boil. This is not the way things should be done. Being primarily in agriculture, I am concerned about the fact that over the last few years the government has allowed the railroads to stop their priority for perishable products. These include livestock, fruit, vegetables and fish, not to mention frozen foods.

There used to be a clause in all tariffs respecting perishable products which demanded that the railroads move them to their destination by the shortest possible route and with the quickest dispatch. But now the railroads can put a car of frozen food or of fresh food on any siding and leave it there as long as they like. They no longer have any responsibility for its delivery in good condition. In such a circumstance, if you lodge a claim against the railroad it will remain on its books and on yours ad infinitum, while the railroad finds all kinds of reasons to blame the shipper or receiver for neglect, which neglect was the fault of the carrier. It is in these circumstances, Mr. Speaker, that the government of Canada is asking members who represent agriculture, and members who represent the fisheries, to support a finance bill for the Canadian National railroad. I find this goes down as sour grapes.

There cannot be adequate rail facilities in this country as long as there is no control, no investigation, no interest shown by government in the service that is rendered by this form of transportation. I want to cite one particular instance close to home, and if the railways could be used to transport this particular product those railways would probably pass through my constituency and that of the hon. member for Madawaska-Victoria. But in this particular instance, because it would be a combination rate for the CNR and CPR between origin and destination, the rate is so high to carry the product from the northeast of New Brunswick to the southwest of New Brunswick that the manufacturer in the northeast has lost the business to an Ontario firm, which can ship the product more cheaply from a centre 500 or 600 rail miles further away from the point of consumption. This shows a lack of co-operation that hurts the country. It is something which should be investigated by the government and the Transport Commission.

I am sure it is not a unique situation. If you were to ship a car of potatoes to Newfoundland by CPR then the CNR says, "I am sorry, but you have cut our rail haul. We will have to add 20 cents a hundredweight to the rate." Then, people in Newfoundland would wonder why potatoes were so expensive coming off the CPR lines. That is part of the reason. It does not matter how many junction points the CNR has to take the car through, the result would probably be the same. This penalizes both the producer and the receiver of the product. These are things we must examine. Let us also take another look at areas where pooled rail lines could be operated to ease the economics of transportation. The railroad companies do not want to undertake this on their own, but they should be compelled by government to look at any means which would achieve reduced mileage of haul, and thus reduced rates. As I say, the railways do not want to do this themselves because of the freedom which has been given to the rail transportation industry in the Dominion of Canada by the legislation introduced and imposed by the government.

The problems exist from coast to coast. They are not unique to any particular area. As I have asked questions and received answers, evasive answers, incomplete answers, and no answers, I have wondered how I got into this maze of Alice in Wonderland. What is delaying the government? Is it looking for Merlin the magician to come from the court of King Arthur to solve the problems? Members of the government should put their heads together and give Canada the transportation policy which it so badly needs. Certainly, those people with the capability to ensure service by rail are not holding portfolios in this government. I plead with the government to come up with a rational solution for the rail transportation requirements of the country.

Other hon. members have spoken about air service. It certainly leaves much to be desired. I will not be repetitive in that regard except to associate myself with those who feel there is much to be desired in the service that is supplied by the nationally-owned air carrier. If the service provided by Canadian National Railways and Air Canada is an example of what nationalization of business can do, may God in His wisdom protect Canada from further nationalization.

● (1520)

Some hon. Members: Hear, hear!

Mr. Jim Fleming (York West): Mr. Speaker, my comments on this particular piece of legislation will be brief. I rise only because I was prompted by what I thought was an outstanding speech made yesterday by the hon. member for Bruce (Mr. Whicher). He outlined the problem in his part of Ontario. This problem has existed for several years, and I think it is something that demands attention not only from the people in that area but, if we believe that we represent our ridings as members of the parliament of Canada then we, too, should rise to defend the principles he put forth.

In this connection I should like to refer to one particular town in one geographical area of Canada where I spent my summers. My family roots are in that area; it is the town of Wiarton which was built for the logging industry many, many years ago. Situated at the base of the Bruce peninsula, it is the entrance to what will become the playland of the urbanites of Ontario. The provincial government of Ontario has already spent a great deal of money to expropriate land and build a huge parkland to which people can escape from the cities to enjoy the beauties of the Canadian countryside.

The people in the hamlets and towns in the peninsula, however, are isolated from the rest of Canada. If someone

wants to go to Toronto on business, if a youngster wants to go to school there, it cannot be done unless there is someone with a vehicle to take them or unless they can afford the $10 or $12 for a cab to Owen Sound where they can take the bus to the population core of Ontario. It was the rural people who built this nation and now they are neglected.

As we argue for subways, for expressways, for better transportation in our cities, for the viability of communications between cities, we forget that the nation was built on communications across the country and the opportunity for people to move freely to other areas. In this town that I speak of there is no chance for anyone who is old or poor to move around. Surely, we could provide at least a token service; even service once a week would serve the small communities across the nation, whether this be done by again inaugurating some rail services or a transportation plan that is co-ordinated with the provinces.

We may argue that great things should be done for the cities but this country, which has been until now influenced by an east-west delineation rather than north-south, must not forget its obligation to people in the rural areas who have a right to communicate with and travel to those other parts of Canada where all modes of transportation are now concentrated.

Mr. Frank Howard (Skeena): Mr. Speaker, I welcome the opportunity to comment on some matters of local or regional concern because there is hardly a constituency in Canada that does not have a railway in it somewhere. I am told that is one of the difficulties.

I come from an area that was the original site of the western terminus of Grand Trunk Pacific, one of the railroads that went broke and had to be rescued by Canadian National. While I have not read any definitive history of the Canadian National to see what occurred, I have been told often enough that its purpose was to bring together a number of bankrupt or near bankrupt railroads that were started around the turn of the century or even before. Apparently, a lot of these railroads started because it seemed to be an easy way to make a quick buck. Grants of land were available in those days through the federal and provincial governments for the building of railroads and were obtained in many cases by people from other countries. Often the main purpose was not to build a railroad to connect one region or community with another, but was only to cash in on the generous grants that were available. It seems that the promoters in those early days did not particularly care whether the railroad functioned as a viable enterprise or not; they were not using their own money and the lands had been given to them by the government of the day so they had nothing to lose. These were the types of companies the CNR brought together.

We have been told so many times that the Canadian National Railways, having been formed for that purpose, guaranteed to the bond holders of those early defunct bankrupt railroads that they would not lose their money. This was one of the difficulties facing the CNR from the start.

Some members have given the House a good deal of information in the last couple of days. Some have made a statistical analysis of the position of the Canadian National, listing its debt charges, its income and a variety of other bookkeeping details to show that it really does not have a fantastic debt. They maintain that the CPR is in a worse position by comparison and that the problem exists as a result of the incompetence and mismanagement of the CNR officials. I will accept the charge of mismanagement on the part of CNR officials because we know that exists and have seen it in action. However, for every instance of mismanagement in the CNR you can find a parallel in the CPR.

[Mr. Fleming.]

An hon. Member: Twice as many.

Mr. Howard: My friend opposite says you can find twice as many. I am trying to get at the point that the difficulties have arisen not because one is private enterprise and therefore sacred, while the other is under public ownership and therefore suspect; the difficulties have arisen because of the very structure of Canada, the manner in which the country became operative, the development of the railroad system, the quick buck artists at the turn of the century and the support of governments over the years, Liberal and Conservative, for the railway systems. Thus, we suffer from the absolute barrenness of vision of both this government and the one that preceded it. The present hon. member for Prince Edward-Hastings (Mr. Hees) was minister of transport for a time in that Conservative government. That is why there are difficulties today. There is a lack of transport policy, and that lack is not associated particularly with any one political party or government. The fault lies with all of us in this chamber.

● (1530)

We look at a transportation policy from the point of view of the narrow interests of our own areas. We tend to want others in the country to be at a disadvantage. We may talk about a national transportation policy, but say, "Do not touch my home ground." We say, "By all means bring about reorganization, but do not touch the Newfoundland ferry service." Or, in another part of the country we may say, "By all means reorganize and restructure the rail transport system across Canada, but do not touch the Crowsnest Pass rates." We could go on ad infinitum talking about our approaches to transportation.

The direct connection between northern B.C. and the rest of the country is provided by the CNR. The north line of the CNR runs from the Jasper area in a general sense for about 1,000 miles westward, to Prince Rupert. I have talked to quite a few railroaders who work on that north line. Many have worked for the CN in other parts of Canada. What they have told me relates not simply to what might happen in the western region of the CNR, or to what the head office in Edmonton might say about the operation of the mountain region, or the western region. What they say applies all over the country. These railroaders, and I am also sure that this applies to the CPR because I have talked to men working for that company, do not feel the pride in their job that they once felt. There is no longer the long service conductor who began working for the railroad and wanted to work for 25, 30 or 35 years, until retirement.

Actually, you seldom see employees with 25 or 30 years of service on the railroad. You do not find that sense of

dedication to the railroad which you found some years ago. Part of the explanation lies in the availability of other jobs, the mobility of workers, and the opportunity for families to move to other parts of the country and follow different vocations. However, part of the explanation lies in the fact that within the CNR and within the CPR there are too many chiefs and not enough Indians. There are too many people in managerial positions and too many bosses, one not talking to the other. Too many orders come down from on high, whether from the head office at Montreal or some regional office, to the men running the railroad, the engineers, conductors and station agents, as well as all the others who run the railroads at the community level and in the regions. The concept of relating in a human way to people working on the railroad has gone.

The workers do not feel the compulsion to do a good job. Let me give an example, to show why this is so. Who in the railroad hierarchy made the decision, the effect of which I will illustrate in a moment, I do not know. At any rate, here is the situation: There used to be a train that left Jasper, Alberta, in the evening. There were sleeper-coaches on that train. Mind you, the scheduling of trains changes about every six months. At any rate, that service was provided at one time. That train travelled westward; its terminus was Prince Rupert, about 900 or 1,000 miles away from the point of departure. Between 6 and 6.30 a.m. that train pulling a certain number of sleeping coaches was at about the half way point, at Prince George. At about that time, at 6.30 a.m., the people with kiddies, the families who had bought sleeper accommodation at Jasper and who wanted to go to Prince Rupert, 1,000 miles away, were aroused from sleep. They had to get up, clothe their kids and themselves, pack their luggage, move out of the sleeper car and go ahead two cars on exactly the same train. They had to sit in the day coach for the rest of the journey. This happened at 6.30 in the morning.

When the train left Prince George to go to Prince Rupert, the sleeper coaches were still on the tail end of the train. They were hauled empty all the way to Prince Rupert, 500 miles away, and all the way back again, empty. You could not occupy a sleeper coach on that train between Prince Rupert and Prince George, or vice versa. I do not know who thought of running the railway that way. It was not very satisfactory from the point of view of the passengers. The people who were most upset, because they had to go through this procedure every single day, were the railroaders themselves, the conductors and men on the train. Crews were changed at Prince George, and they saw the stupidity of what was happening. No matter how many complaints we lodged with Canadian National management, nothing happened. We might as well have complained to the Minister of Consumer and Corporate Affairs (Mr. Gray), for all the response we got. Management did not even take the trouble to explain what was happening. It did not acknowledge letters.

The Canadian National has an obligation to the area which I represent, which is just as great as its obligation to every other area it serves. It has a special obligation to the northern part of British Columbia, as it is the railway that ties northern B.C. into the national railroad system. Sure, there is a B.C. railway operating in that area as well in a north-south direction. Its terminus is in north Vancouver. We are connected to the national system at Prince George; therefore, I say that the primary responsibilitiy for maintaining that connection is with the CNR.

The Canadian National system traditionally has moved goods in and out of northern B.C. that go by rail. I am speaking in particular of lumber, which is sent to the markets of North America. The railway at the moment is shirking responsibility for providing adequate service to that industry. As has been indicated in the question period a number of times, there is a serious shortage of railroad cars to serve the north central and northern part of British Columbia. There is a shortage of box cars for moving lumber. Sawn lumber, some of it dried and some of it rough sawn, is piling up at mill sites and at shipping points. According to conservative estimates, about 400 million board feet of lumber which have gone through the mill are waiting to be moved by Canadian National. Between 500 and 600 people have already been laid off in the saw mill industry because there is no other place to pile the lumber that is run through sawmills. Some mills are operating at 50 per cent capacity, in a day when you can sell every stick of lumber you can run through a headrig. Further shutdowns in the sawmill industry in northern British Columbia are imminent. They may be taking place today in one area or another.

● (1540)

Where are the boxcars? In recent months the Canadian National Railways claimed there was a shortage of cars because they were not being returned from the United States with sufficient dispatch. There was an inability on our part to force a quick return of the cars. However, that does not appear to be a valid reason at this time. Surely, a group of people who have had the experience of running a railroad for as many years as the people running the CNR should be able to plan ahead and predict what use is going to be made of the cars. Surely, they should know from past experience that 40 or 50 days is an inordinately long time for a railway car to be sitting on a siding in the United States. It is being used as a warehouse, at per diem rate of approximately $7. This is done on a formal basis, but it comes to approximately $7 a day. CNR is renting boxcars for warehouse space at $7 a day. That is not very sensible planning. It does not take into account the need in this country.

The logging and lumber industry in the north is desperately trying to get out of the doldrums it has been in for the past few years. The provincial government in B.C. has recognized the detriment this situation is to our area by giving the forest resources to one or two large companies. It is now seeking to get into that monopoly position in order to get the small lumber operators back into business. A municipality in my area is seeking to get into the lumber business in order to take advantage of the opportunity to saw and ship lumber out of the region. Communities such as Smithers, Burns Lake and communities both north and south of Prince George are now struggling for some viability. They are being denied that opportunity by this government and Canadian National.

In the estimates for the current fiscal year, we passed an expenditure of $46 million to buy 2,000 hopper cars to ship grain. That is what it cost the taxpayers in Canada. I do not know the arrangements for leasing or renting these cars to CNR, CPR or any other railroad that moves grain,

but the fact is the government of Canada responded to a shortage of railway cars for grain shipments. All we in northern British Columbia are asking for is similar consideration. We are disadvantaged because of a shortage of boxcars.

The provincial government in British Columbia foresaw this problem last spring. It took steps to deal with the matter at that time. By looking ahead, it knew there would be a shortage and there would likely be an additional shortage in the future. They moved to protect the interests of the communities in that area while CNR did its best to obscure and work against that concept. The British Columbia government recently began leasing 500 railway cars from a United States company. It is ridiculous that a national government, national parliament and national railway are unable or unwilling to cope with the question of a shortage of boxcars and are forcing a provincially owned railway to go to a foreign country to lease boxcars when they are built here in Canada. That is a ridiculous situation. It prompts me to ask whether anyone damn well cares what happens in this country. It certainly does not appear to be the case with respect to this government in view of its response to this problem.

The Minister of Transport (Mr. Marchand) was asked about this the other day. His answer is recorded in *Hansard*. He replied that the railways have problems, everyone has problems and he does not know what to do about them. We tried to tell him what to do. Representations were made to the federal government. When this situation occurred before, the government appointed a boxcar co-ordinator. He had authority to give directions to the national railways of this nation to provide boxcars to areas short of them. We are again asking the Minister of Transport to appoint someone to the position of co-ordinator. I do not care what name is given to the position. He should have authority to look into the matter of boxcar shortages and give some direction to the railroads to ensure that the boxcars that belong to the people of this country are available to them, rather than having them on a siding somewhere for 40 or 50 days being used as warehouses.

Possibly someone from the Canadian Transport Commission could be appointed. I do not suggest the president, Mr. Benson, because he proved how incompetent he is when Minister of Finance. He is doing worse now. I suggest it should be someone with some expertise from the Canadian Transport Commission, a group that was set up to deal with transportation matters. This man should be sent to British Columbia, but not on a one-way ticket. We want him to come back. He should look at the situation and determine what is involved by talking to the mill owners, the Council of Forest Industries and the provincial government.

Mr. Rose: Send the standing committee.

Mr. Howard: I would not agree to that. The members of the standing committee are political people. They know the problem. It is the CTC and the Minister of Transport who do not know the problem. Possibly it would do some good to send the minister to western Canada. However, I do not want to get into an argument about who should go. I suggested someone from the CTC because that group was set up to function in this area.

Rather than wait until this bill gets to committee, we should demand right now that the CNR discontinue its pro rata system of distribution of boxcars. CNR should be asked why the sawmill companies on the northern line must truck their lumber to Prince George to be shipped in what few boxcars are available. They should be asked why the distribution of boxcars to mill points was discontinued. Why are mill owners being forced to pay between $5 and $15 a thousand to have their lumber hauled into Prince George when the railway runs right by their mills? Why did the railways scrap that system?

● (1550)

The minister is aware of all this if he reads his mail. In fact, the Prime Minister (Mr. Trudeau) gave him a directive to look into this situation. The Prime Minister referred the subject matter to the Minister of Transport a week or so ago. On the fifth day of October, a letter was sent to the Prime Minister. The Prime Minister had no need, really, to refer that letter to the Minister of Transport, because the Minister of Transport already had a copy of it. But the Prime Minister formally said: That is Jean Marchand's baby and he will look after it.

In that letter sent to the Prime Minister by Alf. Nunweiler, who is the MLA for Fort George, all the facts are set out. Mr. Nunweiler knows the situation as intimately from the point of view of a railroader as can anybody, because he worked for the Canadian National for a number of years both in Smithers and in Prince George. This is his work every day, and he knows at first hand what the situation is. He says, in this letter:

> This is forcing industries from distant centres which already have a railway (BCR) on their millsites, to truck millions of feet of lumber to Prince George where the CNR then provides them with cars. At the moment, the CNR yards in Prince George are literally plugged with piles of lumber trucked in from places like Williams Lake, 100 Mile House, Quesnel, Hixon, Bear Lake, Mackenzie and others at exorbitant costs—about $5 to $15 per BFM, meaning higher cost of production.
>
> In past years, the CNR distributed cars for industry at these points on a pro-rata ratio based on regional loading needs to protect the regional economy and the public. Government railways are there to provide transportation services to the public, not to harass the public, especially in resource regions like this one where established railways are the lifeblood of the regional economy.

Such a well-respected and honoured group as the British Columbia Council of Forest Industries—I say it is well-respected, certainly, in government and Liberal party circles—says in a telex sent both to the Canadian Pacific and to the CNR that, whereas the CN used to distribute boxcars for the lumber industry on the basis of 40 per cent to mills on the CN line and 60 per cent to mill sites on the B.C. Rail line through the connection at Prince George, the distribution of cars on that basis has been discontinued. As I say, this is forcing people to bring lumber into Prince George. Mr. Speaker, there are 400 million feet of lumber sitting on the ground. Right away there is a need for 4,000 boxcars to move it out to shipping points.

Let us talk in terms of the loss of money to the area. Lumber mill operators have lost millions of potential dollars because they cannot get the lumber out to shipping

points and sales centres. They cannot get it into the United States or eastern Canada. Lumber prices have been slipping lately. And all these losses arise because Canadian National has been sitting on that portion of its anatomy which does the least good—I used a much shorter word on an earlier occasion; everybody knows what it is, so there is no point in repeating it.

The only response the Minister of Transport has given the House so far has been to throw up his hands and say: Everybody has problems, Mr. Speaker. Oh, the actual words he used are in *Hansard*; he did not use those words, but that is what they amounted to. Even the B.C. Railway has difficulties, he told us. This is why I was prompted to say that the B.C. Railway had the foresight last spring to look ahead and prepare to deal with the problem, but not the government whose ministers sit over there and not the Canadian National. It is a sad state of affairs.

All we are asking for is the same sort of consideration as the federal government extends when it comes to the movement of grain. Maybe not even that. I do not mean we should dig into the public treasury right now and put out $46 million to build 2,000 cars—as a matter of fact, if we were to build flatcars we could build many more than that for $46 million. This does not appear to be the answer. What I am asking for is the appointment of someone as overseer who can say to the Canadian National, in this instance, or to the Canadian Pacific to the extent they are involved: In the national interest and in the regional interest you will provide boxcars in this area where they are needed. That is all. I am asking for the same consideration as has been given to grain farmers on a number of occasions. Why should northern British Columbia continue to suffer and be disadvantaged because of, first, the incompetence of the senior management when it comes to looking beyond the end of their noses and, second, the aloofness of the federal government which so far, has done nothing but say: Everybody has problems.

May we not expect a little response to be forthcoming this afternoon, through you, Mr. Speaker? I know the Minister of Transport came to the House in the hope of entering this debate and telling us why this difficulty continues to exist. I, for one, will listen with the most rapt attention I could possibly give. I trust he will assure us that the problem is on the way to being solved in British Columbia—that we do not need to worry about this any more. Will the minister say that?

Mr. Marchand (Langelier): Yes, I can say that in a few words, if you will allow me to do so, Mr. Speaker.

Mr. Deputy Speaker: Is the minister proposing to make a speech? I do not want to become too technical, but possibly the minister should make his observations by way of a question to the hon. member.

Mr. Marchand (Langelier): Yes, Mr. Speaker. Unfortunately for the hon. member for Skeena (Mr. Howard) I never used the words he attributed to me. Indeed, I never said anything comparable to them. I just explained the reason for the shortage of rail cars in British Columbia. I gave two or three reasons, the first being the growth in the activity of the industry. A year or two ago this was forecast at 6 per cent. It turned out to be around 14 per cent. This was the first mistake. Everybody made this mistake. There is great activity, great prosperity, a real boom. The CNR did not forecast it. The BCR did not forecast it. Neither did the CPR. Even the British Columbia government did not forecast such a rate of growth.

The second reason is that all the railways order cars which will be used exclusively for the carriage of lumber. The CN ordered 2,000 cars of which more than 1,000 would have been used only for lumber transportation. I believe the BCR ordered 1,500 rail cars for lumber, and the CPR ordered around 1,000. But because of the strike in the steel industry, delivery of these cars could not be obtained. I believe the railway strike, too, was responsible for a good deal of the backlog. These are the reasons I put forward—not because "Everybody has problems"; I never said that. The answer I gave was the one I have just re-stated. The hon. member for Skeena says 4,000 cars are needed immediately. I would like him to indicate to me how I can, in a short time, get 4,000 cars for that part of British Columbia. If he can suggest any means of achieving that objective, I am ready to adopt it tomorrow.

● (1600)

Mr. Howard: That is a most interesting question. Let me deal with two aspects of it. In the first place, I said that there is sufficient lumber on the ground now that it would take 4,000 boxcars to move it. I did not say "Put 4,000 boxcars in tomorrow"; do not be ridiculous. But there is that volume of lumber sitting there, and according to estimates it would take up to 4,000 cars to move that lumber.

Secondly, it seems to me that the minister and the government cannot have it both ways. He told us a moment ago that nobody could foresee what was going to take place. The Minister of Finance (Mr. Turner) could see; that is what his budget last spring was all about. This is the Minister of Finance's persistent answer in the House these days about economic questions. He hearkens back to the spring of this year and says "We predicted this and it is going to get better in 1974". The Minister of Transport cannot turn around and say "We didn't foresee that; we didn't know". Of course he knew, and the government of British Columbia knew. The premier of B.C. is president of the B.C. railroad. That railroad took action in the spring of this year—

Mr. Marchand (Langelier): The same for CN.

Mr. Howard: —and had cars built. The premier set up the machinery for building them. The CN did nothing of the sort. CN may have put in an order to somebody to build the cars, but the minister cannot rely on some kind of steel strike for the fact the cars were not built. Canadian National took no such parallel action.

A little while ago the British Columbia railroad leased 500 cars from the United States. It was forced to do so because this government is apparently unable or unwilling to do anything to get the cars needed. Instead of the minister standing up and repeating like a parrot what Canadian Nation tells him, if that is what he is doing, I ask him to appoint somebody to go out to British

Columbia to look at the situation on the ground, to talk with the people there and see what is involved.

Mr. Paproski: Send Chrétien.

Mr. Howard: If he sends the Minister of Indian Affairs and Northern Development (Mr. Chrétien) we would get a lot more action than we would out of the Minister of Transport. He may not be doing anything in the field of Indian affairs, but he could deal with this problem; he has lots of time on his hands.

I see the Minister of Transport leaving now. Is he going out to B.C.?

Mr. Marchand (Langelier): Yes, I am going to B.C.

Mr. Howard: Good. Seriously, Mr. Speaker, all we are asking the minister to do is to take some deliberate action, ministerial action if he likes, or Governor in Council action if that is what is involved, to appoint someone, whether from the Canadian Transport Commission or some other body, who is not connected with CN, the B.C. railroad or the provincial government, to look at the situation, see what is involved. This person should have the authority of a co-ordinator of boxcar movements to ensure that sufficient boxcars are available to move this lumber. Surely, there cannot have been such a lack of planning on the part of CN that the reason for the shortage of boxcars, as the CN has said on more than one occasions, is firstly demand, and secondly, the increase in the time needed to ship lumber to the U.S. and receive the empty cars back.

This was the point I was making initially. All the CN has to do under the inter-railway agreement on how much each railway charges the other for use of the cars on a per diem basis is to work out an accelerated per diem rate so that it is more costly to keep those cars in the United States to warehouse the lumber than it is to empty the cars and ship them back to Canada so we can use them. Let not inaction on the part of the minister, this government and CN permit what is a viable, developing industry in this part of B.C. to slacken off and stagnate. This does not take histrionics on the part of the minister as he tells us what he said or did not say; we want a response to this uncomplicated kind of request.

Perhaps the minister went out of the chamber to take this action, and if that is the case I am sure we would move quickly toward finding a solution to the problem. The minister does not need to ask me a rhetorical question such as whether I can tell him how he can get 4,000 cars there tomorrow, because I cannot. I do not want 4,000 cars there tomorrow, and even if I did it would be impossible to get them there. Not only that, it would be stupid in the extreme because there would be no place to put them. Boxcars have to flow in and out of the area commensurate with ability to load them. All we are requesting is a continual flow of boxcars so the lumber can be loaded and shipped out to the markets of North America, instead of letting the economic activity of the area to slacken off.

● (1610)

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, as all other hon. members, I have looked at Bill C-164 which reminds us that our railway companies operations, particularly those of the Canadian National, are not self-financing.

Before coming to the House in 1965 and during the first years of my mandate, I thought incompetence was causing this unpleasant situation. That is indeed what one is led to believe upon analyzing only the official figures the Canadian National releases in its annual report. However a comparison of those reports made me realize that Canadian National administrators are highly competent people and remarkable figure jugglers. According to statements by the right hon. Prime Minister (Mr. Trudeau) and many of his Liberal colleagues, the CNR would now have the best administration of all times and our country would never have been so wealthy.

Then, Mr. Speaker, how come a railway company operating in such good conditions does not succeed in making both ends meet? To ask this question is to answer it. It is obvious that the Canadian people are simply cheated by such statements. If CNR administrators were badly paid, one might say: it is our fault. But it is not so, for even the President gets a suitable salary.

Mr. Speaker, it is often said that years follow each other but are very different. This is normal. But it is not normal, in my opinion, that the CN balance sheets are the same every year.

In 1962, the CNR had brought forward a balance sheet that shows a deficit of about $6 million, while working expenses had been reasonable and the gross national production amounted to $40 billion.

In 1971, while the gross national product had increased to $93 billion in an inflationnary time, after moving twice as many goods as during the period 1962-63 at rates that had also doubled, the Canadian National again succeeded in providing us with a table indicating $24 million deficit.

Mr. Speaker, this year, a particularly prosperous year under a Liberal administration, their financial statement indicated a $17 million deficit. For instance, if we refer to the statement of 1968 when the CNR stole $371 million from the fund of its retired employees, we find also a table showing again that the deficit was about the same as this year's.

If misappropriating $371 million is not reflected in the assets or liabilities of a balance sheet, I feel we should ask ourselves some questions. And I think that an investigation conducted by the RCMP will give an answer to our questions. If the Americans treated themselves to a Watergate, we, Canadians, should treat ourselves to the same. If we consider the financial statement of the CNR for the fiscal year 1970-71, we will see about the same deficit, that is $29 million. However, we all know that it was not a lucky year but instead a derailment year. I would like to quote from an Appendix to the Debates of the Senate, on Tuesday May 15, 1973. They give a list of derailments involving expenditures of $50,000 or more in 1970-71.

After adding the expenses incurred as a result of recent derailments throughout Canada, either in the Atlantic, St. Lawrence, Great Lakes, Prairies, Rockies areas, the total amount of $13,692,000 is reached and this only in accidents amounting to $50,000 and over. It is rather strange that we find almost the same causes for derailments in all provinces. We note that in the St. Lawrence area as in that of

the Great Lakes, the Rockies or the Atlantic, they were caused by broken or burnt axles.

Now it is evident that from Vancouver to Halifax, axles require the same care; they must be lubricated. No private railway would allow its cars to run with non-lubricated axles. If it is not done today it is because the mechanics responsible for the maintenance of trains have been transferred; they are fewer. If you have the opportunity to talk with one of them, he will tell you: I did all I could but the train left before I had time to check half the axles. That is why the axles burn, the trains derail, which involved losses amounting to $13 million in 1970-71.

Here is another serious cause of derailment which is often referred to in the report I already mentioned: rail breakage. Rail breakages occur in the Atlantic area, in the Rockies and in the St. Lawrence area. Finally, the cause is always the same: the reduction in the number of linesmen and railwaymen. The number is almost always the same by shifts, but the distance that each shift must look after has tripled; therefore, they are unable to do their job adequately. These men work at the end of their rail section when they know there might be someting urgent they should do at the other end. They are often unable to get there because some urgent matters have to be attended to at a given place. When there are 40 to 50 miles of track to maintain, obviously, if they take two days looking after 15 miles, there will remain 30 which will not be maintained and then accidents may happen.

Some regional superintendents have obtained their position through influence and unfortunately, these fellows are two often unaware of the work required for the maintenance of railway tracks. For several of those who have reached the top without any effort, rails, railways, all that just happened. So, to them, something that just happens to be does not require any maintenance.

For reasons of economy, I repeat, they have laid off railwaymen, brigades have been reduced as the French would put it, which has led to the difficulties that we are experiencing now, namely too many accidents, and passengers who still have the courage to use this mode of transportation are risking their lives.

Besides, a great many more inspectors were appointed. Even station masters are supervised. An inspector used to look into the cash box which was under the station master's care. As its contents range from $100 to $300 this was not so serious and it was checked once a year. Even if these station masters have sometimes paid $10,000 to $15,000 in to the retirement fund, we have reached the point where these men are mistrusted and an inspector visits the stations about once a month so as to check their contents. Mr. Speaker, I repeat that the number of inspectors has increased so much that we are now under the impression that the Canadian National Railways have now become a second Canadian Senate, with the difference that many of these inspectors do not know each other. Then, you will say: They may not know each other because the country is so big. But it is not because of the size of the country; their number is now so great that if they knew one another, they would be ashamed to go out and do the work that is requested of them. Even in the city of Montreal, they are now spying on each other, apparently without knowing anybody.

Canadian National Railways and Air Canada

● (1620)

Mr. Speaker, last spring, I gave to all the members of this House a letter sent to me by a group of railroad workers. This group did not want to sign the letter. I learned the author's name three weeks later because Canadian National employees are scared, it seems. I would like to quote from this letter which I finally gave to all other members after having it translated for the benefit of English-speaking members. This letter said, and I quote:

> Our Members of Parliament have taken an oath to serve the interests of Canada, therefore of the people in general.
>
> The Canadian National, a Crown corporation, seems more than sick in its administration having become the property of a small group of about 2,500 officers who eat up and suck the receipts—company cars, paid expenses—so in order to try and cope with that plague of small bosses an attempt was made to cut down on indispensable people at lower echelons, namely linesmen, car inspectors, station masters, with the result that we know: accidents over accidents. And who pays the bill? Naturally, the bill comes back before Parliament. Even Canadian National officers can boast that our Members of Parliament are in Ottawa only for a while and that they are there to stay.

Furthermore, that group points out that their unions show signs of advanced decay. Why are they trying to protect companies to the detriment of employees? Then they come up with this answer: We have seen the acceptance of new pension plans that presently benefit only those who have 45 to 50 years of service and others to come in 25 or 30 years. What about those who have retired and are being prematurely pushed into the grave through all sorts of devious means? Furthermore, a train accident brings around seven or eight white hats and three or four workers who have their fill with that disgusting administration.

Union leaders are at the mercy of railway companies to ensure survival because those companies suck the pay cheques of the employees to pay the big union leaders. That is why they became weak before the railways and an important group of experienced workers suffer so much.

Why did the vice-president of the Canadian National want so much to discuss pension funds alone and behind closed doors with the unions?

A royal commission should be set up to investigate the relations between those gentlemen. Why is it necessary to die before you have a retirement to live?

Why did a station master retire a few years ago with an annual pension of $1,200 after 47 years of service, while the former president, Mr. Donald Gordon, retired with a pension of $20,000 a year after 15 years of service. Why?

Only the passing of an act could do justice to the needy railroad employees whose services are no longer required, unless they are forced to start all over again. What happened to our oath?

They call on hon. members and try to gain their support.

Moreover, Mr. Speaker, many CNR employees sent us their comments about their superannuation fund. Compared with the possible retirement of Quebec Provincial Police employees, for instance, where a person is eligible for superannuation after 25 years of service, CNR employees are seeking voluntary retirement after 30 years of service. Canadian Armed Forces personnel are eligible for pension after 20 years of service.

I repeat, 20 years of service in the Armed Forces and 25 years in the Quebec Provincial Police. It is evident that the same privilege could be given to the railway employees who, in short, were also in the employ of the public service, night and day, during all their working life.

The old system under which the total pension could be paid only at the age of 65 is outmoded, in fact the majority of railway workers die before they reach that age.

A few days ago, the booklet entitled *In memoriam,* published this month by the railway companies, showed us that the people who are still working are right, as it gives a list of the deceased. The first nine on the list, who died in recent months, were aged 55, 52, 54, 49, 58, 53, 55, 45 and 51. The last six on the list were aged 45, 51, 55, 54, 57 and 51.

The CN financial statement is also proof that the employees die rather young. Indeed the 1971 statement reveals that only $75 million were paid to retired employees while during the same period, the Canadian National collected $261 million for a pension fund of $1.454 billion.

Mr. Speaker, I think those employees toiled hard throughout their life; we are happy to support them in their claims and I believe they are right. Considering that the Montreal stevedores who were laid off last year got their full pension because the company could do without their services, I suggest similar measures could be applied in some cases of dismissals or transfers within the Canadian National.

It is obvious that the CN needs money and this bill proves it. However, we should support this bill on condition that we really agree that the Canadian National should get the credits they are asking for, provided they promise to look after all employee applications.

[*English*]

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I should warn you that because I represent a part of Canada where we have some very serious transportation problems, especially in connection with the CNR, I shall forgo the luxury of speaking extensively about what is happening in the rest of Canada. Other hon. members who have spoken before me have done a good job in pointing out to the House some of the transportation problems which they are facing in their areas. It is rather strange that the previous speaker, the hon. member for Skeena (Mr. Howard) who represents one of the most westerly parts of this country, and I, who represent the most easterly part of Canada, both have problems in our areas that are pretty well the same. It seems strange also that the culprit in our area in the east is the CNR and that in their case it is CN and the CPR.

The other day the Leader of the NDP (Mr. Lewis) replied in his usual eloquent way to the statement made by the Prime Minister (Mr. Trudeau) on his return from China and said that Canada has a history without any colonial connections. He said that Canada had no connection with colonizing people or exploiting them to blacken the pages of its history. I am sure that is correct in the context in which the statement was made, but I am afraid that in certain parts of this country this government is guilty of the worst kind of colonialism which is exemplified by its attitude toward the Atlantic area and the other underdeveloped parts of Canada.

[Mr. Godin.]

I cannot think of any other factor that has played a more regressive role in the development of eastern Canada, particularly in the development of my province of Newfoundland, than the policy of the CNR, or, maybe I should say, the lack of a policy on-the-part of this government in matters of transportation. We all heard the Minister of Transport (Mr. Marchand) give the Newfoundland members advice some weeks ago when, in answer to questions regarding the ferry service connecting Port aux Basques with Newfoundland, he asked: "Why don't you learn to swim"? Of course, the minister must realize that that kind of advice does not go down too well in Newfoundland, nor would it go down well in any part of Canada, I suppose.

In Newfoundland we have a very serious situation at present because of the freight backlog that has now piled up in North Sydney, despite the fact that the minister elects to ignore this and tried to give the impression that all is well. This backlog does exist, and it exists at the expense of people living in Newfoundland who are now paying more for their food and other necessities of life than are any other people in Canada. The transportation system is such that it contributes to a large extent to our having to pay more than any other province for our foodstuffs, our building materials and other necessities. I have always held the view that the 90 miles of water that separates our province from the rest of Canada should be treated as any other part of the Trans-Canada highway, because to us it is the same as any other 90 mile stretch of that highway. Therefore, it is my feeling that it should not cost us any more to travel that 90 miles, or transport goods over that 90 miles, than it would cost people living in other parts of Canada to transport goods and themselves over a comparable distance of the Trans-Canada highway.

● (1630)

This afternoon during the question period I asked the Minister of Transport about the Argentia-North Sydney ferry. The minister complains that Canadian National does not have sufficient ships to move the goods bound for Newfoundland that are now stockpiling in North Sydney. He complains that there are inadequate storage areas and not sufficient facilities. At the same time, Mr. Speaker, there is a ferry service operating out of Argentia, which is part of my riding, to North Sydney and back, but it operates only four months of the year. There, we have a multimillion dollar facility that is lying dormant eight months of every year.

I contend that Canadian National, and of course the Department of Transport, should give immediate consideration to the possibility of having that ferry service operate on a year round basis. Not only would that have the effect of providing additional, badly needed service to the province, but it would also have the effect of eliminating some of the heavy traffic that is now using the Trans-Canada highway in Newfoundland, turning it into a very dangerous highway. I contend that freight bound for the eastern half of the province should be rerouted through St. John's, and Argentia.

Another important factor in our province is the coastal fleet. I wish to take a few moments to explain what it represents to us. We have 7,000 miles of coastline around the province of Newfoundland and Labrador. Along that coast we have approximately 1,000 settlements, some small and some large. Under the Terms of Union in 1949, the Canadian government undertook to provide good passenger and freight service to and from our province and around our province. Although both Canadian National and the Minister of Transport will deny this, we now find that there appears to be a move afoot to phase out the coastal service which looks after the transportation needs of people living in a large number of these 1,000 communities that dot the coastline.

Since 1956, eleven ships have been discarded and taken out of service completely, with only three replacements being provided. This would suggest that Canadian National is now about to do the same thing with our coastal fleet service as it did with our railway passenger service in 1969 and 1970. Canadian National is now subcontracting some of this work to private ship owners. Of course, in this way control over the quality of service is lost by Canadian National.

Under the Terms of Union the federal government has a definite obligation to ensure that this service is maintained. Canada obligated itself to provide an adequate passenger and freight service to and from our province. At that time we were not dealing with Canadian National. Now, the Minister of Transport tries to shed the government's responsibility, pointing to the inability of Canadian National to provide adequate ships. I repeat that the people of Newfoundland did not negotiate with Canadian National; they negotiated with the Canadian Government.

We negotiated with the government of Canada which at that time gave an undertaking—not subject to the whims of Canadian National, not subject to there being no strikes by Canadian National, and not subject to the dictates of Canadian National,—but that the government would provide a first rate service to our province to move passengers and freight. I contend it has fallen down on that obligation because the service we are now getting is anything but adequate. Indeed, it is very inadequate.

It is becoming more obvious to those of us who live in the so-called have-not areas, the disadvantaged, underdeveloped parts of this country, that we are supposed to continue to be the tools of Upper Canada, that we are not supposed to become developed to the point where we might provide competition to other parts of Canada which traditionally have used the Atlantic area as a dumping ground for their goods. This is a sad commentary on Confederation, that certain parts of Canada appear to be kept underdeveloped, appear not to be encouraged to become developed simply because of the whims of the vested interests and the power brokers in central Canada, particularly those in the federal cabinet.

Before closing I have a few other points I wish to mention. I wish to refer specifically to the Canadian National dock operation in St. John's. I understand that this is the only operation of its kind under the jurisdiction of Canadian National. The reason for that is that Canadian National inherited the dockyard at the time of Confederation. St. John's, the riding which I have the honour to represent, could very well become the service station of the Atlantic so far as shipping and ship repairs are concerned. Our position on the Atlantic lends itself completely to our becoming that, but despite the great potential of the area and of the dockyard, very few improvements have been made at the dockyard since Confederation. Machinery has become obsolete. There has been no worthwhile expansion, or extensions, no great effort by Canadian National to get business for the dockyard, or to advertise its services and its strategic position. Consequently, I fear that it will eventually be phased out.

We find that the morale of the people working there is very low. They are unhappy because, as the hon. member for Skeena said earlier, there appear to be more chiefs than Indians. If you walk through this operation you see a lot more white hats than yellow hats on the job. The workers are becoming unhappy and disenchanted. This is unfortunate because the dockyard represents an important part of the economy of St. John's, of my riding, and of Newfoundland in general. If the government and Canadian National do not inject new life into this operation, advertise its potential and capability, I am afraid it will disappear. This will be unfortunate because of the serious effect it will have on the economy of the province, and particularly on the city of St. John's.

● (1640)

In the terms of union between Newfoundland and Canada, the province undertook to do certain things. We have not reneged on our commitments, Mr. Speaker. The Canadian government undertook to provide certain services, and I contend now that it has reneged, particularly in respect of its transportation policy, to the detriment of the province. Like the other maritime provinces, Newfoundland cannot achieve its true potential without an efficient, modern transportation service. It can never hope to attain the status of a "have" province unless and until the federal government recognizes its responsibility as far as transportation is concerned. The situation is unfortunate and I suppose it prevails in other parts of the country as well.

I am not suggesting that ours is the only province with transportation problems or the only province that has a fight with Canadian National. I have listened to other members so I know that the same situation prevails pretty well right across Canada. But, Mr. Speaker, our province depends very much on a transportation service. It is an island, so we cannot jump in our cars in St. John's and drive to Toronto; we have to contend with the 90 miles of water that separates Newfoundland from the mainland of Canada. That is why I think this government has a very special obligation to our province to provide a fast, efficient, modern transportation service. The gulf which separates our province from the mainland must be taken into consideration.

I do not think it is enough for the Minister of Transport to shrug his shoulders and pretend that all is well or just tell Newfoundlanders that they should learn to swim and stop complaining. The suggestion made by the hon. member for Skeena that members of the Canadian Transport Commission should leave their ivory towers in Ottawa and get around the country to see what is happening so that they can deal with some of the problems is a good one. I would welcome the opportunity to greet the

Canadian Transport Commission in Newfoundland and let them have a firsthand look at the problems there. They could see the problems created by the removal of our rail passenger service. They might even be so brave as to ride on the CN bus service. I do not think they would last the journey, but I should like to see them try it.

Again, Mr. Speaker, I should like to invite the Canadian Transport Commission to Newfoundland and Labrador to see for themselves the problems with which we have to contend. If they would do, that I am sure they would be able to recommend to the minister and the government some major improvements in this country's transportation policy as it applies to Newfoundland.

Mr. Keith Taylor (Churchill): Mr. Speaker, this is the first opportunity this House has had to discuss Bill C-164 and more particularly the Canadian National Railways and Air Canada since 1970. As a new member I am not familiar with the ways of this government but I find their leadership in this House and the leadership they have provided to the Canadian National Railways and Air Canada is nothing short of appalling and deplorable. The government's lack of concern is evidenced by this particular bill. If this is a sample of the leadership they are providing to the executive of the CNR and Air Canada, whoever that may happen to be at the moment, I am sure those executives must be as frustrated and confused as is this House concerning the future of this country's transportation system.

Like most people in western Canada, my hopes were heightened by the press releases from the government early this year in which we were promised certain conferences from which great benefits were supposed to flow. For several days, we watched the ministers on television giving press conferences and issuing statement after statement about what they were going to do to rectify the problems in the west, particularly those relating to transportation. I am sure that any member of parliament from western Canada who had the opportunity to attend any meetings with that group got around to discussing the transportation system and its related problems.

At the conference, the Minister of Transport (Mr. Marchand) made various announcements, including what everyone took to be an announcement that there would be a freight rate freeze for at least 18 months. It was not very long before we found that the freeze was not a freeze after all, but merely an attempt at a public relations exercise. The freeze is not there in fact, and, of course, again the announcement has worked to the detriment of all Canadians, and western Canadians in particular.

This bill, Mr. Speaker, authorizes the expenditure by Canadian National Railways and its related systems of some $468 million in the period ending July 1, 1974. That amount will be added to the current $1.8 billion in capital debt. The bill further simply gives a blank cheque to the government to pay all the operating deficiencies of the CNR during that time.

I do not know what happens as far as these expenditures are concerned and will be interested to find out the details in committee. We are looking at a bill which authorizes the expenditure of some $225 million in the year 1973, and yet there are only two months of that year left and the bill still has not gone through this House. I am sure it is evident to everyone that it is not because members on this side did not demand that this matter be referred to the committee to be dealt with as speedily as possible. Here we are, with the government bringing to us an authorization to spend $225 million after the time for spending it has expired. We do not know whether the money has in fact been spent without the authorization of parliament or whether it is awaiting the approval of this House. It is a serious matter and shows the total lack of leadership of this government.

The same applies to the other expenditures. None of the provisions in the bill indicate in any way what is to happen to these capital expenditures in so far as any attempt at repayment or reorganization is concerned. There is simply an authorization to spend money. Terms of repayment are not indicated. Presumably this money will be added to the already overbearing debt which the organization must carry. That debt will be carried from year to year, and will cost the system millions of dollars in interest, which it must pay merely to carry on from day to day as at present.

● (1650)

As I said, this transport system is vitally important for the economic development of western Canada and for ensuring the day-to-day living of those in western Canada. Western Canadians, every bit as much as others in this country, must rely on an adequate transport system if they are to obtain the necessities of life. Nothing showed the truth of this more clearly than the recent railway strike. The people of many areas were literally at the point of starvation, because they could not obtain the necessities of life. This applies particularly to my area of northern Manitoba. We rely heavily on the Canadian National system. Many localities are served only by that system. True, there is a limited amount of air transport, but its capabilities cannot match those of the railway. These communities rely almost totally on the CN, the only railway operating in the area.

We quickly found that without the railway operating, without our being able to receive vital supplies, it was almost impossible for the residents of certain areas to carry on normal day-to-day living. Someone suggested that they could use air transport; however, as the fuel for the aircraft had to be delivered by rail, it was impossible to use aircraft to any great extent.

I want to refer to some specific complaints about the rail system. Let me say, first, that it is clear that local officials of CN are aware of the problems of the system and are doing their best to make changes which will remove some difficulties. However, the co-operation they have obtained from various agencies, particularly government agencies, is such that they have not been able to do very much for us, even though they are aware of the problem and sympathize with the residents of our area who experience difficulties.

Because the population of my area is limited, the railway has had to make small shipments to small communities. Because of high labour and maintenance costs associated with rail facilities, a number of shipping points have been closed and points to which and from which one

may ship are ever farther apart. Moreover, the railway is refusing to accept responsibility for goods shipped to certain areas. It has withdrawn its agents and in some cases, has not provided an adequate replacement service to serve those areas affected. The result is that many shipments are delayed. Sometimes goods must be shipped two or three times before they are received by the intended recipient. This has created hardship, especially as in many cases one can ship only by rail, there being no alternate method.

The situation in the Port of Churchill, in my constituency, is critical. The railway is the only facility for transporting heavy goods. In our case, rail rates are specifically designed to discourage small shipments. In the southern areas where small shipments can be sent by truck or alternate means, Canadian National rates are different. In my area they are such as to discourage small shipments by rail. Because the railway provides the only practical means of transport for the residents of northern Manitoba, they must pay prohibitive rates, the result being almost intolerable freight rate increases which have been imposed in the last few years. However, we have no choice. When you live in the north, you pay and grumble, and that is as far as it goes. You cannot do more.

It is true that the railway serves isolated areas; that is evident if one examines the rate structure that the railway insists on using. Of course, the railway justifies the rate it charges by saying, even though there is no alternative means of transport, that the rate is competitive. I ask—competitive with what? At one time only the railway served Thompson, Manitoba. Subsequently a highway was built and goods were shipped in by road. Let us compare that community with Lynn Lake, Manitoba, which is about as far from major shipping centres as Thompson is. The result of competition in the case of Thompson was this: freight rates applicable to Thompson, Manitoba, were approximately one half of those applicable to Lynn Lake, where there was no competition. That shows what is happening to our remote areas. They have had to put up with the present state of affairs. Despite the efforts of various groups in the affected communities to rectify the situation, we have not been able to do very much. I think I speak for every member of the House when I say it is high time something was done to rectify the situation. May I call it five o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hillsborough (Mr. Macquarrie)—Agriculture—Milk subsidy—Reason for delay in application to Prince Edward Island; the hon. member for Assiniboia (Mr. Knight)— Grain—Wheat—Suggested change in crop year to equalize payments to farmers who made early deliveries; the hon. member for Peel South (Mr. Blenkarn)—Labour Conditions—Suggested increase in minimum wage.

If being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills. I understand that there is agreement about the order to be considered. Perhaps it could be stated and approved, and we could proceed to it.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, as nobody else has risen to speak, may I say that I believe the agreement is that we proceed to Order No. 7, the bill in the name of the hon. member for Timiskaming (Mr. Peters).

Mr. Deputy Speaker: Is this agreed?

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

NEWS SOURCES PROTECTION ACT

MEASURES TO PROTECT JOURNALISTS FROM COMPULSION TO DISCLOSE NEWS SOURCES

Mr. Arnold Peters (Timiskaming) moved that Bill C-41, to provide for the protection of news sources (press privilege), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, never in history have the democracies depended so much on the dissemination of news in order to protect democracy. The United States for many years followed the English tradition of permitting freedom of the press and freedom of speech. The United States has protected that freedom by embodying it in the first amendment of its constitution. The subject was considered of such importance that it was embodied in the first amendment. Until recently, the United States courts always honoured the concept of confidentiality of news sources.

In Canada, this subject has not been as important as it has become south of the border, perhaps partly because of our colder climate and partly because or our less vigorous nature. I hope it also has something to do with the honesty of the Canadian people, something which may not be shown by our southern neighbours. However, Canadians should be no less vigilant in protecting their sources of news than the American congress was with its first amendment. This protection has been challenged in recent years. There are now 55 bills in congress, the purpose of which is to protect news sources in the United States. This situation results from a recent split decision in the Supreme Court which upheld the contention that newsmen must disclose the source of their information.

News Sources Protection Act

● (1700)

Only this month there were news leaks in the United States indicating that an investigation was being made into the financial dealings of the vice-president of that country. Those news leaks which were presented to the American public by a number of newspaper reporters resulted in the hastening of the case against the vice-president which subsequently culminated in his resignation from the second highest office in the United States. Possibly we should look very carefully at what is happening in Canada.

If we had the type of newspaper reporters in Canada that there are in the United States, I am sure they would be asking some very interesting questions about the CNR method of financing. One reason this matter has not been before the committee for a considerable period is that the Minister of Finance (Mr. Turner) fired the auditors for the CNR. These auditors were appointed by the previous Minister of Finance. Without much explanation in the press or in this House, those auditors were disposed of and no new auditors have been appointed. Although there has been a lot of discussion, it is interesting to note that the CNR has not been granted any money by this parliament for the past two and a half years. This has never happened before.

In the United States, some newspapermen would have looked into the reasons for the firing of the old auditors and possibly the reason for the appointment of the new auditors of CNR. Obviously, someone made the appointment and obviously someone disagreed with it, but no one is looking into the reasons. Possibly this raises the question of whether we have a really responsible press in Canada. I do not know whether this is the fault of the newspapers or the reporters.

It has been a long time since I have heard of the Toronto *Star* hiring a train or plane to go somewhere to get a story. Although there has been a fairly active war going on for some time, with the exception of reporters in Tel Aviv, there have been no reporters in the Arab countries. Possibly the newspapers are not interested in sending reporters. It is interesting to note that neither the newspapers nor the CBC have seen fit to give actual reports from the battlefield. Maybe we have a different kind of press and what is happening in the United States cannot be duplicated in Canada. Possibly it should be. I think all members will agree with members of the United States senate and congress that one of the fundamental rights that must be maintained is to allow the press to make investigations. Obviously, they must have some source of information and that information should be protected.

Not too long ago in Canada we had a tempest in a teapot. It involved newsmen who over-reacted to police guidelines. As a result of a meeting, the Canadian police association decided to approach the heads of major newspapers. Most of them, certainly the Canadian Association of Broadcasters, agreed the police should have some say in what news is made public and that the police should be in a position to restrict the publication of any news. This caused quite a fuss. It is interesting to note that initially the *Globe* and *Mail* thought this was a good idea. There were a number of faults with the way the FLQ situation in Quebec was handled. As a result of that, it was agreed

[Mr. Peters.]

there should be some co-operation between the police and the news media so there would be no interference with the police in the discharge of their duties. It was not very long until the newsmen had second thoughts.

Mr. Pierre Juneau, the chairman of the CRTC, had some thoughts on the matter. He decided to investigate the Canadian Association of Broadcasters submissiveness to the directive suggested by the chiefs of police. It is interesting to note that in the discussions that took place, no one pointed out that the public have a right to know what is happening. There was agreement that the police had the right to decide what news should be published in the public's interest. I suggest this has not been to the advantage of the public in other countries.

In the case of former vice-president Spiro Agnew, he advised his lawyers to serve subpoenas on the attorney general, officials of the justice department and a large number of newspapers and reporters. I wish to quote what one newspaper reporter had to say:

> Executives of news organizations whose reporters were subpoenaed yesterday unanimously condemned the action, charging the subpoenas violated the Constitution's First Amendment guarantee of freedom of the press and that the disclosure of confidential sources would cripple reporters' ability to gather news.

Other comments were made at that time. However, it is interesting to note that the police, the justice department and others all co-operated in dropping many of the charges against Spiro Agnew in return for his resignation as vice president and the fact that he repay some of the money he owed the tax department. In the United States the situation will probably result in either the assassination or the resignation or the impeachment of the President of the United States—or hara-kiri. Public knowledge of Watergate and the surrounding circumstances only came about because sources were available to the press, which, in turn, published statements containing information which was already available to many of the senior people in the government. The consequence was a hue and cry and the development of a public opinion which totally rejected the type of action which was being taken as exemplified by Watergate.

● (1710)

I could refer to a number of other situations which have developed in the United States, including the Pentagon papers which were exposed originally by the press, much against the wishes of the Justice Department. People have gone to jail because of their refusal to disclose sources of information in this connection. The same is true with respect to a number of other important documents.

In the course of his job, a reporter for any of the news media, whether radio, television, newspapers or periodicals, would, if his work was being done properly, be charged by his editor with getting a story and developing news. He would not merely be asked to report superficial events, as happens most of the time in Canada today. He would be instructed to develop this story himself. In so doing, he would find it necessary to search out a number of news sources, and these sources, I suggest, would become very scarce indeed if they thought that the reporter to whom they gave information would say, under pressure in court: Well, I do not want to go to jail, so I will name my sources as being so-and-so.

It is obvious, therefore, that if society is to benefit from in-depth reporting, reporters must enjoy the right to withhold information concerning their sources. Editors of some of the largest newspapers in the United States are saying that one of the fastest ways of removing the problem which has arisen in that country is to allow a large number of their reporters to go to jail. They believe the reaction from the public would be strong enough to change the present state of affairs. I could list a number of cases in the United States of reporters being sent to jail for refusing to reveal the sources of their information, cases involving such things as fraud in connection with the development of parks, cases where commissioners and other elected officials had been guilty of taking bribes.

There is, of course, the recent case of Spiro Agnew, who had taken bribes, and the indication the public has received in the last day or two that President Nixon may have received a political pay-off for allowing the price of milk to rise in the United States, not to mention the pay-off he may have received for allowing Hughes to develop gambling casinos. Hon. members may recall investigations by newspapers into numbers rackets, into the Mafia, into the wholesale importation of drugs from Mexico. In this last instance the police were able to secure a jail sentence for the reporter concerned because he refused to disclose the source of his information.

It seems to me we are seeing the press in the United States acting in a much more responsible manner than one would have thought possible. It was not Congress, it was not the judiciary, It was not the CIA or the FBI which broke all the major stories involving corruption and other acts which were placing democracy itself in jeopardy. It is the press which made these disclosures, resulting, in many cases, in the arrest, or, what is more important, in the elimination from office of persons whose operations, if continued, might eventually prevent democracy from functioning.

In Canada, too, there is a crying need for reporters who set the highest standards for their work. Maybe we should examine the performance of the press in Canada. I certainly give the CTV full credit for initiative in a recent venture. I think what they were doing was trying to force members of my party, who are probably more willing to undertake crusades than others, to do something about a situation which those responsible for the program believe is getting out of hand in Canada, a subject which parliament has not really considered very closely or intelligently.

Mr. Knowles (Winnipeg North Centre): They bungled it.

Mr. Peters: They bungled it, but I give them full credit for having tried. With the Conservatives, I imagine they did better. But that is just a guess.

There must be some investigative body working to see that democracy functions in the best possible manner. I do not believe the press in Canada has played such a role for a number of years, but I am as hopeful as are, I am sure, all members of the press and all members of this House that reporters and the news media in general will continue to develop in the field of investigative journalism so as to bring about a strengthening of the democracy upon which we depend. In a democracy, an informed public is a necessity, and if we fail to ensure the provision to the Canadian public of the information and knowledge necessary to enable each citizen to form his views in an intelligent way, democracy will quickly find itself in difficulty. No doubt there are some forms of government which cannot tolerate an informed press. But we in Canada, attached as we are to democracy, need a free and informed press and, therefore, to some extent, a protected one.

● (1720)

Mr. Jim Fleming (York West): Mr. Speaker, I rise to speak to this bill having spent the first 11 years working within our news system as a journalist in the newspaper, television and radio media. I covered local politics and had my share of so-called "leaks" or inside information. I worked the past five and a half years, until becoming directly involved in active political life, as a news commentator and had the experience of receiving information with regard to which certain pressure was placed on me to reveal my sources. There was, however, no dramatic showdown when I did not wish to do so because I felt it would jeopardize the people who had given me that information which I felt should be made public.

Having said all that, however, I must oppose Bill C-41 because I believe it is not necessary in our system as it functions today. I believe that, rather than helping the media it would be dangerous to the quality of the products of our news media. I believe that if this bill were passed it would serve the reverse of its well-intentioned purpose. As the hon. member for Timiskaming (Mr. Peters) mentioned a moment ago, the news media must have the wherewithal to garner its news and to make it public. I suggest that if this bill passed and became law, and protection of source were given directly in the law, it would not in fact give them that wherewithal. It would put the wherewithal under great question, thus making the honesty and veracity of the press and the media questionable.

I think the issue can be divided into two parts, namely the public interest in the due administration of justice, and secondly, the public interest in the free and unrestricted flow of information and in the accurate reporting of this information. With regard to the former, that is the public interest in the due administration of justice, the free and unrestricted flow of information has prevailed until the present. The common law recognizes today that there is no privilege for newsmen. The common law principle is that there should be no general privilege of confidential communications, with very few basic exceptions. These exceptions are solicitor and client relationships, the Crown, and spouse privileges. These are the carefully reasoned exceptions to this rule. The four main common law jurisdictions continue in consensus on this point, subject to legislative amendments, such as the one we have before us today.

May I start by comparing some other jurisdictions with which Canada has a great deal in common. I begin by presenting the experience in statute law and in common law in England. The United Kingdom Law Reform Committee in its 16th report on Privilege in Civil Proceedings of 1967 stated the desirability of keeping the number of recognized privileges at a minimum, and added that the better solution is to grant a wide discretion to courts to

permit non-disclosure "where disclosure would be a breach of some ethical or social value and non-disclosure would be unlikely to result in serious injustice in the particular case in which it is claimed". The common law in Britain has always upheld such a discretion in the judge to aid the reluctant journalist.

The case law in England is founded in three cases arising out of the Vassal spy scandal of 1963. In all three cases, the courts held that the journalists could claim no privilege, although in particular cases public policy might allow a court in its discretion to grant a journalist immunity. Therefore, the power lies with the court to consider particular circumstances. But always the weight lies not with the special privilege to be used generally by journalists; the weight lies with the law and the protection of society.

In Australia the leading case in McGuiness *v.* Attorney General of Victoria of 1940. The High Court of Australia unanimously refused to recognize any claim to privilege by a journalist. Dixon J. spoke of, "the necessity for discovering the truth in the interests of justice", and said the rule was inflexible that no mere obligation of honour could hinder the public policy inherent in requiring answers in the witness box. So there is the same treatment for everyone. I should like to argue as I go on that the best free press is the one that falls under the same guidelines and rules as any other individual in our society.

In the United States, 15 states recognize a privilege of non-disclosure in favour of journalists. These are the only exceptions for journalists in the entire common law world, and before using them as precedents one must ask, firstly, whether there is a difference from other jurisdictions in government structure. A wholly distinct executive may require more informal checks on its functioning than does the executive in a parliamentary system.

I do not want to go into the complications of this particular situation. We are all aware of the Watergate affair and of the problems in the executive branch. I am sure we have all had discussions as members of parliament with our own constituents and among ourselves in regard to the great feeling of satisfaction we have that we follow the British parliamentary system rather than the split executive-legislative-judicial system of the United States. Certainly, I can see in the United States some difficulty, which the first amendment was an attempt to cope with, because of the power that is held by the executive branch alone.

That is not a problem that we have here. If there is any supicion here that the person at the helm is not releasing information or is withholding facts, the pressures within the parliamentary sytem are such that this person can be forced into resignation because of rebellion within his own ranks, or he could be forced to give the facts. That same pressure cannot be applied in the same way in the United States.

The second situation in the United States is that where statutes conferring a privilege do not exist—that is to say, in the 35 remaining states in the United States and in the federal courts—the courts in the United States invoke the public interest in the due administration of justice in disallowing claims to journalistic privilege. The courts hold that this interest prevails even over the constitutionally protected freedom of the press, although such disclosure may impair freedom of the press.

Let me now come to the situation in Canada. There are two very important points to bear in mind. The basis of these points is that this question has been given very deep thought. It has been gone over in recent years and the conclusions are that this kind of act would not be in the best interests of the country, the press or our laws.

The report of the Ontario commission on civil rights, 1968, recommends that no changes be made in the common law position on the ground that "injury would be done to the administration of justice". The report notes favourably the operation of judicial discretion in this area.

The Senate committee on the mass media of 1970 has recommended that no change made in the common law.

In case law in Canada, the aforementioned English and Australian cases are mentioned. The two leading cases in Canada are Reid vs. Telegram Publishing Co. Ltd. and McConachy vs. Times Publishers Ltd. These cases illustrate that, although a court may relieve a journalist from his obligations to disclose at a preliminary inquiry or examination for discovery, the courts are obdurate in their refusal to grant an immunity at trial. Newsmen, like everybody else, are answerable to the law of the country.

It has not been reliably demonstrated that the absence of a journalistic privilege hinders freedom of information, but if this can be shown in an individual case, then it should be recalled that there is a discretion in a trial judge to grant immunity. Surely that is the answer right there to this whole issue today.

There has been some question in these days of bureaucracy of the press not having a full opportunity, as dedicated or investigative journalists, to get to their sources. If I may say so on an emotional note, over the years, especially during the last two centuries, particularly in countries under tyrannical rule, it has been the members of the press who, at risk to life and wellbeing, have come through with stories which have put pressure upon these nations. It is the tradition of a good journalist to do his very best, with whatever sources are available to him, at risk to his own wellbeing, to make his case commensurate with his principles. Surely, that is one of the great challenges of being a journalist today, one that should remain.

I would greatly fear that, if this kind of special privilege were granted, that challenge would be in jeopardy. No longer would you be sure of the material presented; if the source did not have to be disclosed there would be a danger of not knowing how reliable it was. This would not only depreciate what was found to be credible in the press; it would also depreciate the drive of the newsman at risk to find out the facts.

I should also like to touch briefly on the fact that there is a special lawyer-client relationship. I find no argument with this. Obviously, in order to work in courts and to protect the proper functioning of the judicial system there must be this special privilege. But I cannot see its application beyond an accused having the right to confidentiality with the person who is defending him before the law.

● (1730)

In one case, *The Attorney General v. Clough,* a tribunal was set up to inquire into breaches of security in connection with spying offences committed by an admiralty clerk in Great Britain. The day following the clerk's conviction, Clough published an article saying that the clerk's spying led to foreign trawler spying fleets turning up in the area of certain sea exercises. Clough refused to tell the tribunal the source of his information. We therefore come to a case where someone was able to publish a story without disclosing his source and without having pressure upon him to bring forward the facts to prove they were true. Then we have the case of *The Attorney General v. Mulholland* and the case of *The Attorney General v. Foster.* Both cases relate to the same inquiry.

Mulholland had written a colleague of his in the admiralty, called Vassall "auntie" to his face, that a girl typist had decided that no £15 a week clerk could possibly live the way he did honestly, and that it was the sponsorship of two high-ranking officials which led to Vassall avoiding the strictest part of the admiralty's security vetting. Foster had written that Vassall was known to have bought women's clothing. Both refused to answer questions as to their sources of information. We talk about democracy, which always renders a defendant the rights of an individual, but here is someone before the courts, with no recourse, because he is maligned, things are imputed to him and cannot defend himself. Surely it is basic that every defendant has that right in court.

We also have the case of *McConachy v. Times Publishers Limited.* A trade union official was suing a newspaper for libel, his complaint being that he was made out to be dictatorial and dishonest in the administration of the affairs of the union. On examination for discovery both the reporter concerned and the editor of the newspaper refused to answer questions as to their sources of information. As a journalist, I can see a reason for that; on the other hand, when we talk about the protection of society should such a person really not have the same right of recourse in the courts as any other citizen in order to know the facts of the information so that he may defend himself?

I might sum up by reading into the record a couple of quotations of Lewis H. Lapham who reported for the San Francisco *Examiner* and the New York *Herald Tribune.* He later wrote for the *Saturday Evening Post, Life* and *Harper's Magazine.* Writing in August, 1973, he said:

> City editors give thanks for news of shipwreck and prominent suicide, and the press must always be said to welcome a declaration of war.

As a newsman, one can accept that as being true. He continued:

> Even so, and despite all that can be said or proved about the viciousness of the press, I am addicted to newspapers, and I continue to believe that a belligerent and unruly press raises the best defence against the abuses available to the present system of American government.

As a journalist, I certainly support those words. Then he wrote:

> My objection to the shield law is that its enactment would encourage the press in its most cowardly instincts and so disembowel it.

Later he states:

> Contrary to fond expectations, the passage of a shield law would concede additional authority to those people whom the press chooses to identify as its enemies. Anybody who doubts this has only to consider the present reporting of the Watergate investigations. So many journalists have reported so many statements attributed to unspecified sources (most of whom must be assumed to be lying in their own interest) that the truth of the matter has been wilfully distorted. The resulting confusion serves the purpose of the men hoping to excuse themselves from blame and criminal convictions.

Perhaps I might end on that note because, as a former journalist, I believe it is the strongest point of all. If a journalist does not have to reveal or, as a fighting or crusading journalist, does not have to stand up and give the source of information or face the consequences at a certain point in time, and does not believe that the public interest is so great that he should reveal that source no matter what it means to his reputation as a journalist, then he is in a position to say things and accuse people of wrongful acts when there is no way to prove what his sources of information are or whether or not they are correct. In such a case, the press would not long be in a position to maintain the quality of reporting to which the public has become accustomed.

As much as this bill is well intentioned, I suggest no possible theme could be stronger and better in our society than a desire to do everything possible to keep a free competitive press which has access to information which can be made public. But nothing would be worse than to say we will help the press by giving them special privileges which mean the taking away of the freedom and the guarantee given to individuals in our society, although we appreciate the integrity and drive of the press.

Mr. Denis Ethier (Glengarry-Prescott-Russell): Mr. Speaker, in debating this bill, which I assume is of great importance to everyone in this House and to every Canadian, we are invited to take this opportunity to express our opinions and the opinions of those who elected us. Since this bill suggests that we change or amend the existing law—and I am sure it was introduced after numerous and lengthy interventions by previous members of this House—I wonder if one hour is sufficient time in which to deal with such a bill. Nevertheless, in such a short period I should like to air my views in opposition to the bill.

In a society such as ours the press plays a very important role, even in our parliamentary system. Members of parliament on the government side represent the majority. That is the reason they were called upon to form the government. Members of parliament in opposition represent and defend the views of the minorities. Thirdly, the minorities who have no representatives in this House depend upon the press to defend their views in addition to their duty of informing Canadian citizen of local, national and international events.

At this point I wish to compliment the members of the press for their very precise and rapid system of informing the Canadian people. We certainly appreciate the efforts made by reporters and their informants when we consider the on-the-spot reporting. One might mention the recent Middle East crisis, the Viet Nam war and the Chilean army coup. There is no doubt that press reporters covering

such events risk their lives. This is done for one very important reason—so that the citizens of the country are provided with exact and rapid information. Surely this bill would destroy the reputation for honest and exact reporting held by reporters who take these risks and make these efforts.

[*Translation*]

Mr. Speaker, our press corps enjoys at the present time a reputation which is surely the envy of press people in many countries of the world. That is one reason why I cannot support Bill C-41. By giving our support to such an undertaking, I am convinced, Mr. Speaker, that the reputation which our press corps now enjoys will suffer greatly, since, because of existing legislation, the Canadian people are sure of the veracity of any particular report or piece of news.

If we should be irresponsible enough to accept the principles of Bill C-41, it would cast a doubt in the mind of the reader on the truth of reported facts. The reader would perhaps feel free, although without reason, to question this alleged veracity. I say "alleged veracity", for if information sources are not to be disclosed anymore, would it be not possible, even in this country, to see the creation of artificial information sources or of sources entertaining revolutionary ideas, which, under the cover of anonymity, would do irremediable harm to our country or would destroy the reputation of honesty enjoyed by members of the press in Canada.

[*English*]

Another role the press is called upon to perform in our democratic system is to criticize governments in office when the opposition is too weak to offer positive and constructive criticism. May I add that the press performs this function very well in the present situation. Mr. Speaker, you may think I am drifting from the subject, but I wish to establish the important role the press is called upon to perform in our parliamentary system. The existing law is to reassure Canadians that they are honestly informed and that the minority is honestly represented. There is no doubt in my mind that, with the existing law, the information furnished by reporters is of the highest credibility.

● (1740)

Support of this bill amending the existing law would cast serious doubt on the future of the very important role which the press performs in our parliamentary system. Can you imagine a politically interested reporter who would resort to so-called artificial information or, may I say, non-existent sources of information to attack or accuse certain people or parties of wrongdoing just because the law had been amended and the door opened for such practices? For these reasons, Mr. Speaker, I wish to register my opposition to this bill.

[*Translation*]

Mr. Romeo LeBlanc (Westmorland-Kent): Mr. Speaker, I can understand the feelings which prompted the hon. member for Timiskaming (Mr. Peters) to introduce this bill but it seems to me that if he wants to protect journalists against some possible abuses, he also opens the door to dangers we cannot ignore.

[Mr. Ethier.]

As a former journalist, I take part in this debate for a few moments because I think that we deceive ourselves enormously if we think the quality of information can depend on some sensational leaks which can occur, by exception, and which would not be the outcome of continued, lasting work.

I think that in many cases information is available. It is sufficient that journalists work on it, that newspaper owners pay journalists well and give them enough leisure time to pursue the information work they want to do. I think that in many cases the judgments we give on some journalists should rather apply to the owners of newspapers who make them work too rapidly and in a way journalists could not accept if we want them to do careful and serious work.

Mr. Speaker, it seems to me that giving to a particular group the privilege claimed by the hon. member for Timiskaming (Mr. Peters) is creating a new category of citizens, and I do not know many professional journalists—and I emphasize the word "professional", because I feel that in that trade one must be professional—I do not know many professional journalists who do not prefer a system under which they have to defend what they write, rather than to take refuge behind some kind of shield known as legal privilege.

Mr. Speaker, that is why I cannot support this bill and I think that on reflection my hon. colleagues will do the same.

[*English*]

Mr. Rod Blaker (Lakeshore-Lachine): Mr. Speaker, I rise somewhat in the same mood of examination of this bill as the hon. member for York West (Mr. Fleming) who spent a considerable number of years in the business of journalism. It has been said that inside every fat man there is a thin man screaming to be let out. Perhaps inside every lawyer there is a journalist screaming to be let out. I might add, therefore, that I spent the greater part of my professional life in law before becoming a journalist, so that I find the bill presented by the hon. member for Timiskaming (Mr. Peters) particularly interesting to me and, I think, to many people including my confreres both in law and in journalism.

If I were to begin an examination of the bill, I believe it would be first in terms of what we expect from our system of justice. It has been mentioned in earlier speeches on this subject that there is a possible, although I believe not a necessary, contradiction between the interests of our system of justice, which requires the full disclosure of truth not only for the benefit of a defendant in a criminal trial but also for the benefit of the public, and the interests of the public which require access to the greatest possible degree of information.

Of course, the bill of the hon. member for Timiskaming bill is intended, and I think would in some measure be successful in that regard, to encourage individuals who might not otherwise be prepared to speak to journalists to do so in the knowledge that they would be guaranteed anonymity and that the journalists in turn could not be compelled in a court of law to reveal their sources of information and the documentation or, as in the most

famous case these days, the tapes which go with that information.

We are faced—if I might begin my comments on the bill more along the lines of law than of journalism—with the age-old need to try to combine both truth and justice. While we can easily admit that sometimes justice is seen to be done and yet truth has not been achieved, and sometimes vice versa, none the less I cannot imagine how our legal and judicial system would work well unless we knew we were making every possible effort to bring forth not only justice but all the truth that we can obtain.

We have had many centuries of experience with law, and over the years some very fine minds have developed reasonably good systems which are intended to provide reasonable security and protection of the rights of individuals who are brought before the courts. I am thinking of a particular rule which is hardly ever challenged and is often held up as an example of how the law should work and how justice should be obtained; that is, the rule on hearsay. As a general rule we do not accept the idea that one individual may report on or give evidence as to what somebody else has said, except under very rare circumstances. Yet this bill in some measure is analogous to the concept of creating a class of individuals in Canada who would be entitled and privileged to use hearsay.

This would be in direct contradiction of the laws we have had for centuries. It would also create, as has been mentioned earlier, a special class of citizens of some 2,000 to 3,000 journalists in Canada. These people whom the bill refers to as journalists—I might add, in passing, that I am somewhat concerned about the definition—would be given the absolute privilege of refusing to disclose their sources of information and the documentation related thereto.

The bill, in clause 2, defines a journalist as an employee or self-employed person working in a newsroom in the news service or on the editorial staff. I mention only in passing that there seems to me to be some difficulty with that definition of a journalist. While I realize that a later clause of the bill includes the electronics media, there are a number of people in newsrooms, particularly in the printed press and television newsrooms, who would not qualify under that definition as journalists. If such legislation as this were passed by parliament, we would want to ensure that the definition of "journalist" be much more sharply defined than the one contained in the bill.

I would like to deal for a moment with the absolute privilege which the hon. member for Timiskaming wishes to assign to journalists. Speaking again as a lawyer, let me point out that the privilege which exists between my client and me, as a lawyer, is not for my benefit but for my client's, and it is entirely a matter of his choice whether he wishes to avail himself of that benefit. That privilege exists basically so that he will not be concerned, if he discloses information to me so that I can act on his behalf, that I in turn can be compelled by a judge to give up that information and therefore perhaps prejudice his defence.

● (1750)

That situation is quite similar to what is proposed in this bill with respect to the privilege granted to journalists. This privilege would provide a combination of non-disclosure of sources with an absolute guarantee to anybody who can qualify as a journalist that he need not be compelled in any way to disclose even the facts surrounding his undertaking to give that promise of non-disclosure.

I am concerned that the bill as currently drafted might cause a great deal more injustice than the benefits it would purportedly bring to the public by reason of there being additional access to information. There are many examples of this, but they involve essentially a situation where a journalist—admitting that such an individual can be adequately—defined is party to information relevant to either an ongoing or a recently committed crime. For reasons of his own, and without interest whatsoever in terms of the public welfare, such a journalist could prevent this information reaching the police, the court or the judge in time, for example, to stop the commission of a crime.

Again I say that should this legislation proceed, or should this concept proceed into eventual legislation in Canada, as it has begun to in the United States, then I would be most concerned that we define the word "journalist" more accurately and more extensively and, additionally, that we move very carefully to limit this privilege so that it will not interfere with the normal course of justice and with the protection of the public. There is very clearly a signal and a very real danger, as the bill is currently drafted, that a journalist could become party to a crime and, as such, could not be compelled to give testimony, nor would he have to stand trial as a party or associate to that crime.

The theory of the bill creates some contradictions which I feel might not very easily be accepted by most journalists. The hon. member for York West (Mr. Fleming) has already commented that while on some occasions in his functions as a journalist he had given his word of non-disclosure, if necessary he had been prepared to show the courage of his conviction and accept a jail sentence. That may or may not be a particularly attractive way to resolve the problem, but it does raise the contradiction involved, that is, that the question which underlies this proposed bill is, as I said earlier, that of being able to give the public access to more detailed information while at the same time depriving the community and the courts of the same right. In effect, it would deprive the courts of the right to obtain information it may need in the interests of justice.

Again I would say that if a bill of this nature is brought forward for expected passage in this House, it must be clearly understood that its terms should provide the judge with the final capacity in law to determine which is in the public interest and which is in the interest of the journalist and the people from whom he has obtained his information. Right now this bill permits contradiction. There are cases where one can very easily foresee the possibility that the public benefit would be lost, that the injury caused would be greater than the benefit of having this right or privilege of journalists.

I am also concerned with what the bill would do to journalists. This point has been raised before but I think it can well and safely be raised again: I think it is an extremely important one. I have never yet met a man known in journalism as a competent and able reporter and found him to be in support of a bill of this nature. It has been my experience that those who most strongly look for

the absolute privilege of non-disclosure of sources either have not thought through the dangers of creating a special class of Canadian citizens or perhaps see the possibility of an exceptionally easy way, an exceptionally simple route out of admission of error, out of their own admission of sloppy reporting, out of the admission of conjecture, by simply saying they have an undisclosed source, they shall not disclose that source and they cannot be compelled to do so. I think we would lose, again, the benefits we might achieve by giving up the right of the journalist to give testimony in court, and we would exchange for that the expectation that there would be at least some journalists who would completely abuse the privilege.

I would refer to the practice of recent years known as investigatory journalism, where in effect we see a journalist acting as a public prosecutor. The defendant seems to be an individual who is on the grill or who is being interviewed, and the judge is apparently the mass of the public. That constitutes something very close to a kangaroo court. Whether that trend toward investigatory journalism will continue or whether the extremely heavy expense, of newspapers in particular, pursuing it will prove worth while in terms of the publisher's interests, I do not know; but, hopefully, in the years to come journalists and publishers will come to recognize that the highly refined system of our law and courts, with prosecution, defence and judge, cannot be replaced by a one-man fringe show.

Mr. Peters: That has not been true in the United States.

Mr. Blaker: With respect to the hon. member's comment about the United States—

Mr. Speaker: Order, please. I regret very much having to interrupt the hon. member who has the floor, but the hour appointed for the consideration of private members' business has now expired.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-164, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee

by Her Majesty of certain securities to be issued by the Canadian National Railway company and certain debentures to be issued by Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Keith Taylor (Churchill): Mr. Speaker, I should like to make a few comments concerning the rates charged by Canadian National Railways on their line into Churchill. This afternoon my comments concerned some of the rates, but another factor that militates against the use of the facilities at Churchill is the recent practice of the CNR in going to a cubic rate as opposed to a straight poundage rate. The effect of this method of calculating freight rates has been to double, or triple in many cases, the rate that would otherwise be charged by the CNR. Anyone who knows anything about freight rates realizes that when you are dealing with rates on a cubic basis it is almost impossible economically to ship bulky items. Things like boats that are vitally necessary in the tourist industry such as we are hoping to develop in the north are bulky and the freight rates become almost prohibitive.

We have had many discussions with the CNR on this matter and, of course, the answer always is that the act which governs them makes it absolutely essential that this form of charge be levied and collected. None of the local officials will give any hope of the rates being changed. It is certainly in the vital interest of anyone involved in the tourist industry in northern Manitoba that something be done about this rate which, as I have said, is almost prohibitive.

As I mentioned earlier, Mr. Speaker, the Canadian National Railways is the only means of transportation to the port of Churchill. If we are to develop Churchill, and I certainly hope that will be the case, it is absolutely necessary that the CNR adopt rates, attitude and policies which will encourage such development. All the freight to and from western Canada which goes through the port must use Canadian National Railways. The experience to date is that these rates, and these rates alone, in many cases make it almost impossible to use the port of Churchill as a means of shipping goods to and from the rest of Canada, particularly western Canada.

I should like to refer to some of the rates mentioned in the report of the committee on freight rates, published by Norman Regional Development Inc., in December, 1972. This is a Manitoba organization set up to study freight rates particularly in northern Manitoba and with reference, of course, to the port of Churchill. The commodity rate for shipping to Regina from Churchill is $126 per 2,000 pounds for 844 miles. From Montreal to Regina the freight rate is $82.20 per 2,000 pounds for 1,711 miles. So the CNR charges $43.80 more for 867 less miles. As far as machinery is concerned, between Churchill and Regina the rate is $56.80 per 2,000 pounds for 844 miles, and from Montreal to Regina the rate is $96.80 for 2,000 pounds for 1,711 miles. In this case the Churchill rate is $40 lower. At the Montreal rate per mile, the rate to Churchill would be $47.75, which would amount to a further saving of $9.05. Let me quote the rate for automobiles sent to Winnipeg from Churchill. The rate is $144 per 2,000 pounds for 978 miles. From Montreal the rate is $76.80 per 2,000 pounds for 1,354 miles.

Thus, the CNR quotes for Churchill $76.20 more for 376 fewer miles.

● (2010)

It is this type of policy which is at the root of complaints of those who are actively involved in the promotion and development of the port of Churchill. If the rates were fair and equitable they would make Churchill the most competitive port for shippers using western Canadian destinations. Yet because of the existing freight rate structure, the main reason for our difficulties, this is not the case. With present rates we find that shippers are reluctant to use Churchill.

Many developments are taking place in western Canada which affect the port of Churchill. I think the CNR owes a duty to all western Canada to review its freight rate structure and give relief to present users of the port in order to encourage its greater use. I have listened to various ministers of the government making excuses as to why the port is not being used to greater advantage. If they were to take a good look at Churchill and actively promote its development, they would not find any difficulty in convincing customers to use the port. Despite the policies of the government, many people are interested in using the port of Churchill.

The minister responsible for the Wheat Board, who is present in the chamber, made a great to-do in announcing that the Soviet Union had shipped wheat from Churchill for the first time. Anyone who has been associated with the port knows that was not the first time this had happened. It was merely another attempt on the part of Soviet authorities to use their know-how in making further use of that port with which they are familiar. They are more familiar with the conditions around the port than we are, and are better able to cope with those conditions than we are. The technology is there; it is the willingness to use the port that is not there. If it were, the port could be developed to handle a much greater capacity.

As I said, despite the lack of promotion there still is considerable interest in the use of the port by coal producers, sulphur producers and many others who ship bulk products which can be conveniently stored during the winter months and shipped out during the regular shipping season. However, we have yet to convince the Minister of Transport (Mr. Marchand) and the National Harbours Board that this is the route we should be taking. The minister should speak to Canadian National Railways and encourage the company to develop a rate structure that will promote increased use of the railway lines running to and from Churchill. That would be in the best interests of all residents of Manitoba. If we made greater use of that port, it would be of benefit to all western Canadians. Quoting government-supplied figures relating to this important port, I have shown that even with present CN rate structures it would be of advantage to us all if there were greater utilization of Churchill.

May I bring one further important point to the attention of the government and of the minister responsible. In view of the current energy crisis we are looking more and more to the north, particularly to the Arctic Islands, for our future petroleum needs. The resources are there in known quantities and merit immediately development. Yet we are still waiting for policies to be adopted by the ministers involved which will show us how these resources are to be developed.

An hon. Member: Don't hold your breath.

Mr. Taylor: Canadian National Railways has a vital role to play in the development of any sector of this country, particularly the north. I suggest to the minister that Canadian National Railways should examine the possibilities of a pipeline, and the role that the railway might play in the construction of such a pipeline, which would run from the Arctic Islands to Manitoba. It could be used to tap the vast petroleum resources in the north.

I suggest, further, that Canadian National should now be making proposals to the parties who would be involved in the construction of such a pipeline in order to encourage the use of railway facilities. We could reach and develop the Arctic Islands and deliver the resources to be found there by using the facilities of the CNR as well as by using the pipeline which would begin in that area.

Time does not permit me to deal with the position that Air Canada holds in my area. Air Canada routes run mainly east and west. A regional carrier, TransAir, looks after the needs of my constituency; but that is another subject. Canadian National Railways and Air Canada are under an obligation to western Canada. If the government's so-called regional development policy is to be enhanced, those companies must again look at the possibility of airport facilities being improved in western Canada. There must be the development of adequate air routes to and from Winnipeg.

Members on my side of the House have spoken in other debates about the merits of using the facilities available in Winnipeg. The advantages to be accrued from the use of those facilities have been nullified by the general policies of Air Canada. If those facilities were used to their fullest potential, Winnipeg would once again become an international air centre, which it ought to be but which it has not been since this government introduced its air transportation policy. I suggest that both Air Canada and CN have much homework to do. If they are looking for leadership, they are not likely to get it from this government. The companies ought to realize that and develop policies which will bring about not only what this government wishes but what the western Canadian provinces have been demanding for years. They are entitled to this, and it could be done without difficulty.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I am pleased to say a few words on Bill C-164, the CNR financing bill now before us. Many colleagues said, when we were debating the Criminal Code amendment, that it was time we finished discussing that bill. I can say the same about this bill, as many of my colleagues have brought to the government's attention the many weaknesses and inequities in our present Canadian transportation policy.

One point I should like to mention has to do with the continued deterioration of rail service in many parts of the country, particularly in the Atlantic provinces and specifically in that isolated part, the province of Newfoundland. Much attention has been directed over the past few

months to our energy crisis and to the difficulty in finding a select and safe means of transportation. In this regard I think reference should be made to some comments of one of the higher officials of Canadian National Railways, Mr. David Blair, vice-president of the Atlantic region. He compared the transportation of energy resources by train with their transportation by truck, that is, by road. I can tell you that Mr. David Blair views most sympathetically the matter of transportation policy affecting the Atlantic region, and his words should be heeded.

● (2020)

Mr. Blair explained that transportation policies and services were based on the assumption that oil and gasoline would be plentiful and cheap for many years to come—of course, that is not the case any more—that these attitudes must change and would change as soon as transportation planners looked at which form of land transport provides the most effective use of the world's limited fuel resources.

A study conducted in the United States in 1970 showed that of the total amount of transportation fuel used in that country, trains accounted for only 3.5 per cent, as against 21.7 per cent for trucks; yet in the same period the railways handled almost twice as many ton-miles of traffic as the highway system. The study showed trains had a gross efficiency of 550 ton-miles per gallon of fuel, compared with 37.6 ton-miles per gallon for highway vehicles. I am sure the figures would be similar for Canada. I hope we can be supplied with similar figures as they apply to our railways, which always seem to be losing money with the taxpayer making up the losses.

If this is true for commodities being shipped by freight, the carrying of passengers must also be considered with regard to conserving fuel and energy. This makes me wonder why Canadian National is on a crash course to eliminate passenger service in Canada, if we can believe the words of the vice-president, Mr. Blair, and there is certainly no reason to doubt them. Another point of interest made by Mr. Blair refers to the electrification of railways in Canada, a process that is being extended in many parts of North America and, indeed, throughout the world. It is a step that offers even more efficiency, as well as a pollution-free transportation system, something for which everyone seems to be striving.

Something else that is difficult to understand is the apparent justification of governments, both federal and provincial, to go in two directions in providing transportation for Canadians. On one hand everyone is complaining about the fact that the cost of land is becoming exorbitant. It is one of the main problems in trying to find land for housing. The government is buying up the same land to provide road accommodation for vehicles, at the expense of the taxpayers. The costs are running away with our planners in government. On the other hand the government, the Department of Transport or the CNR, are eliminating passenger service because of losses. The taxpayer also has to pay for these. What we are really doing is doubling the effect of poor planning on the citizens of Canada when we should be upgrading railway service for Canadians, something which would overcome the runaway costs of transportation.

[Mr. Marshall.]

Canada, with its vastness, was opened to opportunity by the provision and indeed the vision of a railway system to open up the west, the east, the north and the south. However, governments of the day—this is becoming increasingly evident—did not improve the sytem of transportation along these lines but, instead, changed direction because of political timing. The end result has been a jungle of government bureaucracy with the various responsible departments going off in different directions. This has brought us to a point in time where no one knows in which direction he is going. If we continue in this direction we will reach a stage in our development where, because of lack of common sense planning, we will destroy our objective for political ambitions.

It is obvious that with our vast expanse of land in Canada transportation is becoming a very important factor because of its great cost to our citizens. Our planners have become blind to the fact that we must direct every available dollar to controlling pollution and acquiring land for more vehicle transportation. Why, then, have we not realized, as have other countries, that a railway system, particularly because of our vastness, is vital to reasoned development of our nation with its vast resources? However, our planners are going in exactly the opposite direction at the expense of our capability to provide continued progress for the benefit of Canadians.

If it is the intention of the government to push all 22 million Canadians to urban centres such as Montreal, Toronto and Vancouver in the next decade, we might as well quit and eliminate those provinces which are being ignored in the thrust toward providing a quality of life for all Canadians wherever they may live. The province of Newfoundland is a perfect example of what has happened with regard to the devious means of cutting costs without any projected planning by our supposed experts. For some reason or other rail passenger service was eliminated in favour of road transportation because it was decided, at the expense of the public, that road transportation is what is required for the development of our province.

Newfoundland is at a stage now, some 25 years after confederation, where it has the lowest category of trans-Canada roads, rail and transportation service of any province in Canada. There is no province in Canada where factors dictate more that a reasonable and planned transportation policy with rail service for both commodities and passengers would be beneficial to Canadians residing in that province. The problem of transportation in that island province should be directed toward its isolation and the need for uninterrupted service for its future development. It is time meaningful discussions took place to resolve the many simple problems that exist.

There is much talk about the exorbitant cost of living in the province of Newfoundland. The simple reason is the cost of transportation not only to the urban centres of transportation dispersal but to the isolated areas of our province which are suffering most. There is not much point quoting figures and the differences in the cost of food, housing, fuel and all the necessities of family living, but there are certainly enough examples to point out the low priority in which improvements in transportation services are considered in the province of Newfoundland.

I wish to give an example of freight costs. A businessman in my district showed me a freight bill for furniture. The weight of the shipment was 1,040 pounds. The value of the shipment was just over $500. The freight cost was over $170. That amounts to some 34 per cent. Is it any wonder that costs are higher in Newfoundland than anywhere else in Canada?

Another example of the problems in Newfoundland was brought to our attention during the recent railway strike in that province. This was referred to by members from Newfoundland who spoke earlier. The problem has been temporarily resolved, but the situation brought about an inconvenience to citizens which one would not believe possible with our supposed modern methods of transportation. What is the government doing about it? There is another re-organization, another study, another build-up of bureaucracy with new objectives, and another ad hoc approach without long-term planning other than seminars, meetings and more studies which we will probably never see.

We must give some recognition to the government for the fact they are trying to overcome the backlog of problems that exist between Nova Scotia and Newfoundland. However, my main complaint is the lack of projected planning. The port of Corner Brook, which is the hub of transportation activity on the west coast of the province, is an example of the lack of projected planning for future needs. New facilities were provided in 1968, but through lack of foresight the facilities were cut because of, the government said, financial restrictions. It was only a matter of $3 million, and the increase in the needs would be a couple of hundred thousand dollars more. By the time the project was completed a few years later, the storage space provided was too small.

This emphasizes the fact that no one in the government listened to the interested groups about the steady build-up of traffic over the years and the fact that this build-up would continue. Here we are, just a few years later, and the situation has become desperate. There is no space for storing merchandise and this has resulted in cost increases due to breakage, with corresponding losses incurred both by businessman and by the consumer. An extension to port facilities amounting to only 22,000 square feet is required, but it is like pulling teeth to get answers as to the status of the project because in our bureaucratic system it seems no one knows what the other person is doing.

● (2030)

The government is blind to the fact that the economic development of Newfoundland will never be achieved unless transportation is treated in a manner which recognizes the geographic isolation of the island. This focuses attention on the need for improvement in port facilities, the lack of which presently deters the industrial expansion which could take place because of the richness of the province's natural resources.

Another example of the lack of foresight by our planners is provided by the circumstances in which a modern linerboard mill was established in western Newfoundland at the cost of $175 million. Not until the mill was almost completed was it realized that adequate port facilities were necessary to bring the timber resources from Labrador and to provide for the export of linerboard as well as for the pressure of incoming traffic. Already, after only a few months of operation, the presence of some 300,000 tons of commodities has taxed the 950 feet of berthing space available, and the volume of goods piling up will double before the end of the year. It is true that dredging work is presently proceeding under the auspices of the Minister of Transport (Mr. Marchand), but the need to extend harbour facilities has reached emergency proportions.

The western part of the province possesses unlimited natural harbour potential. I suggest every effort should be made to co-ordinate the efforts of the various departments involved, including Regional Economic Expansion, Environment and Fisheries, Public Works, and Transport to develop the potential of this region so as to benefit the province and the nation. Requests have been made to the government to develop the area known as Curling. According to a study completed by provincial government agencies, there is justification for improving harbour facilities there so as to enhance economic development. I suggest to the Minister of Transport that representatives of the four departments I have mentioned should visit the area with me and look into the possibilities in this part of Canada.

As I have mentioned on several occasions there is certainly a need to pay greater attention to the isolated part of Canada which lies to the north. There is particular need for the government to fulfil its promise to provide communication facilities to this part of Newfoundland. I refer to the agency know as Canadian National Telecommunications which comes within the responsibility of the Canadian National system. The report of the CNR for 1972 proclaims improvements in the service to northern Newfoundland, but though I have been in Ottawa for five years I have not seen much improvement in the service: I still cannot get through to these people on the telephone.

The report states that in Newfoundland, the Northwest Territories and British Columbia, the number of customers using CNT long-distance telephone increased by 20 per cent. All I can say, Mr. Speaker, is this: I suspect that whatever part of that 20 per cent increase applies to that area of northern Newfoundland which lies within my constituency consists of telephone callers trying to reach me, or me trying to reach them, and either I can't hear them or the lines are busy or they can't hear me. I can only say, further, that the Telesats and the Aniks have not done much for northern Newfoundland. The situation can only be described as shameful when in this day and age there is little or no communication possible with the part of Canada I have mentioned.

I turn, now, to the subject of air transportation, another form of transport which is low on the priority scale of the Minister of Transport, at least as it applies to that part of Newfoundland where we have the convenience of air travel. Here, again, there is a conflict of interest, if I can use that term. On one hand, when one wants to move from Newfoundland to the mainland one finds the most dedicated employees of Air Canada ready to help, but when one wants to move from the mainland to Newfoundland the reverse is true.

I venture to say that service on an Air Canada flight to my province can only be compared to the third-class service one used to get on the Newfoundland railway prior to the expressed intention of downgrading passenger service so that it could be eliminated altogether. If I had the time, Mr. Speaker, I could relate the greatest stories that could ever be told in connection with air travel to Newfoundland.

I have made some 132 trips to my district in the last five years, most of them by Air Canada, and the inconveniences I have experienced, and which must have been shared by most of the west Newfoundland passengers, are hard to exaggerate. The attitude of the stewardesses on these flights indicates they feel it is a punishment trip inflicted upon them for something they did wrong. I can say without fear of contradiction that many of them do not even know where they are going. Certainly they do not know the stops after they leave Sydney, because I have heard their announcements. Certainly, too, Air Canada officials do not know what it means to provide a little comfort for passengers; after trips back to my district I often end up with a charleyhorse.

In their efforts to save a few dollars, officials tend to eliminate or curtail service to citizens who are just as much Canadian as those in the larger urban centres. Here, again, no consideration has been given to the continued build-up of traffic, both passengers and freight, to and from the west coast of Newfoundland. I can only suggest that officials of Air Canada, particularly the vice-presidents of every department, should follow the example of the service provided in the smaller centres by their Air Canada staff and learn what service really means, even though they do enjoy a monopoly of passenger service.

To summarize, Mr. Speaker, I would refer to the obligation undertaken by Canada toward the province of Newfoundland in accordance with the Terms of Union, specifically section 32 which states:

> Canada will maintain, in accordance with traffic offering, a freight and passenger steamship service between North Sydney and Port aux Basques which, on completion of a motor highway between Corner Brook an Port aux Basques, will include suitable provision for the carriage of motor vehicles.
>
> For the purpose of railway rate regulation the Island of Newfoundland will be included in the maritime region of Canada, and through traffic moving between North Sydney and Port aux Basques will be treated as all rail traffic.
>
> All legislation of the Parliament of Canada providing the special rates on traffic moving within, into, or out of, the maritime region will, as far as appropriate, be made applicable to the island of Newfoundland.

Mr. Speaker, these terms are very vague and do not meet the changing conditions which have come about over the years since 1949. It is incumbent, then, upon the Government of Canada to review the Terms of Union to give Newfoundland the consideration it deserves as part of our great Canadian nation. It is obvious that the Minister of Transport is cognizant of the transportation needs of all Canada—he has shown his sympathy—and I can only request that even though the population of the province of Newfoundland makes up only a small proportion of our nation, he will recognize, as pledged by his Prime Minister (Mr. Trudeau) and many of his colleagues, that every Canadian, regardless of where he lives, should be able to enjoy the benefits of Canada's wealth and quality of life.

[Mr. Marshall.]

• (2040)

Mr. Doug Rowland (Selkirk): Mr. Speaker, I should like to use the same point of departure as the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), and that is to say that it is about time this country, and specifically its government, took a good, long, hard look at its transportation policy. Indeed, that look is long overdue. The government should begin immediately preparation of a paper on transportation policy that will take into consideration road, rail, air and sea transportation and which would be transportation's equivalent of the orange paper on social security that was presented to this House earlier this session. In other words, we require a draft national transportation policy. We urgently require a document that could serve as the focal point for discussion of transportation in Canada by the relevant parliamentary committees, public servants both federal and provincial, the transportation industry, unions and management and by other interested parties.

To my mind, the point of departure for any such paper should be that transportation is part of the infrastructure of this country and an instrument of national policy, one of the several means that a nation can employ to realize national ends, such as the elimination of regional economic disparities and the arresting of the trend toward rural depopulation and the overgrowth of our cities. In a phrase, the point of departure of any such study should be service to the public rather than consideration of profitability. Such a study should set out national objectives and the design of a transportation policy to serve those objectives. Profitability should be a very much secondary consideration. This is not the case today with respect to the transportation policy of Canada, such as it is.

To me, it is the epitome of madness to see the Canadian Transportation Commission making decisions with respect to rail line abandonments that take into account the profit and loss picture for that particular piece of line but not the costs that would be incurred by provincial governments which, in order to replace that abandoned line, would have to build more highways capable of carrying much heavier bus and truck traffic, at the costs of farmers and merchants affected who would have to abandon trucks suitable for short-haul situations and purchase new and vastly more expensive long-haul equipment.

It is absolutely ridiculous to hear the Minister of State responsible for housing and urban affairs assert the necessity of arresting the trend toward increasing concentration of the Canadian population in a few urban centres and virtually simultaneously have the Air Transport Board approve an application by Transair Midwest to abandon its Brandon-Dauphin-Yorkton run. Obviously, if urban growth is not to continue at a horrifyingly unacceptable rate, smaller centres will have to be made more attractive to the existing population, especially the young people who live there, to industry, and to industry's skilled employees most of whom are now located in major urban centres. One obvious means of accomplishing that objective is to provide smaller centres with rapid transportation facilities, rail and air as well as road, as closely equivalent as possible to those available in major urban centres. Certainly permitting abandonment of services

like Brandon-Dauphin-Yorkton is not the way to accomplish that goal.

The propensity of the transportation commission to approve applications for abandonment of air feeder lines, rail passenger service and rail lines, runs directly contrary to the objective of making smaller communities in Canada attractive places to live, and thus counter the trend to urbanization. Even more ridiculous is the lack of co-ordination between the government's programs to promote greater economic equality on a regional basis through the Department of Regional Economic Expansion particularly and its failure to develop a transportation policy that would further that objective. Indeed, the government's decisions with respect to transportation most often have exactly the opposite effect to that of removing regional economic disparities. Freight rate structures, for example, as was forcefully demonstrated by the four western governments at the Western Economic Opportunities conference, run directly contrary to the objective of fostering economic growth outside of central Canada's economic heartland.

In this regard, I think hon. members should pay particular attention to the kind of arguments presented this evening by the hon. member for Churchill (Mr. Taylor) in discussing the difficulties encountered in his own area as a result of inequalities in the freight rate structure, a structure that bears no relationship to the economic objectives of this country. Despite promises to correct the situation which the federal government made at the Western Economic Opportunities conference on the subject of freight rates, we have seen little evidence of government action in this regard.

An even more topical example of the government's right hand undoing the work of its left hand, more topical since talks on the bilateral air agreements reopen tomorrow, are the tentative agreements reached respecting air charter service. If I may refer to Suntours, this is a Canadian development conceived and executed by Canadian air carriers. Essentially, Suntours involves the provision to Canadians of the opportunity to take relatively brief and inexpensive tours to the world's sun spots during our colder months. The program is a major component of Canada's air charter business. In turn, charter business provides our regional air carriers with one-third of their revenue. Further, regional air carriers are major corporate citizens in some of our less advantaged regions. For example, Transair Midwest Aviation employs somewhere in the neighbourhood of 700 people in Manitoba and northwestern Ontario. It is a big outfit in that region.

With all these facts before it, what does our brilliant federal government do when it comes to negotiating an air charter agreement? During negotiations for a new bilateral air agreement it opened the discussions on an air charter agreement by offering American carriers about 30 per cent of the Suntours business. That was its opening offer. The government said, "We will give you 30 per cent of Suntours' business". And what does the government demand in return? Nothing. The whole thing is strictly Alice in Wonderland.

It is my understanding that the regional carriers and major air charter lines in Canada have prepared a submission for the Minister of Transport (Mr. Marchand) in which they urge the government to modify substantially its position respecting the air charter agreement. I would urge the minister in the strongest terms to pay the closest possible attention to those submissions, because a healthy air charter business is extremely important to the economic well-being of a number of the less advantaged regions of this country.

The bilateral air agreement as it affects scheduled commercial flights provides yet another example of the lack of any co-ordination between the government's policies of regional economic development and transportation. For years the government of Manitoba has been calling for a direct service by Canadian carriers from Winnipeg to Minneapolis, Winnipeg to Denver, Winnipeg to Chicago, Winnipeg to New York and Winnipeg to Los Angeles. At the Western Economic Opportunities conference the western premiers were assured that the representations of Manitoba and similar representations by other western governments would receive every consideration. The result was that the bilateral agreement does not guarantee Canadian carrier operations on any of the suggested routes until 1978. Moreover, it is not until halfway through 1976 that there is any possibility of a Canadian carrier providing service on any of those routes, and this involvement could only be advanced in the event of the total failure of the American carriers to provide the desired service by that time.

What happens in the interim, Mr. Speaker? Western Canadians wishing to travel to major eastern American centres will continue to be funnelled through the already overloaded facilities at Toronto and Montreal. In the case of the Winnipeg-Minneapolis run, Northwest Airlines, an American carrier, will continue to have the monopoly and, holding the monopoly, will continue to provide rotten service. I say "rotten service" advisedly. Moreover, in the event of another strike against that airline, Winnipeg will once again be without any air service to Minneapolis for the duration, which is bound to be lengthy because of the revenue-sharing agreements that American carriers have to cover strike situations.

Among other things, this means more damage to the Manitoba tourist industry of the magnitude that we in that province experienced during the last strike when, to mention just one business, $30,000 had to be rebated to persons from the Minneapolis area who had booked on the cruise boat *Lord Selkirk II.* And this was just one very, very small part of the tourist industry of Manitoba. I hope that when the talks on the agreement resume tomorrow, our negotiators will be doing all in their power to serve Canada's legitimate regional interests and aspirations.

● (2050)

I now turn to another area of federal concern, that of pollution abatement. It is a demonstrable fact that trains contribute only one-fifth the pollution of the atmosphere that highway traffic necessary to move an equivalent number of people contributes. Nevertheless, the CTC has blindly granted permission to the railways to reduce the transcontinental and intercity passenger service to almost zero and has made no protest about the downgrading of service on the remaining runs, which downgrading of service is calculated to make rail passenger travel even

less attractive than the inconvenient schedules now make it. Where is the sense in that?

Then we look at Air Canada and CN, the two major Crown corporations in the transportation industry, and we see an even greater conflict between the expressed policies of our government and the actions of its agencies. Air Canada has consistently operated in a manner directly opposed to current expressions of government concern about our concentration of population in major urban centres and the desirability of removing regional economic disparities. In so doing Air Canada, and TCA before it, consistently misrepresented, dissembled and outright lied without having ever experienced even the mildest reprimand from the federal government which is supposedly its master.

In 1948, Winnipeg was the headquarters of TCA. Today only about 1,400 of Air Canada's employees find jobs in Winnipeg. Moreover, significant numbers of those carried on the books as Winnipeg employees, I am reliably informed, now find themselves on perpetual three to six months' temporary assignments to Montreal and Toronto. Further, better than a third of Air Canada's employees located in Winnipeg are engaged in accounting functions in the financial section. We have learned that Air Canada has ordered a new computer which will be capable of carrying out many of the functions now discharged by employees of the Winnipeg financial section. Where is the new computer centre to be located? In Montreal, of course—a city with a population of 2½ million. Specifications for the equipment, for which a tender has now been let, specify only remote terminals for Winnipeg. Why? Well, Air Canada says that it is more efficient to have the computer located as close as possible to its prime users. That statement is arrant nonsense in a world of instantaneous communication by telephone, teletype, electronic data transmission, and so forth.

Because of modern communications methods, computer centres for electronic data processing can be located almost anywhere, even thousands of miles from the user of the services or the head office of the organization, with little or no functional difference in the operation's output of the centre. The computer's raw material is information; its finished product is information, and information can be transmitted electronically by cable, satellite or microwave. Information is thus almost completely freight-insensitive. Nevertheless, in direct contravention of at least two key government objectives, decentralization and elimination of regional economic disparities, Air Canada is locating its computer in Montreal.

If hon. members require factual data rather than theoretical argument to convince them that the computer could just as well have been located in Winnipeg, let me draw these facts to their attention. United Airlines, in the United States, has its head office in Chicago. Its main reservations computer is in Denver. Its overhaul base and computer for overhaul are located in San Francisco. Eastern Airlines has its head office in New York city, yet its computer centres are located in North Carolina and Florida. Clearly, Air Canada could have assisted in the regional development of computer processing skills, but it chose not to do so and the government has said nothing. Air Canada has promised no reduction in employment in Winnipeg as a result of its decision. Leaving aside any consideration of the calibre of the jobs to be left in Winnipeg, permit me to say I view Air Canada's promises with a highly jaundiced eye.

[Mr. Rowland.]

Let me review the record. In 1948, the Right Hon. C. D. Howe, then minister of transport, stated that 95 per cent of TCA's activities would remain in Winnipeg. In 1948-49, TCA moved its headquarters' personnel to Montreal. In 1949, appearing before a federal transport committee, the president of TCA said:

> TCA's long association with Winnipeg has been a very happy one and will continue as long as I can see.

In 1950, the staff of the TCA publications department, the company stationery department and a number of technical functions, were moved from Winnipeg. In 1950, J. C. Bain, maintenance manager of TCA, stated that it would cost $1 million per year over ten years to move personnel, clearly implying that such was unthinkable. In 1951, a major portion of the engineering department and the radio technicians were removed from Winnipeg. In 1952, it was the communications laboratory. In 1956, it was the radio shop. In 1957, following assurances by the president that overhaul operations would not be transferred, a further 100 employees were removed to Montreal. In 1960, the instrument shop and processing laboratory were moved. In 1960, engine overhaul and stores were moved. In November, 1963, then Prime Minister Pearson said in this House:

> I am therefore now able to announce the change from the previous expectations announced a year ago that the overhaul and maintenance base in Winnipeg will begin to be phased out early in 1966. For at least as far ahead as planning now extends, that is at least ten years, the Winnipeg facilities will continue to be used.

On October 5, 1967, Air Canada announced that it intended to close the base, and that has been done. So forgive me if I do not believe a word Air Canada says. Winnipeg wants that computer centre and by any standards you care to apply, moral, economic or political, Winnipeg has a right to the computer centre. If the federal government really means what it has been saying about western economic development since October 30, 1972, let it begin to offer concrete proof of its commitment by instructing Air Canada to locate the computer centre in Winnipeg. If management does not like it, find a new management, because there is certainly no point in having a Crown corporation if that corporation does not act to assist in accomplishing the stated goals of government, and even less point if it acts directly contrary to government objectives.

I will go further. There are rumours that Air Canada wishes to purchase a number of Boeing 727s and 737s. If this course is pursued, then I would suggest Air Canada should be instructed to establish a Boeing service centre in Winnipeg capable of maintaining not only its own Boeing aircraft but also those of the Canadian armed forces and regional carriers which lack appropriate major overhaul facilities.

Alternatively, Air Canada could contract out its Boeing maintenance to the CAE in Winnipeg, thus enabling that company to provide a Boeing maintenance facility. In any event, let us get some of the highly skilled jobs now increasingly concentrated in central Canada out west or into the Atlantic provinces. In this case, because of its long

association with Air Canada and its central location, Winnipeg would seem to be the logical spot. Just once I would like to see a minister tell Air Canada to do something. I would bet the sky wouldn't fall!

I have spent some considerable time attempting to illustrate the need for the government to develop a transportation policy which would enable transportation to be effectively employed as an instrument of national policy. To me, the first step in any such program beyond that of producing a well-researched and documented discussion paper and, ideally, draft legislation, would be to amend the legislation establishing the Canadian Transport Commission so as to replace references to "profitability" with "service to the public". Were that done there would no longer be any danger of carrier economics being equated with public convenience and necessity as in the recent decision, already alluded to, to permit Transair Midwest to abandon its Brandon-Dauphin-Yorkton run. Surely in this case it must be obvious that Transair was granted the lucrative Winnipeg-Toronto run not so as to provide additional competition for Air Canada but, rather, as a cross-subsidy which would enable it to maintain other less profitable routes.

● (2100)

The same in the case with CN and other railroads. The legislation must make it plain to the CTC that its role is not that of sympathetically nodding its head as the railroad trots out arguments to demonstrate that this branch line or that, this passenger service or that, is losing money and therefore should be abandoned. Rather, the CTC's role should clearly be that of pointing out to the rail companies that the large grants of land and mineral rights given to them by the Canadian public were designed to permit the rail companies to provide a service to the public and that the losses, if any, of the railroad operations should be balanced against the investment profits which have resulted from those grants of land and mineral rights.

For too long we have had governments which have judged the efficiency of our Crown corporations engaged in transportation exclusively on the evidence of the balance sheet. It is about time we began to judge their efficiency in relation to the service which they provide to the public and the degree to which they further the accomplishment of national objectives.

There are so many areas relating to the operations of Air Canada and the CN requiring comment that the difficulty lies not in discovering what to say but what may legitimately be left out. What is the government doing, for example, about the inadequate maintenance carried out on rights-of-way by CN? Why is CN not devoting more of its resources to the research and development of rapid intercity rail transportation? Why, for that matter, is the government, which is providing an $80 million subsidy for the development of short take-off and landing aircraft, not spending equivalent amounts to improve rapid intercity rail transport? The potential benefits in terms of spin-off are just as great, given the interest in rail transportation in the rest of the world.

I could go on, but I will take the time only to draw one further problem to the attention of members of this House and the minister in particular, namely, the plight of the railroad pensioner. For some time now the railways employees pension association has been drawing to our attention, the attention of the public and the attention of the railroads and the railway unions, the need for improved pensions. I hope that the Minister of Labour (Mr. Munro) will see fit to appoint a commission of inquiry or to expand the terms of reference of the Deutsch commission now attempting to determine the actual cash value of the railways pension plan, expand those terms of reference or create another commission which will allow an inquiry into the entire range of problems associated with railway pensions. This proposal has been put to the Minister of Labour before in the House and he has indicated that he intends to give it sympathetic consideration. I see him nodding his head, and I hope that that sympathetic consideration will result in some concrete action in the near future.

The demands made by the pension association, after all, are relatively modest and quite in keeping with the pension legislation recently passed in the House modifying old age security legislation, the guaranteed income supplement legislation, public service pensions legislation and other measures. We have all received cards listing the desires of the railway pension association. I think it is worth while to put those demands on record. Their first demand is a 2 per cent pension retroactive to entering the service. The second is an escalator clause in line with the cost of living index, including a minimum increase of 2 per cent a year. The third is early retirement without penalty on a voluntary basis. The fourth is improved survivor benefits. The fifth is a request to upgrade railway pension plans in line with the provisions contained in the Public Service Superannuation Act, 1970, and its amendments.

Those are relatively modest demands which, I submit, the CN could meet and which the CP could certainly go a long way toward meeting. CP could afford to meet them, but there is less chance of government action affecting the decisions of CP, unfortunately. In other years the Minister of Transport has given assurances during debates such as this that he would do all in his power to influence the railway companies to improve benefits for pensioners. The exercising of that influence, with the backing of the House, has in the past produced benefits for the pensioners, in some cases rather substantial benefits. I would like very much to hear a similar undertaking from the Minister of Transport before we allow the debate on this bill to end.

● (2110)

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, our country is experiencing a most remarkable development. This is encouraging for us all and from every point of view. It is more and more normal that transportation and communications between citizens and the various locations in the country progress also at the same tempo as the population and the production of necessary goods and services for all Canadians.

If Canada's development is achieved by the work of its citizens, thanks to its nearly boundless natural resources, it is essential that the government finance the development or the creation of transport bodies requiring too

much capital to be left solely in the hands of individuals who cannot dispose of sufficient funds.

This is why, in view of these circumstances, we must vote supplies so as to ensure the development of the Canadian National Railways and Air Canada. In principle, Mr. Speaker, I can only approve the provisions of these funds by this government or the guarantee by this government on securities or bonds and debentures to be issued to finance these developments of the CN and Air Canada.

Without dealing with all the details, I note that the CN is authorized, in 1973, to make capital expenditures including investment in securities of affiliated companies not exceeding in the aggregate $225,500,000, to enable the National Railway System to make capital expenditures of $75 million during the first six months of the calendar year 1974 for discharging obligations incurred prior to January 1, 1974, and to enter into contracts not exceeding $167,500,000 before July 1, 1974, for equipment, additions and conversions requiring payments after the calendar year 1973.

I spare hon. members some details in order to save time. But one can also see, in this list that we must recommend the provision of loans or the guarantee of securities to Air Canada not exceeding $140,000,000 for discharging obligations of the airline that become due and payable in the period January 1, 1973 to June 30, 1974.

I leave a few more details aside and come to the clause that ends up the whole thing, and which is designed to authorize Her Majesty to make loans to the Canadian National Railways Company and Air Canada to meet deficiencies in operating revenues to June 30, 1974, any such loans to be repaid from revenues of the Railway Company and Air Canada or, if revenues prove insufficient by subsequent deficit appropriation by Parliament.

Mr. Speaker, in clause 15, one can read that section 3 of the Canadian National Railways Refunding Act, 1955, is repealed and the following substituted therefor:

"Subject to the provisions of this Act, the National Company may issue notes, obligations, bonds, or other securities (in this Act called "substituted securities") in respect of any refunding pursuant to this Act, to an aggregate principal amount not exceeding one thousand million dollars, and the Governor in Council may authorize the guarantee by Her Majesty in right of Canada, of the principal and interest of the substituted securities."

Mr. Speaker, we are being asked to give Canadian National and Air Canada officials some sort of a blank cheque for the amount of $1 billion that they can borrow under the terms they want and at the interest rate they will determine both for things already mentioned and things to be determined.

Here again, Mr. Speaker, as a new member I am surprised at such a way of giving carte blanche to employees, and I cannot help noting it before our ministers and hon. members who wonder why Crown corporations always incur deficits while the Canadian Pacific makes profits.

It is often said that small private businesses must not be administered as the government or government businesses are because they will soon be bankrupt. The aforementioned examples show it well.

So far as the CNR is concerned, the most important fact that makes that large business nearly impossible to administer with profit is the build-up of huge capital that

contributed to the creation of that company, the construction of railway tracks, that ribbon of steel and wood that crosses Canada from east to west and from the Pacific to the Atlantic.

I would not want my remarks to be interpreted as a general blame because it must be recognized that those railways were necessary and that in the main they contributed to the development of Canada. This country would not be the same today had those railways not been built.

When we look today at the annual statement provided by the company itself for 1972, for instance, we notice that the administration by itself is making a profit but that this administrative profit is consumed and surpassed by the interests alone on the debt accumulated since the beginnings of the company. This eternal debt will never be paid and involves increasingly higher interest rates each time there is a renewal of bonds which have expired and can only be reimbursed by the current revenue and expenditures administration.

If we look at the main figures of the 1972 statement, we see that the Canadian National has made net profits of nearly $24 million on the administration of the railroad, but that the interests on the debt eat up this profit and have even caused an increase in the deficit of nearly $18 million. This must be paid by floating a new issue which contributes to boost the total and eternal debt of the Canadian National. New interests will have to be paid on this debt at increasingly higher rates, as long as the decision is not taken to make reforms in this area, particularly as concerns interests on the capital.

In the present circumstances, the important thing is to understand what is going on, without intending to bring any changes. If we can do this, we shall see what needs to be changed because there is no limit to human intelligence, except that which it creates itself by leaving things as they are. This is much easier than changing our methods and it is also much more profitable for some people.

There is only one question to ask if we want to see things as they are and bring the required changes as easily as possible and that is: Whom does it profit? Who benefits from interest on capital? Who supplies this capital? How do they manage to generate it? And finally, if some people can provide us indefinitely with this capital, why could we not find it ourselves here in Canada?

I may be going a little far in my remarks on capital and interests that we are considering concerning the CN, but what is true here is also true in all other cases of capital issues at the rate of millions and billions of dollars. We might perhaps understand these financial problems a little better if we wanted to take a little more time to examine this phenomenon of everlasting debts which burden our annual operations. In 1973, we must still authorize the CN and Air Canada to borrow, to capitalize with the guarantee of the state or Her Majesty for an amount not greater than $1 billion.

Since we are talking about the CN, I would like to comment on the fact that the recent strike could have been prevented if the authorities had striven for good management and if the managers had been aware of and felt

responsible for their own interests as well as those of the population.

In recent times, three railwaymen and one foreman were responsible for the maintenance of seven miles of track. There are now only two workers for the maintenance of 20 miles of track. Naturally, it follows that tracks are less safe, derailments more frequent, thus causing thousands of dollars in losses and damages to all kinds of materials.

One can say that these are cheese-paring economies. However, as I was saying, shrewd administrators would have prevented the recent railway strike. When amounts lost in transportation revenues, salaries and taxes are considered, as well as the wages paid to employees that were moved by bus throughout the country, at a daily cost of $28 per employee, which employees were often brought back to their starting point without getting any job or doing any work, economies would have been realized. This was going on during the work-to-rule strike that lasted about three weeks.

If we add all these unnecessary expenses made during the strike, we would be surprised to find that they would have been sufficient to pay the increase asked for during the strike. Again one can be sure that the government's billion dollar corporations cannot be administered like small private enterprises. It remains however that the administrative processes are almost always the same whether they have to do with big, average or small concerns. There must always be revenues, expenses and profits; but one must not make excessive expenses on purpose. For instance, I know that in my constituency of Rimouski, a man came all the way from Campbellton, New Brunswick—100 miles—to replace a window pane in the railway station. Ridiculous, is it not?

I was told that a car and an unlimited credit card were made available to Canadian National employees on a year-round basis, for a fixed and round sum of $50 a month. At that rate, Mr. Speaker, nobody would buy a car in his own name. Corporations would provide cars for all their employees with expenses paid by the corporation, and everything would be added to the yearly administration costs, which would increase the cost of products as well as the annual deficit of those corporations. If that can be done for corporations financed by the Canadian government, it is impossible in private industries, be they small, average or big.

Another comment one often hears is that along the railroad tracks between Vancouver and Halifax there is material going to waste—enough to pay for the employees' salaries for many years to come.

We hear a good number of similar comments, on numerous subjects, especially on the shameless waste that goes on in the Canadian National administration. That could be the object of a royal inquiry on the general administration of that national corporation where senior employees are nevertheless pretty well paid, so that private companies could take a leaf out of the administration's book. But what happens is the opposite.

The more capital is borrowed to subsidize the company, the higher the interest and even the interest rates. The more the company expands, the deeper it gets into debt and standing expenses. It reminds us of a bogged down car. Every turn of the wheels sinks it deeper in the mud.

Mr. Speaker, what is the use of talking about it since the custom is established. The government makes up the losses whether the administration is good or not. That is what must be in the minds of the administrators of the big publicly financed companies where profits are not incentives to further a good and healthy administration.

● (2120)

[*English*]

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have sat in the House during this debate and listened with great interest to my colleagues on all sides speak of the advantages and disadvantages of the service of Canadian National Railways, of railroad problems generally, of airline problems and of the advantages that various areas of Canada enjoy or the disadvantages that they suffer. Some who spoke were concerned about the island economies of Canada which suffer a certain kind of geographic remoteness. They have indicated that this geographic remoteness is complicated by further remoteness caused by inefficient and ineffective transportation facilities which affect the growth and lifestyle of those island areas.

Members from other parts of Canada, notably the west, have spoken of the abandonment of rail lines and the feelings of isolation which are generated as a result. There is isolation from the point of view of a way of life and from the point of view of the operation of businesses and farms. If we accept what members from the west have said, and I think it ought to be accepted, there are some great difficulties with railroads.

I think it is important, Mr. Speaker, that we remember that railroads did not come about by accident. They were instruments of Canadian national unity and the togetherness of the disparate areas of Canada which were separated by great distances where between points of emptiness there were pockets of people. The railroads brought those people together. It is not by accident that the largest committee room in this building is called the railway committee room. I think that is an indication of the significance of the railroads in our early life.

There is another kind of isolation that I should like to deal with, namely, the kind of isolation that we in eastern Ontario feel. This is one of the last areas of Ontario to develop industrially. I speak now from the point of view of secondary manufacturing industries which are so important to this area if we are to provide the number and the variety of jobs for the young people who grow up here. This is necessary so that fewer will leave and that we may retain their talents and skills. I believe that railroads in this part of Canada can lessen this isolation in the sense that I use the term.

I speak now of that area of eastern Ontario which I represent, and perhaps cities to the east and west and up the Ottawa Valley. As time has passed there has been a deterioration in the service that the railroads have offered with respect to freight and passengers. In this part of Ontario we have had to rely to an increasing extent upon the highways for the delivery of goods and people. As a result, the highways have become cluttered with trucks, buses and automobiles and the quality of life has been

affected. So in a sense we have been isolated from the service that should be provided by an efficient, well accepted railroad system which should grow and change to meet the new needs and new desires of the community.

The experience in the area has not been that of an expansion of service but, rather, a diminution. It is not exemplified so much by the removal of tracks as perhaps by the closing of stations, of telegraph services, freight services and the other things that formerly served these communities. In the time that I have lived in this area, the very valuable rail service that linked Ottawa, the national capital, and the St. Lawrence region has disappeared. The bus service has been augmented to replace it, but that is not desirable in relation to the quality of life. The freight office which formerly served what we hope is a growing industrial part of Ontario along the St. Lawrence has been closed and people now have to go to the larger centres for this service. This is regrettable and I believe the railroads, particularly the Canadian National Railways, have not been too concerned about serving the area. They have been concerned with the difficulties of the balance sheet, I believe, and have not sought to improve and augment the service for a growing area.

In eastern Ontario, Air Canada does not provide the type of service which ought to be available to the national capital. It is difficult to obtain a reservation between Ottawa and Toronto or Ottawa and Montreal. I believe this is because the airline does not offer the right kind of service for the short haul and tremendous passenger load involved. This matter was raised in the House yesterday by the hon. member for Wellington (Mr. Hales) who put a question to the Minister of Transport (Mr. Marchand). The hon. member inquired about the possibility of an airbus service between Ottawa and Toronto to begin with, and perhaps later between Ottawa and Montreal similar to the service operated so successfully between Calgary and Edmonton. The answer of the minister was that this matter was on the agenda of the transport commission and he hoped a solution would be found.

● (2130)

If adequate service is to be provided within the foreseeable future, this item ought to have been off that agenda a long time ago, because the problem has been developing rapidly for many years: the government ought not still to be in the process of considering it. The problem is with us. Planning ought to have been undertaken many years ago. That sort of planning has been brought to fruition in other areas of Canada and certainly, in the United States.

If there is to be a proper service for those who want to visit the national capital or leave it for business reasons or personal reasons, I think it is essential that there be provided continuing service with economical equipment. It is hard to conceive that in 1973 the minister should stand in this House and say that the matter of air transport between the national capital and the rest of Canada is on the agenda of the transport commission. That sounds as if the matter has not yet been attacked, let alone solved. I think that we of this area in particular will suffer as a result of this lack of action. All parties in the House, indeed all the residents of this area as well as many other areas of Canada, would support the implementation of this sort of program even on a pilot basis.

[Mr. Baker.]

I also wish to deal briefly with the importance of railroads in urban development. This government has brought forward the semblance of a plan—I do not know if it will be implemented—which provides for the development of new towns and urban areas around existing towns. The plan applies to my particular area of Canada and to many others. It is an important plan because anyone who now lives in a large, urban area feels the effect of the packing into fewer and fewer acres of more and more people. We see what is happening almost wherever we go. We see high-rise buildings sprouting like dandelions in our urban areas.

There is good reason for such development in the national capital area. The reason is this: for all the time that I have been in this area, and for many years before that, there has been inconclusive discussion between the national government, the government of Ontario and the government of Quebec with respect to the provision of rapid transit service in the area. If we are to make the system of new towns viable, or for that matter succeed in developing population centres around existing towns, we will need to tackle the problem of interurban transit. The railroads of this country, particularly the national railroad, will have a big part to play in that development. It will need to do what it already does to a great extent in and around metropolitan Toronto.

That is why we must view with some reservations announcements by the minister responsible for urban affairs with respect to the tearing up of rail lines leading to the centres of towns. We may need to relay some of those rail lines, if we are to move the population which we hope will go out to the new towns and centres of our metropolitan areas. One of the major difficulties that the present government and the government which will succeed it will need to tackle concerns the development of interurban transit, that is to say, inexpensive interurban transit which will persuade those who wish to live in the core areas of cities to move out, and persuade others who wish to move into cities to stay outside. Such a system, if it is to be viable, ought to be rapid and convenient. That is the service we must provide from outlying areas to the central core.

Further, it ought to dissuade those who would use automobiles from using their vehicles and encourage them to use the public transportation system. It ought to be a system that works, that could move masses of people over fairly large distances in a short time and meet the requirements of their working day. It is important for us to consider that aspect, and the part that railroads would play in the life of a community which is changing. Our community is changing: as it changes we will need new equipment and new methods of moving people.

I think the government ought to encourage the railways to undertake research to an extent that we have not hitherto seen in this country. In my area of the country there is a debate going on as to whether a multilane, limited access highway should be built. It would run from Ottawa, south through the large populated area of Nepean township, and eventually connect with Highway 16. It would also connect with Highway 401 which links Toronto and Montreal, the nearest large centres. The necessity for the highway is being debated because of North American

dependence on the automobile. This dependence on the automobile has changed our way of life and has made us look away from other modes of transportation.

If this country a long time ago had begun thinking of the importance of railways, there would not have been abandonment of rail services but, rather, their augmentation. They would have served the area in which we live. Furthermore, we would not be considering today the kind of highway which will run through, and perhaps ruin, some good residential areas merely because we want to move cars and trucks. We might be looking at a system which augments an existing rail system running north and south which, incidentally, does not exist today.

We ought not to look on railways as a means of connecting sparsely populated areas separated by great distances in Canada. Rather, we ought to consider railways as means of transporting great numbers of people over short distances. Thus, the railways would fulfil a new purpose. I think that shows the dilemma we face in Canada. We have tended to look on transportation on a piecemeal basis, tending to consider in isolation trains, trucks and other modes. Perhaps the time has come to do what has not yet been done in this country by any government, that is, develop a national transportation policy in which the railroads would play an ever increasing role as time goes on. That ought to be the conscious aim of such policy.

In my area we hope to develop the tourist industry and secondary industry. These industries will depend upon the railways. If we are to depend only upon existing rail services, these industries will not develop and my part of Ontario, as well as other parts of Canada, will be the worse for it. That would be the result, generally, if there were a failure to adopt a national transportation policy.

• (2140)

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, it is not my intention to prolong this discussion. Indeed, the members of the official opposition would like to see this matter referred to committee so we can deal with the many unresolved problems that have been brought to the attention of the minister and the government during the course of this debate. However, there is one urgent problem I have been wrestling with during the past two weeks and I would like to place it on the record this evening.

I have been in correspondence with the Minister of Transport (Mr. Marchand). I have also had conversations with the Minister of National Defence (Mr. Richardson), who is the minister from the province of Manitoba. I believe the Parliamentary Secretary to the Minister of Transport (Mr. Guay) is in the House this evening.

Mr. Guay (St. Boniface): I am listening to you.

Mr. Dinsdale: That is good. I hope that hon. member will become part of the Manitoba group which on a non-partisan basis is trying to bring forcibly to the attention of the government an area of very sad neglect in the field of air transportation. Briefly, the story of air transportation as it affects the keystone province has been one of gradual deterioration over the past ten years. It was always expected that the city of Winnipeg would be one of our major international air centres. It is designated as an international air centre. Unfortunately, because of government policy its role in that regard has been gradually downgraded.

When minister of transport, that able political gentleman the Hon. Jack Pickersgill used to talk about the role of Winnipeg in the international air scheme of things. When he was later transplanted and became the first chairman of the Canadian Transport Commission he used to make speeches across the country. I have in my hand a newspaper report of a speech he made in the city of Winnipeg on September 9, 1969. The headline reads "Air gateway status hinted for Winnipeg". The hon. gentleman was still hinting as late as 1969. I quote from the article:

> The possibility of Winnipeg becoming an international air gateway was hinted Wednesday by Jack W. Pickersgill, president of the Canadian Transport Commission.
>
> Speaking to the Winnipeg Chamber of Commerce, the former minister of transport said talks between the federal government and Canada's two main air carriers had already taken place and that a proposal might be placed before the International Air Transport Association in the near future.

It is all "hinting, "maybe" and might". I think the time is long past when we should say that it "might" or "could" be possible, and the government should move to do something concrete in this regard. I am sure the hon. member for St. Boniface is heartily in agreement with what I am saying. Winnipeg's position on the polar route places it in the most strategic position possible. That route is 400 miles shorter to Europe. I cannot understand why this government persists in spending a billion dollars to establish a satellite airport for the city of Toronto at Pickering, which is opposed by the residents of Pickering, when they have the logical location at the Manitoba international airport which has been waiting to be utilized to the maximum since 1969.

Some hon. Members: Hear, hear!

Mr. Dinsdale: In 1969, the then president of the Canadian Transport Commission hinted that the great breakthrough was about to be achieved. Let us all work together for that end so that the growing problems of air transportation which have been outlined will be resolved. At present you cannot get reservations out of the city of Winnipeg because of the growing number of people using the airlines. The facility has to be expanded.

There is another aspect of this problem to which I shall refer briefly. That is the role of regional air carriers. The same gentleman, the Hon. Jack Pickersgill, when minister of transport announced a regional air policy. When it was announced, it was hailed by the then president of TransAir, the regional carrier for the central part of Canada, in these words:

> The new policy is the greatest announcement made in Canadian aviation history since the time Trans-Canada Airlines was formed by act of parliament in 1937—

That was recorded in the Manitoba *Business Journal* of October-November, 1966. Unfortunately, the dawn of a new age has not yet appeared. The record since that time with regard to regional air policy has been one of gradual deterioration. When Air Canada was responsible for supplying air service to western Manitoba and eastern Saskatchewan we had a regional air service that extended right through to Calgary. During the intervening period the responsibility was transferred from Air Canada to

TransAir. TransAir received the subsidy because the route must be subsidized. We recognize that air transportation is basic. We also recognize that at this stage of economic development, transportation cannot be provided at an adequate level without an air subsidy. However, that was removed. That was also done under the then minister of transport, the Hon. Jack Pickersgill.

Today we are faced with the possibility that air service on the western lateral by the regional air carrier, TransAir, will be discontinued absolutely effective January 1. This precipitates a crisis. This is the reason I wish to briefly bring the problem to the attention of the government and hon. members. It was obviously the intention of the government to upgrade that service, because over $1 million was expended in the early 1960s to expand and upgrade the quality of the main runway.

A few years ago an excellent new terminal facility was opened at the Brandon airport. While it is designated as the Brandon airport, it is actually beyond the boundaries of the city of Brandon. It was designed to serve the whole western Manitoba region. Just at the precise moment the new air terminal facility was opened, the air transport committee was giving authorization to TransAir to downgrade its class A service to a class B commuter service. The latest decision of ATC, which seems to be flying in the face of the declared policy of the government to upgrade this facility and the regional air service, is to accede to the request of TransAir to discontinue completely its responsibility of supplying air service to western Manitoba and eastern Saskatchewan. This involves a population of some 200,000.

● (2150)

I recommend to the Minister of Transport and to the government, as I have already done by letter, that it suspend the decision brought down by the air transport committee early in October which permits TransAir to abandon its responsibilities completely, and while this whole matter is in a state of suspension the government should authorize the air transport committee to conduct a thorough review of its regional air policy on the western lateral of TransAir. I see the parliamentary secretary to the Minister of Transport nodding his head in approval. On this basis, the basis of a thoroughgoing review, the government should then go forward to formulate a policy which would deal adequately with the circumstances I have outlined.

I do not wish to pursue this matter further at present, other than to remind the Minister of Transport that when he was the minister responsible for the Department of Regional Economic Expansion it was under his leadership that western Manitoba was designated as a major growth area under the DREE program. I am sure he would not have allowed or arranged such a designation unless he was in sympathy with the view that an adequate air service should be provided. I trust, therefore, that this question will be considered further in committee when the bill advances to that stage, and that the government will be making an announcement in this connection. Many of the new industries which DREE helped to establish are concerned about losing direct air transportation into their market area. I trust we shall see some positive, vigorous action on the part of the government at the earliest moment.

[Mr. Dinsdale.]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I would find it difficult to say what I have to say in five minutes. I notice that all the "late show" performers are in the chamber, and I wonder whether the House would agree to call it ten o'clock.

Mr. Deputy Speaker: The House has heard the suggestion that we call it ten o'clock and proceed to the adjournment debate. Is this agreed?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AGRICULTURE—MILK SUBSIDY—REASON FOR DELAY IN APPLICATION TO PRINCE EDWARD ISLAND

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, listening to the suggestion made by the hon. member for Winnipeg North Centre (Mr. Knowles) I found myself thinking of the quotation "O, most excellent man!"

On October 18 I addressed a question to the Minister of Agriculture (Mr. Whelan) concerning the delay in making the federal milk subsidy operative in Prince Edward Island. The minister said he was confused by the complimentary remarks with which I prefaced my question and for that reason he could not give me an answer. Tonight I shall delete any compliments lest I trouble the parliamentary secretary. The issue is naturally one of great concern to the people of Prince Edward Island. In the *Guardian* of October 16, Premier Campbell is quoted as being "extremely disappointed". He said that as minister of agriculture he had made representations to the federal Department of Agriculture the day after milk prices were advanced. He went on to say:

> I cannot understand why a federal subsidy is not now immediately committed to Prince Edward Island and I intend to keep after them for the payment, which should be automatic.

I say "amen" to those words, and I hope Premier Campbell is doing just what he said he would do. I feel exactly as he does on this issue. On September 4 I was in this chamber when the Prime Minister (Mr. Trudeau) announced measures relating to the high cost of living. He said:

> The federal government wishes also to alleviate the burden of the price of milk for Canadian families and insists that any measure taken shall benefit consumers. The government is therefore willing to guarantee payment of a 5-cent subsidy per quart of milk to provinces where marketing boards will agree to maintain or reduce the cost of milk for at least one year. At the same time, the government will set up a program aimed at reducing by an equivalent amount the price of a package of powdered skimmed

milk. In this respect, it will hold meetings with provincial representatives without delay.

The date of the Prime Minister's announcement was September 4. That is quite a while ago. The expression "without delay" seems to be somewhat overstated, to say the least.

The cost of living in Prince Edward Island is extremely high. I have here the consumer price index recently received from Statistics Canada covering the cost of food at home in September of this year. Taking 1969 as 100, the figure for September, 1973, is 134.6 for Halifax, 139.9 for Saint John, and 145.2 for Charlottetown. Needless to say, these figures are all far above the figures for many Canadian centres. The recent 6 cents a quart increase in the price of milk on Prince Edward Island is naturally bearing down heavily and painfully on consumers in Charlottetown and elsewhere.

I do not fault the producers, nor have I ever done so. They are facing vastly increased costs and the dairy industry is vitally important to our provincial economy, as it is to the whole country. It is a source of pride to me that though my constituency is largely urban, there are in the rural areas of Hillsborough some of the finest cattle in the country and all sorts of breed prize-winners. It is not the producers I blame.

It is apparent from Premier Campbell's statement that the problem is here. There are surely no valid reasons why the measure of relief offered to consumers cannot be applied to our people. If there are reasons for delay, let the minister or the parliamentary secretary tell me about them. More important, let the wrinkles be ironed out and the subsidy applied. There is no excuse for further delay. The Premier of Prince Edward Island, the leader of the opposition there, and the press have all expressed views similar to mine. I join with them in expressing concern. The leader of the opposition said the problem lies in the provincial area. The premier has very definitely declared that it lies with the Minister of Agriculture. I bring the matter to his attention most forcibly because of the great importance which is attached to it.

[*Translation*]

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, yesterday the hon. member opposite asked a question concerning the subsidy to milk consumers of Prince Edward Island.

Mr. Speaker, I should perhaps take this opportunity to tell the House about the negotiations held with each province. Up to now, agreements have been concluded with seven of them and eight companies of instant skimmed powdered milk. Once the subsidy became effective, the price of milk to consumers was reduced by 4 cents in Quebec on September 17, by 3 cents in Saskatchewan on September 24, by 3 cents in Manitoba also on October 1 and by 2 cents in Nova Scotia; it was reduced by 5 cents in Alberta on October 15 and by 4 cents in British Columbia on October 22. Three provinces, namely Newfoundland, New Brunswick and Prince Edward Island, have not yet concluded an agreement but negotiations are under way. We hope to reach an early and satisfactory agreement with those provinces so that their consumers may take advantage of the subsidy.

Adjournment Debate

[*English*]

GRAIN—WHEAT—SUGGESTED CHANGE IN CROP YEAR TO EQUALIZE PAYMENTS TO FARMERS WHO MADE EARLY DELIVERIES

Mr. Bill Knight (Assiniboia): Mr. Speaker, on October 16 I asked the minister in charge of the Canadian Wheat Board (Mr. Lang) the following question:

● (2200)

Mr. Speaker, I have a question for the Minister of Justice who is in charge of the Canadian Wheat Board. In view of the fact that many smaller producers delivered their grain during the old crop year in June and July in order to meet financial obligations and debts and therefore lost out on the announcement regarding new prices on July 31 or August 1 for the new crop year, would the minister inform the House whether the government is considering making an equalization payment from the new pool account so as to assist those farmers who took a beating as a result of the new prices?

This is an extremely important question and obviously for the minister and the government, as well as for the Wheat Board, a very difficult one. What am I addressing myself to? I am addressing myself to the fact that in the months of June and July western Canadian farmers delivered in the neighbourhood of 134.2 million bushels of wheat to the Canadian Wheat Board. During that period the Canadian Wheat Board, as the minister rightly pointed out, threw the quotas wide open so the farmers could deliver as much as they wanted.

What happened was that unfortunately, either because the elevator agents at given points did not clearly describe the situation to the farmers or the situation was indeed never clearly spelled out, many farmers delivered wheat, for example to the elevators, took their initial payment in the old crop year and never held their grain over into the new crop year in storage. They were told the world market needed those deliveries.

If some 50 million bushels out of the 134 million bushels delivered were not held over into the new crop year, then as a result of the initial price jump on August 1, the new crop year, of somewhere around $2 at the elevator, with a final projected price in the area of well over $5 on the international market, this would mean a loss to those farmers of around $150 million.

Why did some farmers not hold over their wheat, Mr. Speaker? They did not do so at that given point in the year because they had to meet their financial obligations in terms of bank loans, petroleum costs, fencing, if they had cattle—you name it. In my constituency, just during my office hours many farmers brought to me examples of what happened. Say a three-quarter section farmer delivered 5,000 bushels of wheat. He took his initial price or payment at the elevator, and in doing so lost somewhere between $15,000 to $20,000 when the new price came in. In other words, he bore the brunt of carrying our wheat sales commitments at prices lower than the climbing international price. On the other hand, a producer who was farming a considerable amount of land and could deliver a lot of bushels which he would hold over into the new crop year would earn, if he delivered, say, 20,000 bushels, an extra $60,000.

This situation has created considerable inequity in terms of pool accounts, equal pricing, international market

prices and the farmers' share of the price, whether high or low. The board's principle of pooling prices is put into jeopardy, and I know immense difficulties are created for the minister in trying to solve the problem of correcting the injustice suffered by particular farmers. I know a producer in the Willow Bunch country who on July 31 delivered 900 bushels. He talked to the elevator operator, who told him that it would be advantageous to hold it over to the new crop year. He thought about it, but decided to let the 900 bushels go, and then he woke up one morning to find he had lost between $3,000 and $3,500.

Another producer who was on the point of retiring had a farmer take charge of his land and work it in the summer. When the quotas came off, his hired hand delivered every bushel that he had grown to the elevator at the old crop year price. That man lost thousands of dollars in the very year he was trying to retire. Other producers were caught in a situation of delivering 2,000, 3,000 or 5,000 bushels of grain and because of not holding it over, lost because of the new price.

If the open market system were in operation, I would say that is the problem and one should take what one gets: in other words, one should take the rap. However, when you have a Wheat Board which is supposed to work on the principle of orderly marketing and pooling incomes, but tinkers in this situation, you create immense problems. The minister pointed out that backdating the new crop year to July 1 instead of July 31 would be too cumbersome. I agree. That is a cumbersome suggestion and I accept his point of view.

I have a suggestion, however, and perhaps he will consider the possibility of making a payment above the final payment on the crop year, per bushel, out of the funds or revenue to be taken in the new crop year, say in the neighbourhood of 50 cents which would equalize the two. Maybe that is much more radical, but obviously he knows and I know the cause of concern on the Prairies is the idea of taking the two pool accounts and putting them together. I would appreciate the minister's comments on this matter.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I appreciate the fair way in which the hon. member for Assiniboia (Mr. Knight) has set forth the problem, and the serious difficulty some farmers feel they are in in comparing their own position with that of others who thought that better prices would be available in the new pool and therefore held their crop. I have one reservation in remaining completely aloof and non-partisan in this particular discussion: that is my need to observe that I believe the reason some people sold their grain in the old pool without thinking there might a better price was that at least some honourable and right honourable members in this House were suggesting that a good deal of grain had been sold two or three years ahead at such low prices that it really did make any difference. They were being rather mislead by this kind of Tory advice.

The real difficulty I see in what the hon. member is suggesting in his own solution, and indeed in any solution that takes money out of one pool and puts it in another, is that this is a law which has stood for a long time in relation to pools. There was a storage opportunity available, but of course not equally available to everybody in

[Mr. Knight.]

the real sense of the word, having regard to small farmers not being quite so able to hold. But I can hardly see taking money which belongs to some farmers under the law, the farmers who are in the new pool, and sharing it with a different group, some who were in and some who were not in one or the other.

I would be glad to consider whether for the future we should look at some such provision which, with adequate notice, would then be fair to apply. It is, of course, the nature of pools that at some point you have to draw a line, and we have chosen the pool instead of the day to day price which exists in the open market. But when it was chosen many years ago it was chosen for a year at a time.

As I say, Mr. Speaker, I am quite prepared to look at the question for the future as to whether or not we can adopt some formula to protect against this situation that would allow averaging of some sort, but I can hardly see doing it at this point in time, retroactively, when it would be the money of one group of farmers which would have to be applied to a different group in order to make such a formula work.

LABOUR CONDITIONS—SUGGESTED INCREASE IN MINIMUM WAGE

Mr. Don Blenkarn (Peel South): Mr. Speaker, on September 11 last I asked the Minister of Labour (Mr. Munro) whether, in view of the Prime Minister's statement of September 4, consideration was being given by statute or otherwise to increasing the minimum wage. The minister said it was under consideration then.

● (2210)

In reviewing the matter, I find that the hon. member for St. John's East (Mr. McGrath) asked approximately the same question of the same minister back in April of this year. The minister then said that the matter was being given consideration. He said then that the matter was "now" under consideration. The word "now" is pretty important. It was being considered for six months or six weeks, depending on how you look at this. Presumably "now" to this government means never.

We have in this country an inflation rate of 8½ per cent. What was a year ago $1.90 is $1.74 today. We have many people working for wages that are pretty small because of the inflation factor, and we have had brought into this House provisions amending the Income Tax Act to provide for people who pay income tax the beneficial results of a reduction in taxes in accordance with the depreciation of the dollar. Recently measures were brought in dealing with increases in the old age pension and the veterans allowance, and on the order paper there is a bill to increase pensions under the Canada Pension Plan and to index those pensions.

However, what I ask the minister tonight is a question about the working poor. What about the man who is trying to support a family on the kind of minimum wage that is set in this country? What happens to him? If he works for 40 hours a week—and that is the work week—he receives $76. That is $304 a month for a four-week month. He receives less than a man and his wife on the old age

pension, because in October they will be getting $341 a month.

So we have the ridiculous situation that those receiving social assistance will receive more money than those who work. Indeed, in make-work projects sponsored by this government, such as LIP, the wages are $100 a week. This is considered a wage. But the working poor, the people who do some of the jobs in this country that are not all very pleasant, are treated, collectively, darned poorly.

It is a ridiculous situation when welfare payments made by provinces or welfare payments through various statutes and assistance programs sponsored by this government pay those on social assistance more than those who work. It may be said that the minimum wage does not apply to that many people in this country under federal jurisdiction, but it is up to the federal government to show leadership, and it is indeed a sad reflection on the leadership of this country when the province of British Columbia has a minimum wage of $2.50 an hour, the province of Saskatchewan went up to $2.50 an hour and the province of Ontario has the matter under active consideration while the province of Quebec is providing for a higher minimum wage. I even see that the Board of Trade in the province of New Brunswick is recommending considerably more than the minimum wage offered in this country. It is high time that we had leadership from the federal government, leadership which the nation requires. We cannot develop a work ethic and give people a sense of belonging to a society when we expect them to bend their efforts and their energies for less than we are prepared to pay people who are not required to work.

What we need in this country is a basic minimum pay for those who are working, and it must be in excess of that received by persons on social assistance. It may be that the basic minimum represents more than the productivity of some people in industry. But what is productivity? Who values productivity? In our society it is valued on a competition basis. If we raise the minimum wage across the board, then that is the minimum of competition because they cannot go below it and we destroy the competitive problem. As a result, those who hire labour must pay more than the minimum or at least the minimum.

The whole argument that you are going to go out of business, that you are going to go broke, that somebody will steal your customers, that you cannot make the restaurant go because you have to pay a minimum wage on which a man can live and raise a family, is utter drivel. What we need is leadership. We must have some action from the government. We must have the action that was promised by the minister in April, and promised in September. That action is a statement that something will be done "now".

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, a periodic revision of the minimum wage is provided for under section 35(1.1) of the Canada Labour Code, part III (Labour Standards) which provides as follows:

> ... the governor in council may from time to time, by order, increase the minimum hourly wage established by subsection (1), but no order made under the subsection is of any force or effect until a date is specified in the order that is at least three months after the date of publication thereof in the Canada *Gazette*.

Thus, the governor in council is empowered under the act to review and increase the minimum wage of workers in industries under federal jurisdiction. The Minister of Labour (Mr. Munro) has already indicated, in replying to a question from the hon. member for Peel South (Mr. Blenkarn), that a revision of the federal minimum wage, which is now $1.90 per hour, is under consideration. A revision of the minimum wage must take account of various social and economic factors including, for example, changes in productivity and changes in the consumer price index. All these factors are now under review in the Department of Labour in consideration of possible revision of the existing federal minimum wage of $1.90.

Motion agreed to and the House adjourned at 10:20 p.m.

HOUSE OF COMMONS

Wednesday, October 24, 1973

The House met at 2 p.m.

[*English*]

BROADCASTING

TABLING OF SIXTH REPORT OF CLERK OF PETITIONS ON PETITION RESPECTING ADVERTISING ON CHILDREN'S PROGRAMS

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the sixth report of the Clerk of Petitions.

The report was then read by the Clerk, as follows:

The Clerk of Petitions has the honour to report that he has examined the petition of Mrs. Ann Young, Mrs. Marilyn Lister and Mrs. Natalie MacPhee, all of the city of Ottawa, Ontario, in relation to broadcast advertising directed exclusively to children and advertising directed to children from American programming distributed on the Canadian cable systems, presented by Mr. James A. McGrath, Member of Parliament, on Tuesday, October 23, 1973, and finds that the petition meets the requirements of the Standing Orders as to form.

Mr. Speaker: As hon. members have heard, the Clerk has read the report of the Clerk of Petitions which indicates that the petition in question, presented to the House by Mrs. Marilyn Lister, Mrs. Natalie MacPhee and Mrs. Ann Young, in relation to broadcast advertising meets the requirements of the Standing Orders as to form.

I owe it to the hon. member for St. John's East and to the House to indicate that I have strong reservations as to the acceptability of the petition on substantive grounds. As I am sure the hon. member knows, there are precedents to the effect that the House should not interfere by way of petition in a matter in which jurisdiction has been assigned by parliament to another body. If the hon. member has any comments to make for the guidance of the Chair I would be pleased to hear him.

Mr. James A. McGrath (St. John's East): Mr. Speaker, the subject matter of Bill C-22, an act to amend the Broadcasting Act, was referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts. That committee reported a list of five recommendations to the House on July 16. Two of the recommendations are set out in the body of the petition. These recommendations were that the Canadian Radio-Television Commission should pass certain regulations.

Section 16(1) of the Broadcasting Act states in part:

In furtherance of its objects, the Commission, on the recommendation of the Executive Committee, may . . .

(b) make regulations applicable to all persons holding broadcasting licences . . .

(ii) respecting the character of advertising and the amount of time that may be devoted to advertising—

So, Mr. Speaker, the House by way of legislation has already given this power to the Canadian Radio-Television Commission. The chairman of that commission said, when he appeared before the Standing Committee:

If parliament, as a result of the studies of the committee, comes to the conclusion that a fundamental principle is involved and that, no matter what the other circumstances may be, the basic objectives of Canadian broadcasting should preclude children's advertising, the commission will, as it should, implement this objective as it has to implement other fundamental objectives contained in the Broadcasting Act.

The first recommendation of the committee was that the CRTC should pass regulations which would provide that advertising must not be directed exclusively to children.

Furthermore, Mr. Speaker, the committee stated in its report:

However, it is the opinion of your committee that any code, regardless how excellent in itself, would need a much tougher enforcement system . . . your committee feels . . . that a CRTC regulation should be brought into effect in order to enforce a new and more restrictive code.

There is no other recourse but by way of petition to this House to bring to the attention of the House that the CRTC, which draws its authority from parliament, not from the government, and answers to parliament, is ignoring the unanimous recommendations of parliament because, Mr. Speaker, the report of the broadcasting committee, with the five recommendations contained therein, was concurred in by the House on July 24.

On October 16 the commission made a statement in which it said it would not proceed by way of regulations but would rely entirely on the broadcasting code. Furthermore, the commission in its statement of October 16 ignored the second most important recommendation of the committee, that dealing with American television advertising directed at children and coming into Canada under the cable system.

● (1410)

To sum up, Mr. Speaker, the Canadian Radio-Television Commission has the authority given to it by parliament under the Broadcasting Act in section 16, as I have already set out. The House of Commons, by way of concurrence in the committee's report, recommends to the commission that it proceed to implement regulations under the Broadcasting Act. The commission, for reasons unknown, ignores the recommendation of the House.

I am hoping that somehow Your Honour will find this petition in order and that the House will be disposed to consent to have this matter referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts where Mr. Juneau, the chairman of the commission, can appear and explain to the committee why he chose to ignore the unanimous recommendation of parliament.

Some hon. Members: Hear, hear!

Mr. Speaker: I thank the hon. member for his comments but, with respect, perhaps I should point out to him that they did not refer very much to the procedural difficulty with which I am faced. In fact, it may be that the comments of the hon. member substantiate the suggestion I have made that it is difficult for the House to consider by way of petition a matter over which jurisdiction has specifically been referred by parliament to another body.

These are the precedents which have been quoted from time to time in the House in similar circumstances in the past. I am sure hon. members will appreciate that in relation to petitions, which is a very ancient and historical right, the Chair must exercise all care and attention to ensure that petitions, when they are in order and acceptable from a procedural standpoint, should be given an opportunity to be considered and referred, if necessary, to the appropriate committee. But I must tell the hon. member, with the greatest respect, that I do not see how I can overlook the precedents, to which I should like to refer briefly.

I refer hon. members to a precedent reported on page 163 of the Journals of the House for Thursday, February 16, 1956. It was ruled that the petition was irregular in that it did not set forth a case in which the House had jurisdiction to interfere, since parliament had vested in the Governor in Council and in the Minister of Transport the exclusive authority to approve and issue licences for the operation of private television stations. That ruling also referred to a citation from May's Parliamentary Practice, 15th edition, at page 814. That citation is brought forward into the 18th edition at page 795.

A more recent precedent is recorded on page 2921 of *Hansard* for June 7, 1972. I would also refer hon. members to Dawson's Procedure in the Canadian House of Commons, page 241, which I might read briefly:

> A petition must, of course, relate to a matter over which parliament has control. In a federal country this stipulation limits at once the range of subjects which may be raised. The House will not receive a petition relating to a matter which has been delegated to another body. Ever since 1874 when it gave the courts its privilege of judging controverted elections, the Commons has refused to receive petitions which related to such electoral problems. On a more recent occasion a matter which had, by statute, been allocated to a public corporation was judged to be beyond the authority of the House and a petition which requested interference by the House was rejected.

In the petition now before us the petitioners complain that certain recommendations of the House were not implemented by the Canadian Radio-Television Commission. The recommendations in question are contained in the second report of the Standing Committee on Broadcasting, Films and Assistance to the Arts presented to the House on July 16, 1973. The report recommended that consideration be given to the advisability of certain action being taken by the CRTC. It seems clear to me that the grievance has reference to a matter over which jurisdiction has been delegated by parliament to the CRTC. In this respect I suggest it is not open to the Chair to disregard the well established practice of the House and the precedents to which I have referred.

I appreciate the position of the hon. member and his suggestion that this is a matter which ought to be considered either by the House or by a committee of the House. I respectfully suggest to him, however, that the procedure which should be adopted should be some procedure other than a petition. With regret, I can assure the hon. member, after having given the matter much thought and consideration I find I have to rule that the petition cannot be considered.

[Mr. McGrath.]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order with respect to the petition, not with respect to your ruling. Standing Order 67(8) says:

> No debate shall be permitted on the report but a petition referred to therein may be read by the Clerk of the House at the Table, if required.

I suggest, in view of the discussion of this petition that has taken place and in view of the general interest in it, that its full text should be placed on the pages of *Hansard*. If the Clerk of the House will read the petition, that will put it on *Hansard*, or perhaps the House might consent to it being inserted in *Hansard* as if the Clerk had read it to us.

Mr. Speaker: The suggestion made by the hon. member for Winnipeg North Centre may be acceptable to the House by consent. It must be appreciated, however, that, in view of the ruling of the Chair the petition is not before the House. It has not been received and, therefore, if it has not been received it cannot be read. There are precedents to support this suggestion. At the same time, I understand that there is general interest in the matter. I judge this to be so from the questions that have been asked and the debate that has taken place in past days and weeks. If there is consent, I am sure that from the point of view of the Chair there would be no difficulty about requesting the unanimous consent of the House to have the petition inserted in *Hansard* as though it had been read. Is this agreed?

Some hon. Members: Agreed.

[*Editor's note: The petition referred to above follows.*]

TO THE HONOURABLE THE COMMONS OF CANADA
IN PARLIAMENT ASSEMBLED

THE HUMBLE PETITION of the undersigned Canadians, resident in Canada, who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable house will therefor provide a remedy,

SHEWETH:

THAT, on the 24th July 1973, your honourable house was pleased to concur in the Second Report of the Standing Committee on Broadcasting, Films and Assistance to the Arts, presented to your honourable house on the 16th July 1973, as by reference to the *Journals* of your honourable house will more fully appear;

THAT your honourable house, in so concurring, recommended that consideration be given to the advisability of taking whatever action is necessary to accomplish, inter alia, the following objectives:

(a) that the Canadian Radio-Television Commission pass regulations which will provide that advertising must not be directed exclusively to children; and

(b) that the Canadian Radio-Television Commission require the deletion of advertising directed to children from American programming distributed on the Canadian cable systems.

THAT, on the 16th October 1973, the Canadian Radio-Television Commission (hereinafter referred to as the "CRTC") publicly announced that the Canadian Association of Broadcasters had amended, effective the 1st October 1973, the Broadcast Code for Advertising to Children, and that

(i) the Code, as so amended, meets the requirements and preoccupations of the CRTC concerning advertising to children;

(ii) the CRTC will ensure that the methods and procedures used to enforce the Code are effective; and

(iii) if it should become evident during the coming months that the Code is not providing satisfactory control, the CRTC will take regulatory action.

THAT your honourable house did concur in the recommendations hereinbefore recited knowing of, despite and notwithstanding the said Code, as so amended, as the following comment extracted from the said Second Report confirms:

"In the wake of your Committee's study . . . The Canadian Association of Broadcasters, by its own volition, tightened up their Code;

"However, it is the opinion of your Committee that any Code, regardless how excellent in itself, would need a much tougher enforcement system . . . your Committee feels . . . that a CRTC regulation (should) be brought into effect in order to enforce a new and more restricting Code.";

THAT the public announcement of the CRTC, hereinbefore cited, makes no reference whatsoever to action taken or abstained from by the CRTC with respect to advertising directed to children from American programming distributed on the Canadian cable systems;

THAT it appears from the matters hereinbefore recited and set out that the CRTC has wilfully failed to implement the aforesaid recommendations of your honourable house and has wilfully pursued a course that has been explicitly rejected by your honourable house;

THAT your petitioners, as well for themselves as for other Canadians resident in Canada, are personally aggrieved thereby by reason that they and each of them are interfered with and are prejudiced in their and each of their private enjoyment of a public right;

THAT this grievance, so caused, presently exists and will continue to exist for so long as the recommendations of your honourable house are not implemented by the CRTC and, moreover, is a grievance that is aggravated during this pre-Christmas season;

THAT therefore the grievance of your petitioners is a present personal grievance requiring an immediate remedy;

THAT except by petition to your honourable house no remedy is available to your petitioners whereby they may obtain relief from this grievance;

WHEREFORE your petitioners humbly pray that your honourable house will find means of prevailing upon the CRTC:

1. forthwith to make regulations to provide that broadcast advertising must not be directed exclusively to children; and

2. forthwith to make regulations to require the deletion of advertising directed to children from American programming distributed on the Canadian cable systems;

and that your honourable house will provide such further and other relief in the premises as to your honourable house seems just and meet.

AND your petitioners, as in duty bound, now prayeth and will ever pray.

AND your petitioners have, and each of them hath, signed at the City of Ottawa, in the Province of Ontario, this 23rd day of October, in the year of Our Lord One Thousand Nine Hundred and Seventy-Three.

Ann Young
Marilyn Lister
Natalie MacPhee
J. A. McGrath, M.P.
St. John's East

ROUTINE PROCEEDINGS

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Third report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Herbert.

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

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FEDERAL-PROVINCIAL-MUNICIPAL AFFAIRS

TABLING OF FEDERAL BACKGROUND PAPERS AND STATEMENTS AT SECOND TRI-LEVEL CONFERENCE

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I should like to table in both official languages the Federal background papers and statements from the second national tri-level conference held in Edmonton this week relating to the management of growth, housing and land strategy, urban transportation and public finance.

* * *

ENERGY

ALLEGED DIVERSION OF OIL SHIPMENTS DESTINED TO CANADA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise under the provisions of Standing Order 43 on a motion of national importance. In view of the fact that multinational oil companies are diverting to the United States shipments of Middle East oil and also as of today, according to my understanding, Venezuelan oil originally destined for eastern Canada, and in view of Venezuela's reported desire to deal directly with the Canadian government on oil matters, I would move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House instructs the government to introduce legislation as soon as possible to establish a publicly-owned Canada Petroleum Corporation which would have, among other powers, exclusive jurisdiction over the importation of crude oil into Canada.

Mr. Speaker: This motion proposed under the terms of Standing Order 43 requires unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

Public Service

JUSTICE AND LEGAL AFFAIRS

CALLING OF COMMITTEE TO DEAL WITH WIRETAPPING BILL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Ron Atkey (St. Paul's): Mr. Speaker, under the provisions of Standing Order 43 I rise on a matter of urgent and pressing necessity relating to continued delays in the calling of the Standing Committee on Justice and Legal Affairs to deal with the wiretapping bill.

● (1420)

My motion has been made necessary as a result of the refusal since October 15 of the committee chairman and vice-chairman to call a meeting of the committee despite requests from the opposition parties. This delay has been brought about apparently with the concurrence of the government, which may now have reservations about proceeding—

Mr. Speaker: Order, please. The hon. member was recognized for the purpose of indicating which motion he would like considered by unanimous consent. He is not allowed to submit argument in support of the motion.

Mr. Atkey: In view of recent unfortunate events involving unauthorized illegal electronic surveillance, I move seconded by the hon. member for Halton (Mr. O'Connor):

That this House request the chairman or vice-chairman of the Standing Committee on Justice and Legal Affairs to call a meeting of that committee at the earliest opportunity to complete consideration of Bill C-176 as a matter of urgency.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member proposes a motion under the terms of Standing Order 43. It requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion, therefore, cannot be put.

* * *

[*Translation*]

PUBLIC SERVICE

SALARY OFFER TO CLERKS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Roland Godin (Portneuf): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to discuss an urgent situation, namely the ridiculous wage offers made by Treasury Board to clerical employees of the Public Service of Canada who earn about $5,000 a year and, consequently, cannot make both ends meet.

I move therefore, seconded by the hon. member for Champlain (Mr. Matte):

That the House request of the government, through Treasury Board, an order that the senior officials involved show judgment and realism in the division of the CR group wages so as to grant increases similar to those received by most civil servants and thus consistent with cost of living increases.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion of the hon. member cannot therefore be put.

* * *

[*English*]

ENERGY

PROPOSED MOVEMENT OF ALASKAN OIL THROUGH JUAN DE FUCA STRAIT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. In view of the announcement yesterday by the Minister of Energy, Mines and Resources (Mr. Macdonald) of the establishment of a Canada-United States joint committee to exchange information on national energy and planning and the co-ordination of energy resources, and in view of the present government's failure to obtain any agreement which would avoid movement of tanker traffic through the Strait of Juan de Fuca to Cherry Point, I move, seconded by the hon. member for Fraser Valley West (Mr. Rose):

That the Minister of Energy, Mines and Resources withdraw from negotiations on all matters of energy planning with the United States until we receive assurance and agreement that Alaskan oil will not be transported through the Strait of Juan de Fuca.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member's motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

* * *

RAILWAY ACT

PROVISION FOR APPLICATIONS RESPECTING COMMUTER TRAIN SERVICES

Mr. A. D. Hales (Wellington) moved for leave to introduce Bill C-225, to amend the Railway Act.

Some hon. Members: Explain.

Mr. Hales: Mr. Speaker, the purpose of this bill is to permit applications in accordance with subsections 2 to 7

of Section 261 of the Railway Act with respect to commuter train services. The bill is designed to encourage the provinces to develop satisfactory commuter rail services in order to humanize the business of getting to work and to relieve some of the pressure on our environment.

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

* * *

INCOME TAX ACT

On the order: Introduction of Bills:

September 5, 1973—Mr. Reynolds—Bill intituled: "An Act to amend the Income Tax Act".

Mr. Speaker: As the hon. member is aware, the Chair has serious reservations about the procedural acceptability of the hon. member's bill. I gather he would like to submit argument at this time and perhaps he could be heard for that purpose. I would remind hon. members, however, that we shall have to ring the bells for the division on the motion under the special order in about three minutes.

Mr. Reynolds: Yes, Mr. Speaker. I shall not take much time. I presented my argument to you in writing and I do not wish to take up the time of the House now by reading that argument, because it is quite lengthy. I am quite prepared to let my argument stand and perhaps resubmit the matter in the form of a motion.

Mr. Speaker: I have given serious thought to the argument submitted by the hon. member. I believe it should be sufficient to indicate to him that in 100 years or more of practice in the House of Commons there has never been a bill accepted similar to the one put forward by the hon. member. There is one instance when an attempt was made to propose such a bill and it was ruled out of order on the ground I have mentioned previously. The Chair appreciates the hon. member's co-operation and his suggestion that the subject matter might be presented to the House by way of a motion rather than a bill.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

BELL CANADA

Question No. 2,034—**Mr. Boisvert:**

Does Bell Canada receive money from the government under any scheme?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): No.

Order Paper Questions

PRIVY COUNCIL

Question No. 2,302—**Mr. Alexander:**

1. Who are the present members of the Privy Council?

2. How many times has the Privy Council met since, and including, 1967?

Right Hon. P. E. Trudeau (Prime Minister): 1. Members of the Privy Council include all Cabinet Ministers and former Ministers, ex-Speakers of both Houses, the Chief Justice, ex-Chief Justices, and various distinguished citizens who have been appointed to it. Membership is for life. The members of the Privy Council are listed in the 1973 edition of the Parliamentary Guide at pp. 29-31. Since the time of publication, the following Privy Councillors have died: the Hon. Henry Herbert Stevens, the Rt. Hon. Louis Stephen St. Laurent, the Hon. Joseph Jean, the Hon. James M. Macdonnell, the Hon. Leslie M. Frost. There have been no appointments to the Privy Council since the publication of the 1973 Parliamentary Guide.

2. The British North America Act provides for a "Queen's Privy Council for Canada", appointed by the Governor-General to "aid and advise" him. In fact, this body as such seldom meets, and then only on very special occasions. For example in 1947 a formal meeting of the Privy Council was held to hear the King's message giving consent to the marriage of Princess Elizabeth. In 1952 a meeting was held to hear the proclamation consequent on the death of George VI and the accession of Queen Elizabeth. In 1952 the Privy Council met, with the Administrator presiding, for the induction of the former Governor General, Lord Alexander, as a Privy Councillor. In 1959 the Queen held a Council in Halifax attended by Privy Councillors in the government where Prince Philip was also present. The cabinet, which is a "Committee of the Privy Council", normally meets once a week. From the beginning of 1967 to the end of June 1973, it met 535 times. There are several cabinet committees which also meet frequently. A "Special Committee of the Privy Council" meets to adopt Orders in Council and it has met 486 times between the beginning of 1967 and the end of June 1973.

INTERCONNECTION BETWEEN TELEX AND TWX IN CANADA

Question No. 2,603—**Mr. Bawden:**

Is it the intention of the Minister of Communications to consider a requirement that Telex and TWX in Canada provide interconnection between their systems, in view of the fact that this has been done in the United States and that Canada has in fact two major communications networks which cannot contact each other?

Hon. Gérard Pelletier (Minister of Communications): The government is currently formulating a communications policy for Canada, based upon consideration and discussion of the proposals outlined in the Position Paper of March 1973. The issue of interconnection between Telex and TWX networks in Canada is being examined within the framework of this process. In this respect there has to be recognized an interest on the part of the provinces, particularly those having jurisdiction over telephone companies offering TWX service.

Order Paper Questions

*GOVERNMENT ASSISTANCE TO MEMBERS OF CANADIAN ARMED FORCES

Question No. 2,613—**Mr. Forrestall:**

What steps are being taken by the government to provide a measure of protection and assistance to members of the Canadian Armed Forces stationed in the Federal Republic of Germany, who face not only inflation in basic living costs, but who have also seen a reduction of the purchasing power of the Canadian dollar, in which they are paid, due to the revaluations of the mark?

Hon. James A. Richardson (Minister of National Defence): The steps taken by the government to provide protection and assistance to members of the Canadian Armed Forces stationed in Germany against the combined effects of inflation and currency revaluation are as follows: (a) An index was established to measure the relationship between price levels in Ottawa, and price levels in Lahr, and Baden-Baden, Germany. (b) This index is computed each month. (c) A variation of the index by five points results in an immediate payment of a salary equalization adjustment to personnel stationed in Germany. For those personnel not living in married quarters an additional equalization adjustment is made to their living-out allowances. From May to August 1973 the index increased thirty points and salary equalization adjustments were increased progressively to a current level of $107.70 per month for a corporal and by $255 per month for a lieutenant-colonel. From January to August 1973, the living-out allowance adjustment increased from $50 per month to $105 for a corporal, and from $76 per month to $158 for a lieutenant-colonel.

GOVERNMENT POLICY OF PLACING HARDENED CRIMINALS IN MINIMUM SECURITY

Question No. 2,651—**Mr. Reynolds:**

Does the government intend to continue to maintain its policy of placing hardened criminals, particularly those on the RCMP most wanted list, in minimum security institutions and, if so, for what reason?

Hon. Warren Allmand (Solicitor General): It was never the policy of the Canadian Penitentiary Service to initially place the type of person alluded to above in a minimum security institution. Individuals who at any time have been on the RCMP most wanted list, are, upon admission to a penitentiary, incarcerated in maximum security institutions. Transfers to reduced security are only effected where there is sufficient evidence to support the probability that the individual concerned will function satisfactorily in a reduced security institution, coupled with due consideration of the security risk involved in all such transfers. The Classification Staff, in considering inmates for transfer to medium security from maximum security, weigh carefully all facets of the individual inmate's character. The inmate must be considered to be unlikely to make an active attempt to escape, to pose little threat to the community should he escape, and that he would benefit from the program of a medium security institution. In considering an inmate for transfer to minimum security, he must be judged as presenting little likelihood of attempting to escape, pose no threat to the community in the event he does escape and is capable of benefiting from the program of the minimum security institution for which he is being considered.

[Mr. Pelletier (Hochelaga).]

TECHNICAL AID TO CUBA

Question No. 2,662—**Mr. Dick:**

With respect to the announcement by the government in January, 1973 of its intention to invest one million dollars in a program of technical aid to Cuba (a) from what source of funds will the moneys be made available to send professors to Cuba (b) what will be the specific functions of these professors in Cuba (c) will the government of Cuba be sending professors to Canada as part of the same program?

Hon. Mitchell Sharp (Secretary of State for External Affairs): (a) The sources of funds for the program of technical co-operation with Cuba are the parliamentary appropriations Vote 30 for fiscal year 1972/73 and Vote 25 for fiscal year 1973/74. (b) Canadian engineering professors will be teaching approximately 118 short-term courses, of four to six weeks duration, during the three-year life of the project. These courses are part of a program leading to the MSc (Eng.) in the fields of Civil, Electrical Industrial, Mechanical and Chemical engineering. (c) The government of Cuba will be sending approximately 90 Cuban students for short-term training (periods of four to six weeks), to consult on research work and thesis matters as part of this program. Cuba will not send professors to Canada.

CONFEDERATION BUILDING—COST OF REFURNISHING

Question No. 2,679—**Mr. Stevens:**

1. What was the total cost of refurnishing the Confederation Building?

2. To whom and for what amount were contracts signed for such furnishings?

3. To what extent, if any, were amounts finally paid or payable in excess of the initial contract prices and to whom were the amounts paid or payable?

4. For what reasons was the work not put out to tender?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. The total cost of refurnishing the Confederation Building was $607,407.47.

2. The following firms were awarded furnishings contracts for the total amounts indicated:

Metalsmiths Co. Ltd., Don Mills, Ontario	$ 70,429.05
Sunar Industries Ltd., Toronto, Ontario	2,739.60
Taylor-Evans Ltd., Montreal, Quebec	4,050.00
Foto Blohm Assoc. Ltd., Ottawa, Ontario	291.70
Anna Warner Lamp Co., Toronto, Ontario	3,426.00
Central Marketing Services, Ottawa, Ontario	1,715.00
Interiors International, Toronto, Ontario	81,063.33
Eric Jensen Greenhouse, Agincourt, Ontario	19,403.00
Craftwood Products, Scarborough, Ontario	18,625.60
Bostlund Industries Ltd., Oak Ridges, Ontario	640.30
Office Specialty Ltd., Ottawa, Ontario	1,854.00
Canadian Guild of Potters, Toronto, Ontario	948.00
Sunar Industries Ltd., Ottawa, Ontario	1,237.20
Taevan International, Toronto, Ontario	3,306.00
G. W. Furniture Ltd., Montreal, Quebec	40,139.76
Leif Jacobsen Limited, Willowdale, Ontario	10,533.48
Sunar Industries Limited, Montreal, Quebec	41,099.40
Klaus Nienkamper Ltd., Toronto, Ontario	7,050.00
Business Accessories Ltd., Toronto, Ontario	4,230.00
Steelcase Canada Ltd., Don Mills, Ontario	68,171.60
Du Barry Furniture Ltd., Toronto, Ontario	5,426.40
Concept Furniture International Ltd., Toronto, Ontario	47,512.32

Furniture Forum Ltd., Ottawa, Ontario	652.00
Standard Desk Ltd., Laval, Quebec	19,293.79
Office Specialty Ltd., Toronto, Ontario	61,268.00
Primavera Interior Accessories Ltd., Toronto, Ontario	950.40
Gabriel Textiles Ltd., Montreal, Quebec	20,863.55
Supply and Services—modular stock items ± 5,903.99	70,487.99
	$607,407.47

3. A contract with Craftwood Products of Scarborough at the initial price of $17,227.60 was increased by $1,398, for a revised price of $18,625.60, to provide for installation and transportation charges originally omitted.

4. Tenders were not called for the furnishings because of the limited time available between the date of the treasury board decision of May 18, 1972 to renovate the Confederation Building for House of Commons accommodation and the proposal for occupancy in October 1972. It was not possible to determine requirements, call public tenders and achieve delivery of the furnishings by that date. Following consultation with the Department of Supply and Services it was agreed that furniture selections should be made on the basis of the capability of individual firms to meet the delivery schedule at competitive market prices.

IMMIGRATION—MR. JOGINDER SINGH SANDHU AND MR. LEHMBER SINGH BHANGAL

Question No. 2,680—**Mr. Cossitt:**

1. Would Mr. Joginder Singh Sandhu and Mr. Lehmber Singh Bhangal, citizens of India, deported as illegal immigrants on December 17, 1972, be eligible under the amended immigration regulations to come forward and apply for landed immigrant status?

2. Will the government agree to reconsider its refusal to refund the $2,000 bond posted by Mr. Ajit Singh Gill of Smiths Falls, Ontario on behalf of Mr. Joginder Singh Sandhu and Mr. Lehmber Singh Bhangal when they first entered Canada as tourists and, if not, for what reason?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. Presuming that the reference to amended immigration regulations relates to the current adjustment of status program, the answer is no. This program is applicable only to individuals who were in Canada on November 30, 1972 and have remained in this country continuously since that date. However, the men in question may apply for immigrant visas at a Canadian Immigration office abroad but would have to meet the normal immigrant requirements. They would also require ministerial consent to their return under section 35 of the Immigration Act.

2. No. Messrs. Sandhu and Bhangal were allowed into Canada as tourists provided that they deposited a cash bond of $1,000 each to ensure that they would leave Canada on or before a specified date. Both men were fully aware that failure to leave by that date would result in estreatment of the bonds. They both failed to fulfil this condition and the bonds were estreated.

STATISTICS CANADA

Question No. 2,706—**Mr. Gauthier (Roberval):**

1. What are the names of the directors of Statistics Canada?

2. What are the names and addresses of the investigators of Statistics Canada assigned to projects in the constituency of Roberval?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. The names and titles of the members of the Statistics Canada Executive are as follows: Dr. Sylvia Ostry, Chief Statistician of Canada; Mr. V. R. Berlinguette, Assistant Chief Statistician of Canada, (Business Statistics); Mr. A. Boisvert, Assistant Chief Statistician of Canada, (Marketing Services); Dr. I. P. Fellegi, Assistant Chief Statistician of Canada, (Statistical Services); Dr. P. G. Kirkham, Assistant Chief Statistician of Canada, (Economic Accounts and Integration); Mr. R. A. Wallace, Assistant Chief Statistician of Canada, (Census); Mr. L. E. Rowebottom, Assistant Chief Statistician of Canada, (Household and Institutional Statistics); Mr. G. R. Labossière, Director General, (Administration); Mr. D. A. Worton, Director General, (Policy, Planning and Control).

2. The names and addresses of Statistics Canada interviewers in the constituency of Roberval, as of September 18, 1973 are: Mrs. G. Boivin, 455 St. Cyrille St., Normandin, Que.; Mrs. C. Lavoie, Rang 6, St. Prime, Que.

NUCLEAR ENERGY

Question No. 2,720—**Mr. Forrestall:**

Is the government currently undertaking any definitive studies of the advantages or otherwise in terms of cost-benefit analysis of nuclear energy for industrial and municipal use and, if so (a) to what level has funding been appropriated for this fiscal year (b) what is the present status of such studies (c) on what date can they be expected to be made public?

Hon. Jeanne Sauvé (Minister of State for Science and Technology): A study is being undertaken by the Ministry of State for Science and Technology, in collaboration with other interested departments, to assess the impact of certain industrial and municipal uses of nuclear energy. (a) The ministry has appropriated $16,000 for this fiscal year. (b) A preliminary report is currently being prepared with the final report to be completed by the end of fiscal year 1973-74. (c) The findings of this study can be expected to be made public during the fiscal year 1974-75.

COST OF PRIME MINISTER'S VISIT TO CHINA

Question No. 2,955—**Mr. Stackhouse:**

What is the total cost of the Prime Minister's tour and visit to the People's Republic of China, including the costs of all those travelling with him?

Right Hon. P. E. Trudeau (Prime Minister): The actual costs which would include the return expenses are not known at this time.

Orders for Returns

QUESTIONS PASSED AS ORDERS FOR RETURNS

PAIT GRANT TO COLLINS RADIO CANADA LTD., TORONTO, ONTARIO

Question No. 2,075—**Mr. Reynolds:**

1. What was the value of the PAIT grant to Collins Radio Canada Ltd. of Toronto, Ontario to develop single side band marine radio?

2. Is Collins Radio Canada Ltd. controlled by shareholders in the United States?

3. Is the Minister of Industry, Trade and Commerce aware that the same radio mentioned in Part 1 was already developed and in production by Triton Industries Ltd. of Richmond, British Columbia, a wholly-owned Canadian company?

4. Was one of the reasons Collins Radio Canada Ltd. received their PAIT grant because they have received a Canadian Coast Guard contract from the Department of Transport for approximately two million dollars?

5. For what reason did the government award a contract to Collins Radio Canada Ltd., of Toronto for the single side band marine radio when Collins had not developed the radio while a Canadian company already had the item ready for sale?

6. (a) Was a letter dated January 31, 1972 sent by Mr. J. C. Dobby, Engineering Procurement Officer, Electrical and Electronics Branch, Division No. 1, Department of Supply and Services to Mr. W. Courage, Director of Marketing, Triton Industries Ltd. and, if so, what information was provided concerning the listing of Triton Industries Ltd. as a potential source of SSB communications equipment (b) was Triton Industries Ltd. allowed to tender and, if not, for what reason?

7. Was a letter dated April 23, 1971, sent by Mr. R. J. D. Brown, Acting Chief, Purchases and Contracts, Department of Transport to Mr. W. Courage and, if so, what information was provided concerning the listing of Triton Industries Ltd. as a potential supplier of SSB communications equipment?

8. Is this a violation of the government tendering process and, if so, for what reason?

9. Will the Minister cancel the original tender and re-submit it for bidding?

Return tabled.

OFFICIALS OF CERTAIN DEPARTMENTS AND GOVERNMENT ORGANIZATIONS—DATE AND TERM OF APPOINTMENT

Question No. 2,255—**Mr. Horner (Crowfoot):**

What are the names of (a) Governor, Bank of Canada (b) Chairman, Economic Council of Canada (c) Chairman, Polymer Corporation (d) Chairman, Air Canada (e) Chairman, Central Mortgage and Housing Corporation (f) Chairman, St. Lawrence Seaway Authority (g) Chairman, CNR (on what date is he up for retirement) (h) Chairman and Vice-Chairman, National Harbours Board (i) Chairman and Vice-Chairman, CBC (j) Chairman and Vice-Chairman, CRTC (k) Deputy Minister of Manpower and Immigration (l) Deputy Minister of National Defence (m) Chief of Defence Staff (n) Deputy Minister of National Revenue (o) Director General, Citizenship Branch (p) Director, Statistics Canada (q) Deputy Minister, Supply and Services (r) Chairman and Vice-Chairman, CTC and on what date were they appointed and for how long?

[Mr. Trudeau.]

Return tabled.

EXTERNAL AID OFFICE AND CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

Question No. 2,647—**Mr. Stevens:**

1. For each year, from 1960 to 1968, how many persons were on the staff of the External Aid Office?

2. For each year, from 1968 to 1973, how many persons were or are on the staff of the Canadian International Development Agency?

3. For each fiscal year, from 1960-61 to 1971-72, what were the total expenditures of the External Aid Office or the Canadian International Development Agency (as applicable) on the administration of its aid, and what is the breakdown of these year by year totals into categories of (a) staff salaries (b) overhead expenditures relating to CIDA space in the Jackson Building (c) overhead expenditures relating to space rented for CIDA overseas operations (d) office equipment (e) building renovation expenditures?

Return tabled.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

REINSTATEMENT OF LAW RELATING TO CAPITAL PUNISHMENT THAT EXISTED PRIOR TO DECEMBER 30, 1972

The House resumed, from Monday, October 22, consideration of the motion of Mr. Allmand that Bill C-2, to amend the Criminal Code, be read the third time and do pass.

Mr. Speaker: It being two thirty o'clock, pursuant to the special order of Monday, October 22, 1973, it is my duty to interrupt proceedings now before the House and put forthwith the question on the motion for third reading of Bill C-2, to amend the Criminal Code.

The House divided on the motion (Mr. Allmand) which was agreed to on the following division:

● (1430)

(*Division No. 43*)

YEAS

Messrs.

Alexander	Bégin (Miss)	Chrétien
Allmand	Blackburn	Clark
Andras	Blais	(Rocky Mountain)
Atkey	Blaker	Corbin
Baker	Boulanger	Côté
Baldwin	Breau	Danson
Barnett	Brewin	De Bané
Basford	Broadbent	Demers
Beatty	Buchanan	Diefenbaker
(Wellington-Grey-Dufferin-Waterloo)	Caccia	Douglas
	Cafik	Drury
	Carter	Dubé

Messrs.

Dupont
Éthier
Faulkner
Firth
Fleming
Foster
Fox
Gauthier (Ottawa East)
Gilbert
Gillies
Goyer
Grafftey
Gray
Grier
Guilbault
Haidasz
Harding
Harney
Hellyer
Holmes
Howard
Jamieson
Knight
Knowles (Winnipeg North Centre)
Lajoie
Lalonde
Lang
Laniel
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
MacDonald (Cardigan)
MacDonald (Egmont)
Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacGuigan
MacInnis (Mrs.) (Vancouver Kingsway)
Mackasey
Macquarrie
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Marshall
McGrath
McRae
Morgan
Munro (Hamilton East)
Neale (Vancouver East)
Nelson
Nesdoly
Nystrom
O'Connor
Olaussen
Olivier
Orlikow
Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Peters
Poulin
Prud'homme
Railton
Reid
Reilly
Richardson
Roche
Rodriguez
Rompkey
Rooney
Rose
Rowland
Roy (Timmins)
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Northumberland-Miramichi)
Stanbury
Stanfield
Stollery
Symes
Trudeau
Turner (Ottawa-Carleton)
Walker
Whelan—119.

NAYS

Messrs.

Alkenbrack
Allard
Andre
Arrol
Balfour
Beattie (Hamilton Mountain)
Beaudoin
Bell
Blenkarn
Boisvert
Campbell
Caouette (Charlevoix)
Caouette (Témiscamingue)
Clarke (Vancouver Quadra)
Coates
Comtois
Cossitt
Crouse
Danforth
Darling
Dick
Dinsdale
Dionne
Dupras
Ellis
Epp
Fortin
Frank
Fraser
Gauthier (Roberval)
Godin
Guay (St. Boniface)
Hales
Haliburton
Herbert
Higson
Hollands
Hopkins
Horner (Crowfoot)
Horner (Battleford-Kindersley)
Howie
Hueglin
Hurlburt
Jarvis
Jelinek
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
Laprise
La Salle
Latulippe
Lawrence
Leblanc (Laurier)
Lessard
L'Heureux
Loiselle
Lundrigan
MacKay
MacLean
Madill
Masniuk
Mather
Matte
Mazankowski
McCain
McCleave
McKenzie
McKinley
McKinnon
Mitges
Morin (Mrs.)
Muir
Munro (Esquimalt-Saanich)

Capital Punishment

Messrs.

Murta
Neil (Moose Jaw)
Nesbitt
Nielsen
Nowlan
Oberle
O'Sullivan
Paproski
Patterson
Portelance
Reynolds
Ritchie
Rondeau
Rynard
Schellenberger
Schumacher
Scott
Skoreyko
Smith (Saint-Jean)
Stackhouse
Stevens
Taylor
Thomas (Maisonneuve-Rosemont)
Thomas (Moncton)
Towers
Trudel
Turner (London East)
Whicher
Whittaker
Wise
Woolliams
Yanakis
Yewchuk—106.

● (1450)

And the Clerk proceeding to announce the result of the division:

Mr. Rynard: Mr. Speaker, I rise on a point of order. I intended to vote the other way but in the confusion of the free vote I misplaced my vote.

Mr. Speaker: Perhaps the hon. member might allow the Chair first to hear the result of the division and then, with the consent of the House, we will see what can be done to correct the record.

Mr. Bell: Mr. Speaker, may I respectfully suggest that if the results are announced and we then go back to change the votes cast confusion might result. It would be more desirable to make the changes first. This is an entirely new procedure.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Perhaps we might consider one point of order at a time. I think hon. members know there is a considerable body of precedents to indicate that once a vote is cast it should not be changed unless with the consent of the House.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I know that this is a very important vote and all hon. members, individually, on both sides of the House are anxious to ensure that they have an opportunity to register their votes in the way they intended to. It is perhaps as a result of confusion in this type of voting that a mistake can be made. If it is the wish of hon. members that the record be corrected immediately, certainly the Chair has no objection.

Some hon. Members: Agreed.

Mr. Speaker: I think that in fairness to all hon. members this is what should be done because hon. members will notice that it is at the start of recording votes to the left of the Chair that this mistake occurred in the case of three hon. members.

Mr. Hales: Mr. Speaker, I rise on a point of order. I wish my vote to be recorded as against the bill.

Mr. Nesbitt: Mr. Speaker, I wish my vote to be recorded as against the bill.

And the Clerk having announced the result of the division:

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

Mr. Speaker: I believe that when we interrupted the proceedings at 2.30 p.m. we had reached the item, notices of motions for the production of papers.

• (1500)

QUESTIONS ON THE ORDER PAPER

Mr. MacLean: Mr. Speaker, when the bells rang I was about to rise on a point of order in connection with question No. 2425 which has been on the order paper since June 28 and has not yet been answered. I appeal to the minister responsible to have the officials of his department prepare the required answer at an early date.

Mr. McKenzie: Mr. Speaker, on July 19 I placed starred question No. 2543 on the order paper, with regard to Air Canada centralizing its computer services at Dorval. I believe that the Minister of National Defence (Mr. Richardson) and the Parliamentary Secretary to the Minister of Transport (Mr. Guay) have an obligation to see to it that Air Canada provides an answer to this very important question. It is almost four months since I placed the question on the order paper. We are entitled to a firm answer from Air Canada on this matter.

MOTIONS FOR PAPERS

[*English*]

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

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Diefenbaker: Mr. Speaker, while these notices have been allowed to stand, I would like to point to two motions I have placed before the House, Nos. 241 and 242, on September 12, almost a month and a half ago. The first was:

That an order of the House do issue for a copy of the guest list for the Prime Minister's reception on August 7, 1973, at the National Arts Centre in honour of Her Majesty the Queen and the Duke of Edinburgh.

The second was for an order of the House for the guest list for a dinner given by the government in Calgary in honour of Her Majesty the Queen.

I am not affected by either one, but the government has the record. It knows exactly who were present. It is holding back the answer. I would like to know who are the politically select and who are the rejected.

[Mr. Nesbitt.]

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL—ALLEGED DIVERSION OF TANKERS DESTINED TO EASTERN CANADIAN PORTS—ASSURANCE BY COMPANIES THIS WILL NOT HAPPEN

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. Has he been able to confirm that oil tankers destined for eastern Canada have recently been diverted and, if so, whether these tankers are now on their way to eastern Canadian ports or are still being diverted to other ports?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, further to my telegram yesterday I have had replies from Canadian refiners, particularly the two refiners mentioned by the hon. member for Yorkton-Melville yesterday. In both cases the Canadian firms categorically deny that there was any diversion of tankers, saying that in both cases if it had been done by their affiliated companies they would have been advised, and that there has been no interruption in shipments. In relation to the allegation by the hon. member in regard to Imperial Oil, and his suggestion that a shipment from the Arab states was diverted, I should say that in fact Imperial advises that all of its oil stock comes from Venezuela.

Mr. Stanfield: Mr. Speaker, last week the minister met with representatives of the major oil companies. At that meeting did he seek any assurance and, if so, did he receive any assurance that tankers destined for Canada would not be diverted? I ask this particularly in the context of the Arab states in the Middle East having cut their deliveries to the United States.

Mr. Macdonald (Rosedale): Yes, Sir, I sought that assurance. The companies in question indicated that, of course, this would be subject to whatever sanctions might apply at the point of shipment. I have since been advised that a shipment to one company at least, to Portland for transit to Montreal, has been held up by the Arab states.

OIL—POSSIBLE INCLUSION OF CANADA IN CURTAILMENT OF DELIVERIES BY ARAB STATES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, am I to understand from this reply that the Arab oil states are now reducing deliveries of oil to Canada and that Canada is now definitely included in the list of countries to which deliveries from the Arab states are being reduced as a matter of government policy in those states?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as I indicated we have heard

of one shipment that has been interrupted. Through diplomatic means we are trying to define with a little more clarity the positions of the various shipping states with regard to Canada.

OIL—ALLEGED DIVERSION FROM CANADA OF TANKER BY EXXON—GOVERNMENT ACTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to direct a supplementary question to the Minister of Energy, Mines and Resources. In view of more information I received this afternoon from officials within Imperial Oil that Exxon is buying Venezuelan oil on Canadian accounts and then diverting that oil, with their own marine tankers, to American ports, can the minister say whether or not he is carrying out an independent investigation personally or whether he is just relying on the telegram to the particular oil company?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I do not know of any way in which I could have access to Exxon's accounts. I would have to say that Imperial Oil Company assures me that there have not been any diversions from their account and that all shipments are coming to Canada from Venezuela.

Mr. Nystrom: Mr. Speaker, in view of the fact I have information from officials of the company that a confidential memo was sent from Exxon in New York, and also from Texaco, New York, to their Toronto based companies referring to some of these issues, and also in light of the fact I am informed that Texaco is prepared or almost prepared to admit diverting at least one oil tanker, can the minister say what sanctions or other action he has in mind to prevent any diversion of this sort, be it by Exxon or by a Canadian subsidiary?

Mr. Macdonald (Rosedale): Mr. Speaker, at a time when we are pushing to get the maximum number of shipments into the Canadian market, I am not sure that sanctions against a particular company would be effective. I am faced really with a conflict of credibility between the source that the hon. member is relying on and the assurance given to me directly. All I can say at this stage is that I will repeat his allegation to the company.

POSSIBLE LEGISLATION TO ESTABLISH PUBLICLY OWNED PETROLEUM CORPORATION

Mr. Lorne Nystrom (Yorkton-Melville): I would like to ask the minister whether or not, in view of the present crisis in oil internationally, he is considering introducing legislation to establish a publicly owned petroleum corporation that would have, among other powers, jurisdiction over imports of crude oil into this country?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): That is a question under consideration—

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): —although I cannot see any way in which such legislation would be available at this time. It is not so much the ingress of the commodity into Canada as its egress from the supplying states that is the problem.

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[*Translation*]

PUBLIC SERVICE

REQUEST THAT SALARY OFFER TO CLERKS BE INCREASED

Mr. Roland Godin (Portneuf): Mr. Speaker, I should like to ask a question of the hon. President of the Treasury Board.

In view of the fact that his department has granted $3,000 and $4,000 increases to hundreds of executives in the Public Service, can the hon. minister tell us whether he intends to seriously consider the 12 per cent salary increase requested by the 40,000 CR employees who are unable to balance their budgets with a salary of $5,000 a year?

Hon. Charles M. Drury (President of the Treasury Board): Yes, Mr. Speaker. We are negotiating with several groups of these employees in order to sign collective agreements.

[*English*]

Mr. Frank Howard (Skeena): As a supplementary question, Mr. Speaker, would the minister consider cutting out some of the fat and waste in the upper echelons of the public service so there would be more money available for these clerks?

* * *

ENERGY

ELIMINATION OF TARIFF ON PETROLEUM PRODUCTS—ASSURANCE THAT SAVINGS WILL BE PASSED ON TO CONSUMER

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. In light of the fact that elimination of customs duty will mean a cut of one-third to one cent per gallon on certain petroleum products, what measures is the minister taking to ensure that these savings will be passed on to consumers?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): As the hon. gentleman knows, Mr. Speaker, we are in close contact with the industry, particularly in eastern Canada, with regard to its products, and we will make a point of making certain that the reduction in the cost of any shipments coming in after this point will be reflected in the price.

● (1510)

OIL EXPORT TAX—POSSIBILITY OF SIMILAR LEVY ON OTHER FORMS OF ENERGY

Mr. Gordon Ritchie (Dauphin): In view of the export tax on oil, is the government considering implementing an export tax on electricity, coal and other forms of energy?

Oral Questions

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, with the other forms of energy we have not had the dramatic increase in price due to international events that has occurred with petroleum.

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EMERGENCY MEASURES ORGANIZATION

REDUCTION IN FUNDS—CONSULTATION WITH PROVINCES—SUGGESTED RECONSIDERATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question to the Minister of National Defence concerns the recent declaration in the rather jigsaw defence policy announced by the minister of a reduction in the Emergency Measures Organization which was set up under my administration. Was that done after consultation with the provinces? Why was this cut made in this organization that has brought together people in all parts of the country whose devotion to the public good has been excellent, as shown recently in connection with the floods in New Brunswick and the gas leak in Alberta?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, there will be no cut until the next fiscal year and therefore there will be plenty of opportunity for consultation with the provinces.

Mr. Diefenbaker: I am simply asking about what was in the report given by the minister. Is there not to be any cut? Is that the answer? If so, then it is the very reverse of what the minister announced so flagrantly when he said what the new defence policy was going to be. I simply ask this: is it a fact that there will be no reduction?

Mr. Richardson: No, Mr. Speaker. The program I announced envisaged a cut beginning in the next fiscal year in emergency measures payments from the federal government to the provinces, but as I have just indicated we will have plenty of opportunity to discuss that with the provincial governments in the intervening months.

Mr. Diefenbaker: In the intervening months will the minister put an end to this suggestion which has no justification whatsoever?

* * *

COMBINES

INQUIRY AS TO COMPLETION OF INQUIRY INTO OIL INDUSTRY AND PRICE OF GASOLINE

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Can the minister inform the House when the inquiry will be completed by the Combines Branch into the oil industry and particularly the pricing of gasoline in this country?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will be happy to check with the acting director and see what information I can give the hon. member.

[Mr. Ritchie.]

Mr. Lawrence: In view of the urgency of the matter and in view of the fact that on February 15 the minister assured the House that it had top priority, can the minister not do better than that and can he also assure the House that the public will be informed of the contents of the report when it is made?

Mr. Gray: Mr. Speaker, it is the practice of the Combines Branch to inform the public of the results of their investigation either through the director's annual report or action in the courts. With respect to the first part of the question, the director, an official with a high degree of autonomy, is aware of the interest of the House and the public in completing this inquiry at the earliest possible date. I will ensure that he continues to be aware of this interest.

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CONSUMER AFFAIRS

PASSING ON OF BENEFITS OF CORPORATE TAX AND CAPITAL COST ALLOWANCE REDUCTIONS TO CONSUMERS—RESULTS OF QUESTIONNAIRE TO MANUFACTURERS

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, my question is for the Minister of Finance. In view of the assurance given by the minister that the benefits from corporate tax reductions and capital cost reductions would be passed on to consumers in the form of lower prices, is the minister now in a position to provide that evidence to the House from the results of the questionnaire he sent to manufacturers?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the questionnaire has not been completed but it is furnishing the information that will form the substance of the report which I gave an undertaking to the House to table before the end of March.

Mr. Saltsman: May I ask the minister whether the information that will be provided by the questionnaire will distinguish between capital cost allowances and corporate tax reductions? Also, can the minister tell the House whether the information was requested on a voluntary or compulsory basis and whether the information that is to be provided was under the condition of truth as outlined in the Statistics Act?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the questionnaire was prepared by Statistics Canada and of course is being requested on a voluntary basis. There is nothing in the law to compel a reply. I am assured, however, that the questionnaires will constitute a very valid survey of the effects of these corporate tax reductions.

Some hon. Members: Rubbish!

TRANSPORT

REDUCTION IN SERVICE BY DIGBY-SAINT JOHN FERRY—REQUEST FOR STATEMENT

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, I had intended to direct a question to the Minister of Transport and had given him notice. In his absence perhaps I might address it to the Prime Minister. There is a matter of urgency in southwestern Nova Scotia with regard to the forthcoming cancellation of trips of the *Princess of Acadia*, the ferry running from Digby to Saint John, with substantial losses to the economy of southwestern Nova Scotia and Saint John. Would the Prime Minister undertake to give the House a statement or have the Minister of Transport give the House a statement on what program the government has to ensure continuation of that ferry service?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I shall be glad to draw the hon. member's question to the attention of the minister.

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URBAN AFFAIRS

POSITION OF MINISTER AT TRI-LEVEL CONFERENCE ON POSSIBILITY OF MUNICIPALITIES RECEIVING SHARE OF FEDERAL REVENUES

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Minister of State for Urban Affairs concerning the national tri-level meeting. In view of the fact the representatives of 4,500 municipalities of Canada, supported by the governments of Ontario and Alberta, wanted a study of the feasibility of local governments sharing in federally raised taxes, would the minister explain why he opposed even a study of this critical financial problem, and how will it be solved if it is not at least studied?

Mr. Speaker: Order, please. The Chair has serious doubts about a question asked in those terms. When a member asks a minister to explain why a certain action was taken, that is debate. Perhaps the question might be asked in other words, or a supplementary might be asked.

Mr. Roche: Will the minister tell the House how many provinces will be required to approve the task force that has been recommended by the tri-level meeting to study public financing without any reference to tax sharing throughout the various levels of government?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I am not in a position to speak for the provinces here. The proposal for a study of the creation of an in-depth analysis of local government finances was the consensus of the conference and was the position put forward by myself. I would hope that all provinces would agree to an appointment of that kind of task force to examine the development of common data bases with respect to the comparative revenue and expenditure flows of each level of government and rising and emerging trends. I could go on and would be happy to table the statement that was agreed to as a consensus which will allow for an extremely useful analysis of the financial needs of local governments and from which, hopefully, progress can be made in the solution of financial problems at all levels of government.

Mr. Speaker: The Chair will recognize the hon. member for a supplementary and then the hon. member for Kent-Essex.

Mr. Roche: In view of the fact the consensus was arrived at as a result of a compromise to save future tri-level meetings, would the minister tell the House why he opposed a study on public financing and revenue sharing?

Mr. Speaker: Order, please. We are back where we started. I suggest to the hon. member that a question asked in those terms is inviting debate and should not be accepted by the Chair.

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AGRICULTURE

BEEF—POSSIBLE IMPOSITION OF SURCHARGE ON IMPORTS—INQUIRY AS TO DECISION

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, my question is for the Minister of Finance. Can the minister say if he has had representations from the Minister of Agriculture and the Canadian Cattlemen's Association regarding the chaotic condition of the Canadian market for beef, and can he state if a decision has been made on their request for a temporary surcharge to be placed on imports of live and dressed beef? If not, can the minister tell the House when a decision might be expected?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not want to accept all the premises of the question. I received a copy of the telegram to my colleague, the Minister of Agriculture, from the cattlemen. I am in communication with him and a decision will be made shortly one way or the other because of the importance of the question.

Mr. Speaker: I believe the hon. member for Oshawa-Whitby has a supplementary to the previous question following which I will recognize the hon. member for Joliette.

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URBAN AFFAIRS

POSSIBILITY OF MUNICIPALITIES RECEIVING SHARE OF CORPORATE INCOME TAXES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my supplementary is for the Minister of State for Urban Affairs. In view of the fact the governments of British Columbia, Saskatchewan and Manitoba support the principle that municipalities should obtain a share of corporate and other income taxes and, indeed, the government of Manitoba as of this year has implemented such a policy, can the minister assure the House that the federal

government is committed to the principle of urban areas sharing in such taxes?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the position is that we are sharing a very substantial portion of income taxes with the provinces and they are free, under the constitution, to make what arrangements they wish with their municipalities. The province of Ontario, for example, which takes the lowest percentage of any province in Canada of the personal income tax, could by bringing that percentage up to the national average of the other provinces raise by that one simple step $300 million for its municipalities.

* * *

● (1520)

[*Translation*]

HOUSE OF COMMONS

PROVISION OF RIDING SECRETARIATS FOR MEMBERS

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister.

Last spring, the parties negotiated for a supplementary credit in order to set up secretaryships in each constituency. Can the Prime Minister tell us whether his government is still in favour of such a measure and how the negotiations with the political parties are going?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. The government has kept its promise as the hon. member will see in the next supplementary budget estimates which will be submitted very shortly.

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[*English*]

FINANCE

ALLEGED OVERCHARGING BY BANKS ON FISHERIES IMPROVEMENT LOANS—GOVERNMENT ACTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Minister of Finance. As I brought to the minister's attention about a month ago the fact that banks were overcharging fishermen with respect to fisheries improvement loans and as the answer of his own department confirmed that the banks are overcharging fishermen on such loans, can the minister indicate what action he will take against the banks for deluding fishermen who are trying to get ahead in the fishery?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will be happy to examine that premise again and communicate directly with the hon. gentleman.

Mr. Marshall: Mr. Speaker, may I direct a supplementary question to the Minister of Consumer and Corporate Affairs. Would the minister investigate the facts which show that banks are charging fishermen a greater rate of interest than guaranteed by the government purposely, thus deluding fishermen who are trying to get ahead?

[Mr. Broadbent.]

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will be happy to look into the matter in so far as it comes within my department's jurisdiction.

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NATIONAL CAPITAL

SUGGESTED FEDERAL SUPPORT FOR CITY OF OTTAWA PLANNING

Mr. Hugh Poulin (Ottawa Centre): Mr. Speaker, my question is for the Minister of State for Urban Affairs. In view of the zoning freeze that was imposed or voted upon by the city of Ottawa in the early hours yesterday, as this area forms the real heart of the national capital and as the freeze is for a period of 12 months, I would ask the minister if, in the interests of the national capital area, in the interests of all those persons who wish to have a better place in which to live and in the interests of the orderly development of the community, he will consider providing direct financial support to the city of Ottawa so that it can retain adequate additional planners—

Mr. Speaker: Order, please.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, quite some time ago there were negotiations between the National Capital Commission and the city of Ottawa along those lines, which came to no result. I think the idea put forward is an exceedingly good one. I have asked the chairman of the National Capital Commission to meet the mayor of Ottawa and see whether some joint planning process can be established.

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EXTERNAL AFFAIRS

EFFORTS OF GOVERNMENT TO ASCERTAIN POLICY OF ARAB OIL PRODUCING STATES TOWARD CANADA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and arises out of the information given by the Minister of Energy, Mines and Resources about our present position vis-à-vis oil shipments from the Middle East. Can the Secretary of State for External Affairs indicate what country diverted a vessel destined for Canada and what he is doing, through diplomatic channels, as indicated by the Minister of Energy, Mines and Resources, to determine what the policy of the Arab oil producing countries is toward Canada?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the Minister of Energy, Mines and Resources gave me this information just a very short time before the House assembled at two o'clock. He informed me that it was a shipment which had been held up by Saudi Arabia. We are not sure yet what the significance of this action may have been. I have given instructions to my department to ask the ambassadors from all the Arab states who are accredited and resident in Ottawa to call on me. I have also given instructions that the same questions

are to be raised in the capitals of the countries where we have representation.

Mr. Stanfield: Am I to understand that the Secretary of State for External Affairs has issued these invitations, these instructions, today? Is there any explanation as to what the Secretary of State for External Affairs and the Department of External Affairs have been doing for the past week since the Arab countries announced their cuts? What has he been doing to find out whether this policy applies to Canada? We have been asking questions in the House about it.

Mr. Sharp: Mr. Speaker, until we received this news today, this was the first indication we have had that this policy would apply to Canada in any way, and we are not even sure whether it is a policy or whether there is some other explanation.

Mr. Stanfield: Can the Secretary of State for External Affairs, who is now Acting Prime Minister, explain to the House what the Minister of Energy, Mines and Resources meant when he said that Canada was trying to find out from the international community—he said this one week ago—whether this applied to Canada?

Mr. Sharp: Mr. Speaker, needless to say, I do not have to answer for my colleague, the Minister of Energy, Mines and Resources. I can assure the hon. gentleman that this is the first indication we have had from any source whatever that Canada might be included. Perhaps my hon. friend wants Canada to be included; we do not.

Some hon. Members: Oh, oh!

Mr. Sharp: Therefore, we are not taking the position that any decision—

Some hon. Members: Oh, oh!

An hon. Member: You have just begun to fight.

Mr. Sharp: We are not taking the position that the Arab countries have made such a decision. We hope that is not the case, and we believe this is the best way of pursuing the matter. We do not believe that there should be any policy of confrontation, no matter what the hon. member suggests.

Mr. Stanfield: Mr. Speaker, if, as the Secretary of State for External Affairs today has suggested, the best policy was to ask no questions, what did the Minister of Energy, Mines and Resources mean by indicating to the House several times last week that the government was trying to find out from the international community what the position was?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

SUGGESTED CONSULTATION WITH INTERNATIONAL CORPORATIONS TO DETERMINE OIL DELIVERY POLICY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, may I direct a supplementary question to the Secretary of State for External Affairs in his capacity as Acting Prime Minister. As the Minister of Energy, Mines and Resources referred merely to contacting Canadian companies and Canadian refineries, while in fact it is international corporations that decide where oil supplies are to come from and where they are to be delivered, will the Acting Prime Minister contact directly the head offices of multinational corporations such as Exxon, where these decisions are made?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, if that is necessary, we will do so, but I believe that the Canadian government should deal with Canadian companies. We certainly object when foreign governments deal with Canadian companies directly. This is the policy that has received widespread support throughout Canada, and still continues to do so. We will act here as the government of Canada dealing with Canadian companies.

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UNEMPLOYMENT INSURANCE

POSSIBLE LOOSENING OF REGULATIONS APPLYING TO NEWFOUNDLAND FISHERMEN—GOVERNMENT POSITION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, may I direct a question to the Minister of Manpower and Immigration. Yesterday, in reply to a question asked by the hon. member for York East, the President of the Privy Council agreed to give consideration to the introduction of legislation with respect to the tightening up of unemployment insurance. Can the Minister of Manpower and Immigration now tell the House what plans he has to loosen up the regulations which apply to Newfoundland fishermen?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I would be interested in getting the hon. member's recommendation. If he can bring forward specific cases in which he feels that my people are being unfair in dealing with claims involving Newfoundland fishermen, I will be glad to look into them. Generally speaking, my understanding is that that is not the case, but I will be glad to consider specific cases.

Mr. Carter: A supplementary question, Mr. Speaker. What action has the minister taken on the recommendations of the President of the Newfoundland Fishermen, Food and Allied Workers Union in that regard?

Mr. Andras: Mr. Speaker, consultations have been taking place and there has been consideration and examination of the benefit policy relating to fishermen which, as you know and as the hon. member knows, is quite separate, and was intended to be separate at the beginning, from the general Unemployment Insurance Act. This is being examined. If and when a new policy is determined, it will be announced in the usual manner.

Mr. Alexander: Mr. Speaker—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for a supplementary, and then the hon. member for Elgin.

Oral Questions

POSITION OF FUND—REASON FOR DELAY IN REPORT OF ADVISORY COUNCIL—REQUEST FOR STATEMENT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, if I may ask a general question about unemployment insurance in order to elicit some information from the minister. I wonder if the minister can advise the House whether the fund to which employers and employees contribute is running at a deficit and, if so, by how much?

● (1530)

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, these figures will be available to all hon. members in due course. I will be making a statement on this matter in the not too distant future.

Mr. Speaker: The hon. member for Elgin.

Mr. Alexander: A supplementary question.

Mr. Speaker: Order, please.

Mr. Alexander: Can the minister assure the House—

Mr. Speaker: May we have order, please. The Chair undertook a moment ago to recognize the hon. member for Elgin, which I have done. I will return to the hon. member in a moment if he will allow me to do so.

[*Later:*]

Mr. Alexander: Can the Minister of Manpower and Immigration inform the House when he will be making the statement? I hope it will be in the not too distant future. Will he touch on the entire cost, including the administrative cost of the fund? Also, will he touch on the fact that, as he indicated before, the administrative cost will not exceed $145 million? Will he give some reason why the advisory council has not submitted its second report as it is certainly very instrumental in seeing what happened with the Unemployment Insurance Commission? Can he give us that assurance so that he will make a clean breast—

Mr. Speaker: Order, please.

Mr. Andras: Mr. Speaker—

Mr. Alexander: This is an extremely important matter. The minister was about to stand and answer the question.

Mr. Speaker: Will the hon. member please resume his seat. The minister will be recognized for the purpose of answering the question.

Mr. Andras: Mr. Speaker, I will be very glad to examine all facets of the hon. member's representations and do my best, as the hon. member says, to carry out what I hope I have always carried out, that is making a clean breast of things.

[Mr. Speaker.]

URBAN AFFAIRS

DATE OF LEGISLATION TO PROVIDE FINANCIAL ASSISTANCE TO MUNICIPALITIES FOR RAILWAY RELOCATION

Mr. John Wise (Elgin): Mr. Speaker, my question is to the Minister of State for Urban Affairs. Will the minister inform the House as to the date on which he intends or will be able to introduce his bill to provide financial assistance to urban municipalities for railroad relocations?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I hope the Minister of Transport will be able to introduce that bill some time in the month of November. We have completed all of the processes required for introduction of the bill and we are simply waiting for the drafting to be completed.

LAND ASSEMBLY PROGRAM—REQUEST FOR ASSURANCE NO WINDFALL PROFITS FOR PRIVATE SPECULATION AND NO RESALE TO PRIVATE SECTOR

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, I have a question for the Minister of State for Urban Affairs arising out of the tri-level conference in Edmonton and the emphasis given to the federal government's land assembly program. What arrangements will be made in establishing the purchase price of land assembled under the program to ensure that federal funds for land assembly will not simply amount to windfall profits for private speculators at the expense of taxpayers?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I certainly give the hon. member that assurance. That, of course, is obviously not the purpose of public intervention in land assembly. The proposal will be to dispose of the land in public land assemblies, either by way of sale or lease at below market rates and assign certain parts of it to low income housing. If lands are sold at market or close to market prices, that element of profit will not be returned to the government, as has been the case in the past. It will be applied within the land assembly for the provision of municipal community services, taking that cost off the municipality involved and thereby making public land assembly more attractive to municipalities.

Mr. Nelson: Can the minister assure the House that land acquired under the program will not be sold back to the private sector, but will be held or made available for leasehold arrangements?

Mr. Basford: Mr. Speaker, the land will be disposed of by either sale or lease. I am hopeful we can do a good deal of leasing to show the value of that technique in lowering the price of land and housing. However, I think it would be unwise, especially because these are federal-provincial relationships, to make an unequivocal commitment that there will be no sales.

AGRICULTURE

EFFECT OF GRADING OF IMPORTED UNITED STATES BEEF ON CANADIAN MARKET—GOVERNMENT ACTION

Mr. William C. Frank (Middlesex): Mr. Speaker, my question is supplementary to that directed to the Minister of Finance by the hon. member for Kent-Essex. I direct it to the Minister of Agriculture. As a result of the abnormally high import of United States cattle into Canada, Ontario in particular, which is graded under U.S. standards as No. 3 and No. 4 but has been railgraded in Canada as No. 1 and No. 2, does the minister have any definite plans to immediately offset this practice which is further jeopardizing our Canadian beef market price structure?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am well aware that cattle from the United States being brought here for slaughter do not meet the high quality standards we have set. They are of an inferior quality to Canadian beef. I just received the final reports on grading in Canada. When buying American beef, people are buying a lot of fat; I can tell you that. I have submitted a paper to my colleague to be considered tomorrow.

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FLOODS

HIGH WATER LEVELS OF GREAT LAKES—SUGGESTED ASSISTANCE OF ARMED FORCES PERSONNEL—GOVERNMENT POSITION

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is to the Minister of National Defence. It concerns the continuing hardship faced by residents along the shore of the Great Lakes as a result of high water levels. Has the minister followed up his commitment to consider the use of technical and personnel facilities of his department to assist municipalities and individuals who will be facing renewed difficulties this approaching winter? In short, will the federal government at this late date finally step in to assist those residents facing this difficulty?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, as I have explained before, and I think the hon. member knows this, I cannot move National Defence personnel in to correct a flood problem without an invitation and request from the provincial authorities. We have had no such request, although we have been in contact through the Emergency Measures Organization with the province of Ontario.

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MANPOWER

LOCAL INITIATIVES PROGRAM—FORMULA FOR ALLOCATION OF FUNDS—DATE OF ANNOUNCEMENT OF ALLOCATION

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of Manpower and Immigration. What formula will be used in the allocation of funds to each constituency under the current LIP program?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the allocation between provinces is based on a formula reflecting unemployment, with an adjustment for native people who may not be in the labour force. As between constituencies, the allocations are based on a similar formula adjusted as a result of consultation with the provincial governments.

[*Later:*]

Mr. Towers: Can the minister advise when the announcement will be made as to the allocation of funds for the LIP program?

Mr. Andras: Mr. Speaker, we will be dealing with allocations within the next few days. I will let the hon. member know shortly what his constituency can expect.

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ADMINISTRATION OF JUSTICE

COUNTY COURTS OF BRITISH COLUMBIA—INQUIRY AS TO APPOINTMENT OF JUDGES TO FILL VACANCIES

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I wish to direct my question to the Minister of Justice. There have been vacancies in the county courts of British Columbia for a number of months resulting in a situation where cases set down for trial this month will not be reached until May or June. Will the minister advise when the appointments will be made to fill the three vacancies so the work in that court can continue?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, a number of appointments, including some to the county courts, were made last week in the province of British Columbia. We are very energetically continuing our now common practice of trying to seek out the best possible candidates for the available positions. As soon as these can be put in place, appointments will be made.

Mr. Fraser: Mr. Speaker, I understood the minister to say a number of appointments had been to the county courts in British Columbia last week. I would ask the minister to check his information and advise me.

Mr. Lang: Mr. Speaker, I will be glad to send the information to the hon. member.

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ENERGY

SUPPLYING OF CANADIAN OIL TO CHERRY POINT AS ALTERNATIVE TO ALASKAN OIL—GOVERNMENT POSITION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the statement made to the House that the government is now reconsidering the guarantee of supplies to the Cherry Point oil refinery as an alternative to the Juan de Fuca Strait route for Alaska oil, will the minister advise specifically the alternate proposal of the government in order to avoid the consequences of that? In

other words, we not only want to know when we are going to fight, but how we are going to fight.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, following up my answer in the House on October 22, my colleague, the Minister of Energy, Mines and Resources made an offer yesterday to supply oil to Cherry Point. The United States said it was not at all interested.

● (1540)

SUPPLYING OF CANADIAN OIL TO CHERRY POINT AS ALTERNATIVE TO ALASKAN OIL—ALLEGED CHANGE IN POLICY—DISCUSSION WITH DR. KISSINGER

Mr. John A. Fraser (Vancouver South): Could I ask the Secretary of State for External Affairs how it is that earlier this week, on October 22, our policy was not to supply, yet, yesterday, we offered the Americans the oil?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The hon. member says that is what I stated in the House, but if he would look at the record he would find I said our policy was under consideration and reconsideration. I did not say we had decided not to do that.

An hon. Member: Known as the revolving door policy.

Mr. Sinclair Stevens (York-Simcoe): Can the minister assure the House that this matter will be given top priority when Dr. Kissinger visits this country in November?

Mr. Sharp: Yes, Mr. Speaker. It is one of the first items on our program.

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FOOD PRICES REVIEW BOARD

ALLEGED STATEMENT BY CHAIRMAN CONCERNING NEED FOR PROTECTION—GOVERNMENT POSITION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a brief question for the Minister of Consumer and Corporate Affairs. In view of the statement made yesterday by the Chairman of the Food Prices Review Board that she was "naked of protection" because she has no minister to whom to report, I ask the hon. gentleman if he is prepared to be a modern Sir Gallahad and provide this modern-day Lady Godiva with legislative clothing?

Some hon. Members: Hear, hear!

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): The lady already has an important legislative garment given by parliament in the form of the Inquiries Act. I understand the board is meeting with the food prices committee next week. The hon. member would then have an opportunity to discuss directly with the chairman the need for additional couture.

Mr. McGrath: May I ask the minister whether he shares the view expressed by the lady yesterday when she said she did not anticipate any decrease in food prices? Does the minister subscribe to that view?

[Mr. Leggatt.]

Mr. Speaker: Order, please. A question asked in those terms is irregular.

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PENITENTIARIES

BRITISH COLUMBIA—SUGGESTED INDEPENDENT INQUIRY INTO RIOT—GOVERNMENT POSITION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Solicitor General. In view of continued tension at British Columbia Penitentiary, and in view of the request of inmates and of the guards for an independent inquiry to be made, will the minister now reconsider the position he has previously taken and appoint an independent inquiry into the circumstances of the riot at the penitentiary?

Hon. Warren Allmand (Solicitor General): I must point out to the hon. member that we did hold an inquiry by a management review group in September, and yesterday I asked the correctional investigator, the ombudsman, to conduct an inquiry at the B.C. Penitentiary also, and I will await her report. I must repeat that I do not think the answer to the problems at the B.C. Penitentiary is another inquiry.

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GRAIN

POSSIBILITY OF INTERIM PAYMENT—GOVERNMENT POSITION

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the minister responsible for the Wheat Board. It follows from one I asked on October 16. Since western grain farmers are receiving approximately 45 per cent of the expected final payment, can the minister assure the House that no later than the first month of the new year, that is, January, we can expect to see an interim payment made to farmers who have delivered grain to the Canadian Wheat Board?

Hon. Otto E. Lang (Minister of Justice): Under the Wheat Board act, the question of a recommendation as to an interim payment and, thus, the initiative, is one for the Canadian Wheat Board. I know the Board has very much in mind the question whether a payment should be made. The Board is receiving recommendations that it not be made until the end of the year. I am sure they would, at that time, reconsider the position in accordance with the circumstances then prevailing.

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CANADIAN BROADCASTING CORPORATION

ACCELERATED COVERAGE PLAN—DATE OF IMPLEMENTATION

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, I should like to direct a question to the Secretary of State. In view of the fact that in March of this year the CBC

finalised its five-year accelerated coverage plan whose object is to bring radio and television coverage to all unserved communities in Canada with populations of 500 or more, may I ask whether this plan has been submitted to the Secretary of State and to the cabinet for consideration and approval?

Hon. James Hugh Faulkner (Secretary of State): It has been submitted to me, but it has not yet been submitted to Cabinet.

Mr. Nesdoly: Bearing in mind the fact that many urban areas are getting all kinds of media coverage, including a planned extension of FM radio and the CBC, may I ask when the people who live in the rural areas, especially of the north, can expect a decision to be reached on this matter, one which has been hanging fire for the last six or eight months while the government has been sitting on its fanny?

Mr. Faulkner: That is a lot of nonsense, Mr. Speaker. The fact is that as the hon. member will see, when we come forward with the accelerated coverage plan, there are inherent problems in it. I attach a great deal of importance to this undertaking. I have said so in the hon. member's constituency, and I am proceeding with it as rapidly as possible.

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FLOODS

HIGH WATER LEVELS ON GREAT LAKES—CONTINGENCY PLAN FOR USE OF ARMED FORCES PERSONNEL—NEED FOR REQUEST FROM PROVINCE

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, I should like to return to the Minister of National Defence for the purpose of clarifying one of his earlier answers. The minister told us he had been in touch with officials of the Emergency Measures Organization of the Province of Ontario. Can he tell us whether there are contingency plans for the use of the forces available to the Department of National Defence, and of expert services, and that the only thing needed to put those plans into operation is a formal request from the Province of Ontario?

Hon. James Richardson (Minister of National Defence): Yes, Mr. Speaker, that is correct.

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PUBLIC SERVICE

ARBITRATION AWARD TO NURSES IN YUKON AND NORTHWEST TERRITORIES—REQUEST FOR RE-OPENING OF NEGOTIATIONS

Mr. Erik Nielsen (Yukon): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare in his capacity as minister of health for the Yukon. a question which also affects him in his capacity as minister of health for the Northwest Territories. Has he today received a telegram from various nursing stations, hospitals and health centres throughout the Yukon

requesting negotiations for the purpose of relieving the nurses from the imposition of the disgustingly low arbitral award they have received under his department?

Hon. Marc Lalonde (Minister of National Health and Welfare): I have received various telegrams in the course of the last week but I have not seen the telegrams received today.

Mr. Nielsen: Will the minister assure the nurses and their organizations in these northern communities that negotiations will be recommenced for the purpose of coming to a more realistic settlement?

Mr. Lalonde: I will assure the nurses and the hon. member that my department is greatly concerned about the welfare and health of all the people in the Northwest Territories and the Yukon. We hope that the laws of parliament and Canada will be obeyed.

Mr. Speaker: Order. There are a number of members wishing to ask supplementaries. We have reached the end of the question period, but perhaps the House might allow the hon. member for Kingston and the Islands to ask her supplementary before Orders of the Day are called.

ARBITRATION AWARD TO NURSES—REQUEST FOR MEETING WITH MINISTERS

Miss Flora MacDonald (Kingston and the Islands): In view of the current salary crisis affecting nurses throughout the whole of the federal civil service, would the minister undertake, along with his colleagues, the Minister of Veterans Affairs and the Solicitor General, to meet personally with representatives of these nurses to discuss the arbital award and the salaries paid to them which placed them in a lower salary bracket than their counterparts outside the federal service?

Hon. Marc Lalonde (Minister of National Health and Welfare): I will check as to whether I have received such a request. I am sure my colleague the Minister of Veterans Affairs and I, myself, will be available, as usual, to all groups for whom we are responsible and who want to see us. I wish to stress, however, that the level of remuneration and the question of salaries is not my responsibility, nor is it that of the Minister of Veterans Affairs.

GOVERNMENT ORDERS

[*English*]

CANADA PENSION PLAN

CONTRIBUTIONS OF MEMBERS OF CERTAIN RELIGIOUS SECTS, INTEREST RATE ON DELAYED PAYMENTS, PAYMENT OF LEGAL EXPENSES

The House proceeded to the consideration of Bill C-190, to amend the Canada Pension Plan, as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs.

Canada Pension Plan

Mr. Speaker: Order. Before putting the motions which are before the House at the present time, I think I should refer, first of all, to two of them, motions one and two in the name of the hon. member for Crowfoot (Mr. Horner). The Chair has studied these motions and has some reservations as to their procedural acceptability. There is, to my way of thinking, a distinct possibility that these motions are beyond the scope of clause one which they seek to amend. I would be pleased to hear whether hon. members wish to enlighten and guide the Chair as to the acceptability or regularity of these two motions. If after hearing hon. members my judgment is confirmed, then these two motions cannot be put, in which case I suggest we proceed with motion No. 3, which I believe also stands in the name of the hon. member for Crowfoot.

● (1550)

Mr. Horner (Crowfoot): Mr. Speaker, I should like to rise to speak to your point of order in which you suggested that you are, if I understood you correctly, in doubt as to whether motions Nos. 1 and 2 are in fact in order. Basically, motion No. 1 provides for the deletion of provisions relating to certain tenets and teachings, and substitutes the provision that anyone who can prove that he or she has an assured income and can look after themselves in their later years should be given the same opportunity as those of certain religious faiths. I really do not see how this is beyond the scope of the bill; it makes the bill applicable to all Canadians.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I take it that at this moment we are discussing the procedural acceptability of motion No. 1.

Mr. Speaker: I suggest to the hon. member for Winnipeg North Centre, as I suggested a moment ago to the hon. member for Crowfoot, that motions Nos. 1 and 2 appear to be in doubt for the same reason. This is why I mentioned both. If the hon. member wants to argue separately the two proposed motions, I am prepared to allow him to do so; but what I suggested was that if these two amendments were found to be out of order, we then proceed with motion No. 3, which appears to be in order, at least as far as the Chair is concerned and unless arguments are submitted to the contrary.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I am quite prepared to make my brief remarks respecting motions Nos. 1 and 2 at the same time. My previous comment was simply that I thought we were dealing with No. 1 only.

It seems to me that both these amendments, Nos. 1 and 2, are in effect amendments to the original act rather than to the amending bill. They propose to introduce into the Canada Pension Plan, the original act, conditions that are not there, namely the requirement of Canadian citizenship and the making of certain insurance or annuity arrangements. It is for that reason that I support Your Honour's view that both these amendments are not in order.

Mr. Lambert (Edmonton West): Mr. Speaker, without discussing the merits of these amendments in any way, I must say I find the argument of the hon. member for Winnipeg North Centre rather strange. The object of Bill C-190 is to introduce an exception to the general category of persons who shall pay premiums to the Canada Pension Plan. It categorizes certain people who shall not pay. The hon. member for Crowfoot has merely introduced a restriction, and if there is to be a limitation on, or a closer definition of, those people who are going to be excepted, then it has to be introduced by way of an amendment at this stage. It certainly could not be introduced as an amendment to the original act.

Mr. Knowles (Winnipeg North Centre): This is not a restriction. It goes further.

Mr. Lambert (Edmonton West): This is a restriction on the category of people who are going to be exempted from the provisions of the act by Bill C-190. In essence, the hon. member for Crowfoot is simply saying that these people have to be more closely defined by the minister by the introduction of a restriction on those exempted. With the greatest respect, in all logic I cannot see how an amendment can be introduced other than at this time. I am not saying one way or the other whether the exemption of the hon. member for Crowfoot is a right one, but procedurally I cannot fault him.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I should like merely to say a few words on the procedural aspects of the first two motions. It seems to me that the motions named by the hon. member considerably extend the very narrow limits set in this bill whose subject matter is to restrict it to certain religious groups whose some tenet of their faith prohibit them from contributing to group insurance plans.

As drafted, the hon. member's amendment would considerably extend those limits, not only to groups but especially to individuals, and also greatly expand the scope of the bill.

Indeed, the subject matter of the bill is so much extended that it seems to be effectively altered and that we are now moving a proposal which is, for all practical purposes, entirely different from the subject matter of the bill already considered by the House. Consequently, I feel that such an amendment should rather be moved as a private bill.

[*English*]

Mr. Speaker: The hon. member for Crowfoot has already submitted his argument.

Mr. Horner (Crowfoot): I have an additional argument.

Mr. Speaker: I do not want to be unfair to him, but having given the matter serious thought before suggesting at this time that I had some reservations procedurally in relation to these two amendments, I am sure the hon. member will appreciate I would not have made this suggestion unless I had felt we should take another very close look at them.

I think the point made by the Minister of National Health and Welfare is worth considering. I have looked at motions Nos. 1 and 2 and to me they appear to be defective in that they purport to substitute a financial qualification in lieu of a requirement of a religious nature, as set out in

the bill and passed on second reading. It seems to me that the amendments proposed by the hon. member go beyond the scope of the clause under consideration. I think they are a new proposition.

I think there is merit in the comment of the minister that this proposal is so different that perhaps it should be brought forward in an entirely new legislative measure. I think the House would expect the Chair to look at a matter such as this as subjectively as possible, which is what I have done, and I cannot see how procedurally I can accept the motions and put them to the House. I, therefore, suggest at this time that we put motion No. 3 and postpone any procedural debate on other possible difficulties until later. With the consent of the House, the Chair will at this time put motion No. 3, in the name of the hon. member for Crowfoot.

Mr. J. H. Horner (Crowfoot) moved:

That Bill C-190, an act to amend the Canada Pension Plan, be amended in clause 1 by deleting the words "general level" in line 13 at page 3 and substituting therefor the words:

"Canadian standard".

● (1600)

He said: It is my understanding, Mr. Speaker, that we are dealing with the motion listed as No. 3, which deals particularly with Clause 1 appearing at page 3 of the bill relating to the general level of living.

The bill sets out an exemption in respect of certain members of the Canadian community who will not be paying into the Canada pension plan and will not be drawing pensions when they become pensionable, that is widows, disabled or those of retirement age. It sets certain members of the Canadian community aside and says they no longer have to make contributions so, naturally, they will no longer receive pensions.

The minister has to satisfy himself that these people belong to certain religious organizations which have certain tenets and teachings. I understand in this case it is the Minister of National Revenue (Mr. Stanbury) rather than the Minister of National Health and Welfare (Mr. Lalonde) who must be satisfied that the dependents of these people will be supported to their general level of living.

Surely, there is not a member of this House who would like to see the establishment of certain ghettos in our Canadian community which would be reduced to living on a lower standard than other Canadians, but surely this is the danger we are facing. Certain people provide for themselves in a very meagre manner. They live a very plain and simple life as their teaching instructs them. What this bill provides is that they must maintain the general level of living to which they are accustomed.

We in our society continually boast that our standard of living is improving, and that we are now second to the United States or perhaps second to Sweden, but we continue to hope that our standard of living will continue to improve. I have been trying to equate our standard of living with something that can be easily understood, but I think it is something different to different people. By this bill, we are suggesting that these people can continue to exist at the level to which they have been accustomed as far back as their beginnings in the early 1500's in Czechoslovakia.

To my way of thinking, we will be creating, by the adoption of this bill, ghettos with a lower standard of living for certain segments of our Canadian population, and I believe this is a mistake. The amendment substitutes certain things for what is referred to here as "their general level of living". What is meant in Canada by "the standard of living"? I suggest it has something to do with education, something to do with our birth rate, something to do with the number of deaths per thousand births and so on. I suggest it also has something to do with the wellbeing of the individuals of our society. Are they free to do what they want or are they contained by certain strict laws or regulations?

If we pass this bill in its present form, I suggest we will be turning a blind eye to what might well become a serious problem in years ahead. I was disappointed that representatives of a second group of people in Canada were not asked to appear before the committee considering this matter. There are two obvious groups which will seek exemption under this clause. One of the groups is the Old Mennonite Order in Ontario, representatives of which did appear before the committee. The other group which will seek exemption is that group of Hutterites in western Canada. There are more than 30 colonies in the province of Alberta, some 20 colonies in the province of Manitoba and probably in excess of 10 colonies in the province of Saskatchewan.

I would like to examine representatives of those groups to find out exactly what is their general level of living and what is meant by this term. I think this is important because those who belong to the Old Order of Mennonites live as individuals farming their own lands, whereas those who belong to the Hutterian Brethren on the Prairies live in a communal way, and they are strictly confined to living in those communes. Their education is confined to that provided by the commune. I was disappointed that the acting chairman of the committee did not feel obliged to call representatives of that group before the committee, and I was disappointed that I was called away from the committee to make a speech in the House on the matter of CNR financing. I feel that, in a way, the committee members were not very diligent in their duties in not asking that representatives of that group be called before the committee to justify this request for exemption.

The argument has been advanced that their standard of living has been good enough for them and, therefore, we as parliamentarians should not interfere. I wonder if this attitude would have been all right 100 years ago in respect of our Indians, and whether it would be all right today in respect to the Canadian Eskimo in the north. I suggest that we say it is not all right and that we must show these people the modern white man's way of living today. We suggest that we will take away their dogs and give them ski-doos, and that our ways are better. On the other hand, we are saying to these groups that their standard of living is good enough as long as they do not interfere with us.

That is all well and good, but we must remember that people are leaving these groups and coming into the general Canadian community with a much lower standard of education and a much different concept. It might be said

that I am talking about only 20 per cent of the young people living in Hutterite colonies and that some who leave do return. Perhaps more will leave in the years ahead. If they do, they will be entering our communities with a severe handicap. Whether we acknowledge the handicap that we are indirectly placing upon these young people is one matter, but this is an obligation we cannot escape today.

It has been argued as well that if we allow certain groups within our Canadian community to be exempt from contributing to the Canada pension plan, we should allow other groups if they can justify the request in the sense that they are satisfied with their present standard of living and believe their young people will look after them in their old age. Why can we not allow these people to be exempt? I have always felt that the Conservative party has stood for the rights of the individual, that the individual was all supreme and should be allowed out of a scheme if he wants out. There should not be any compulsion to join.

However, I noted that in the committee the hon. member for Winnipeg North Centre (Mr. Knowles) stated he believed that for the sake of the over-all effect of the pension plan, in order to be portable, it must include all people, but he felt that we should accept the application of these two bodies to be excluded from the Canadian community because contributing to it was against their religion. This argument is made from time to time, but it does not stand up. They can pay the premiums but they can never collect the pension unless they take out a social security number. If the department does not force them to take out a social security number, they do not take part in an insurance scheme, according to their way of thinking.

● (1610)

When the Mennonite people were before the committee they stated quite clearly that some of their members were tempted to pay the premiums and take advantage of the plan. One witness admitted that one of the members of the community in which he lived had, in fact, applied for and received the old age pension. However, this is against the teachings of their church and therefore that person either was asked to return it or to leave the church. There is no real record showing whether or not these people accept the security of insurance. No one can really tell because, in the application for family allowances or old age pensions, religious qualifications are not set out. So there is no record of whether or not they obtain insurance or welfare benefits. They are prepared to give out all the welfare they can but, because they are subject to receiving payments under the plan, they consider it to be insurance.

If they never take out a social security number, they cannot receive any payment, and therefore the contributions can be treated as welfare so far as they are concerned. The possibility exists for the members of those religious groups to leave their sheltered communities and join our society, at which time they can join the Canada Pension Plan. Once they enter the labour force, they automatically find themselves making contributions to the Canada Pension Plan and accepting our standard of living as well as our welfare security when they become disabled, of pensionable age, and so on.

[Mr. Horner (Crowfoot).]

It is interesting to note that in the province of Alberta the Hutterites make payments into the medical insurance scheme. So, the differentiation between welfare and insurance made by the Old Order of Mennonites who believe that taking out insurance is against their religion but accepting welfare is not, is not made by the Hutterites. This is one of the reasons I was disappointed when they were not called before the committee. I might point out that the Hutterites farm over one million acres of land in the province of Alberta alone. They have big farms and they make a separation between their religion and their business. As I pointed out previously, the Income Tax Review Board made a finding in a test case involving five Hutterite colonies. As recorded at page 19 of the judgment, the judge found the following:

> I have reached the conclusion that the appellants were farmers in the full sense of the word.

So, in many respects they can be considered in our Canadian community as farmers, but they also try to keep their religion separate. Their whole lives evolve round the church, and they suggest that this bill goes against their religious beliefs. Members of the Old Order of Mennonites, when they were before the committee, pointed out that in their view there could be a separation between the church and the government and that this bill really causes the two to conflict. I should like to read the following section in the bill:

> The Minister . . . is satisfied that the religious sect
>
> (i) is a religious organization that has established tenets and teachings that oppose the acceptance of benefits from any private or public insurance . . .

As I pointed out, the Hutterites in the province of Alberta may take out medicare because their tenets and teachings are not necessarily opposed to that form of insurance. The section goes on to read:

> (ii) does, as a practice, make provisions for the support of dependant members that are reasonable in view of their general level of living,

In some of his speeches made over the past few years, the Minister of National Health and Welfare (Mr. Lalonde) appeared to be saying that we must ensure in Canada a guaranteed annual income because a certain percentage of our population lives at an unsatisfactory level. He hopes to convince the other members of the cabinet some day that 30 per cent of our population, or whatever percentage Professor Bates, the secretary of the Welfare Council of Canada suggested, are in fact living at a lower than satisfactory standard of living. The minister suggested that everyone in our country deserves an adequate and fair standard of living. Yet, we have before the House a piece of legislation which sets aside a segment of our Canadian population which wants to continue to live their lives at a standard which could be compared to the standard of the nineteenth century or, I may even say, to the sixteenth century.

I think it is only fair to point out that we are speaking here of around 7,000 people in the province of Alberta, and I do not know how many thousands in Saskatchewan and Manitoba. We were told in the committee that this legislation would affect in the neighbourhood of 2,500 of Old Order Mennonites in the province of Ontario and 3,000 children in the same province. We are now saying to those

3,000 children that the standard of living which their forefathers had is good enough for them, and that they will be locked into it. Mr. Speaker, I have always been proud of the standard of living which my father was able to give me, but many of us today would not want to go back to the standard of living of our forefathers.

● (1620)

The question might well be asked as to how we are locking these children into an earlier standard of living by exempting them under the provisions of this bill. As an individual, I earn a salary and pay premiums to the Canada Pension Plan. If I become disabled, in theory I have security. If I reach pensionable age, I know I have a nest egg of some kind, although whether it would enable me to enjoy the standard of living to which I am accustomed could be debated. But these children as they grow up will not pay premiums to the Canada Pension Plan, and will not have that nest egg when they are old.

What happens if 20 or 30 years from now they want to leave the Old Order of Mennonites? All their security is represented in the toil they have put into their own sheltered communities. It could be argued that their religion binds them in this way, but it is strange that only 4 per cent of the Mennonites in Canada are applying to be exempted under this bill. What about the other 96 per cent? Are they less religious? Do they not believe in the Mennonite teachings? They believe in those teachings, Mr. Speaker. But as pointed out by the deputy minister before the committee, many of the Mennonites have asked that their missionaries abroad be allowed to make contributions to the Canada Pension Plan so that when they return to spend their retirement years in Canada they will have a nest egg in the Canada Pension Plan. This destroys the argument that contributing to the plan is against their religion.

If it is against their religion, I point out that they do not have to take out a social security number. I well remember the President of the Privy Council (Mr. MacEachen) stating in this House that nobody would be forced to take out a social security number. If the Mennonites do not take out social security numbers, then their payments become welfare payments and not insurance premiums. Then, the minister would not have to make this severe judgment with regard to their standard of living, whether it be comparable with that of the rest of Canadians or not.

Many have argued that in the communal type of living carried on by Hutterites, the young are able to look after the elderly people and have done so since about 1500. But in Ontario the Mennonites farm and live as individual families, and looking after the elderly may not be so easy. Any piece of legislation that sets aside a certain group of Canadians and says that laws affecting all other Canadians will not be applied to that group should be examined very closely. If we allow 4 per cent of the Canadian Mennonites to be exempted under this bill, will the other 96 per cent come along at a later date and say, "You did this for the Old Order of Mennonites in Ontario, why not do it now for the Old Order of Mennonites in Alberta?" What answer will the Minister of National Health and Welfare give when confronted with that argument?

Perhaps the minister will stoutly maintain that they did not come forward at the right time, and therefore he will be heartless enough not to listen to them. I see him nodding his head in the affirmative. I would not think he would do that because I have always found him to be a gentle, kindly person, sympathetic to people's problems. If members of the Old Order of Mennonites in Crowfoot constituency approach him later on this question, I hope he will be sympathetic to them.

As I pointed out earlier, the report made under the Communal Properties Act in Alberta sets out the population and the land they farm. The extent of that land has grown since that report was published. It shows these people farm over one million acres in Alberta, and gives their number as 7,000. These are people only of the Hutterite faith. I think this bill is creating a ghetto, and some day a percentage of the young people in that society will regret that they have been excluded from the provisions of the Canada Pension Plan. As a matter of fact, some 20 per cent of the members are leaving that society right now and joining ours.

● (1630)

I should like the bill to be more specific about their standard of living and the Canadian standard of living as well as the "established tenets and teachings". When asked about these tenets and teachings the Minister of National Health and Welfare, who was before the committee, and the deputy minister, could not tell us what was meant. It is generally accepted that they look after the elderly members of the group, but one of the members of the Old Order of Mennonite community admitted that one of the senior gentlemen had applied under the Canada Pension Plan. This would suggest that he, at least, was not satisfied with their standard of living and wanted something better. Many of them do that and many apply for the family allowance. One does not have to reveal his religion on the application forms for these benefits, so neither the Minister of National Health and Welfare nor the Minister of National Revenue (Mr. Stanbury) has any way of knowing who is applying. Many of these people do apply and thus are expressing dissatisfaction with the standard of living provided to them within the Order.

As is the case with our own young people, their children do not know what life holds for them and what road they should follow. They have to be guided by their parents, and if we pass this bill without amending that clause we are assisting their parents in holding their children to a narrow, old standard of living comparable to that of their grandfathers. We are not satisfied with that approach for them as we have not been satisfied with it for ourselves, nor for the Indians or Eskimos. We should not set up ghettos and reserves to shelter people.

I should like to read an excerpt from the judgment in a case which went before the tax review board concerning five Hutterian brethren. After quoting at length from the book "Confession of Faith" the judgment reads this way:

> That is enough to conclude from the above texts that paying taxes is not against their religious beliefs and practice and neither against the teachings of their philosophers and theologians. Income tax is a necessity to make sure that the citizens of Canada will benefit from it. It is a necessity to make Canada a better

country for all Canadians including the Hutterian Brethren church's members.

If we set up these reserves within our community, will these people live solely unto themselves? Is that what they are doing? No; they market their products through our marketing system and therefore should pay part of the cost of making that system effective. But if we allow their standard of living to be below ours, will it not also affect their ability to produce, to compete and to provide food and necessities for the Canadian community of which they are part, whether or not they want to separate from it? There is no question in my mind but that it will. If we consider that the standard of living includes the educational level of a group of people—and it must—then if we allow them a lower standard of living, we will impose on them a handicap in their production of goods within our marketing system.

I am not in any way being derogatory to the Hutterian Brethren in the province of Alberta; they are a very industrious and hard-working people and so far have been able to keep up with the rest of the province. Many people say that they are only farmers and that somewhere in their teachings it is said that they must remain on the land. That is not really the fact, Mr. Speaker; actually their teachings protect their concept of communal living and their concept of that protects them from sin and shelters them from trading and dealing with people. They take their teachings from one of their early writers who states—and I am speaking from memory—that they shall not be dealers but shall be producers of primary goods, that "sin lurketh like a hinge on a door between the door and the door jamb" and if they become dealers they will be tempted to sin. Therefore they want to remain primary producers, thus sheltering themselves from the evils of our way of life. Many of us would be far better off if somebody had sheltered us, but in the long run we would be worse off if we were not prepared to meet the troubles of today and tomorrow. We would fail to develop character as men prepared to play our part in building a peaceful world.

This is really what we are saying: set this group aside and let them continue their way. We do not really need a cultural, technical or medical contribution from them; we will go and prosper without their help but let them live in our community. Mr. Speaker, it is wrong, morally and spiritually, for us as Canadians to allow that situation to exist. I know all about the Bill of Rights and freedom of religion and I have dealt with that. It is not against their religion, provided they do not take out a social security number. Nobody has yet said that anybody in Canada will be forced to take a social security number, so it is not against their religion and that is not an influence until they themselves make it so.

I urge the Minister of National Health and Welfare to consider the amendment very closely. It suggests that instead of their general level of living, the Canadian standard of living be applied to determine whether their parents, their elderly and their disabled are properly provided for. We would not then have the ghetto, those pockets in our society which will continue to send out people who are perhaps not as healthy or as rugged and able to stand up to the trials and tribulations of today and tomorrow, and who perhaps have not sufficient education to cope with our society.

[Mr. Horner (Crowfoot).]

● (1640)

Having said that, I urge this House to move cautiously on this bill. Apparently the Minister of National Health and Welfare is under an illusion. He thinks that he alone can introduce a guaranteed income for all Canadians, so that all those not enjoying the standard of living which he thinks ought to be enjoyed by Canadians will be able to enjoy that standard. Yet, he suggests that there are some who will not be affected by the guaranteed income plan. How can a minister, who is a stalwart believer in the idea of all Canadians enjoying an adequate and equitable standard of living, come forward with a bill and say, "But we will allow people who are farming over one million acres in Alberta and probably one million in Saskatchewan or Manitoba not to contribute to the plan. We will allow them to be subjected to the same standard of life that their grandfathers and their grandfathers before them enjoyed in years gone by." I am puzzled to understand how the minister can advocate these two courses, especially as he wants to eradicate poverty in Canada. How can he allow this situation to exist?

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but his allotted time has expired.

Mr. Stan Schumacher (Palliser): Mr. Speaker, I rise to lend my support to the amendment proposed by the hon. member for Crowfoot (Mr. Horner). It is difficult to add to what the hon. member has said without being repetitious, because he has pretty well covered the waterfront, so to speak. There are a couple of concerns I wish to underline with regard to this legislation and the amendment before us.

I think most people espousing a small "c" conservative philosophy are in favour of a society in which every person lives at the level he wishes. Of course, the ideal is never attainable in this world in which we are fortunate or unfortunate, depending on one's outlook, to live. Society must organize itself and abide by certain rules and regulations. I think it has been shown that a society is probably happier if there is not a great divergence in standard between those at the so-called top of the heap and those at the bottom. I am trying to say that, possibly, a society should be homogenous. Perhaps there ought not to be too great a variation between the level of those at the top and those at the bottom, so that there is less room for conflict, envy and several other human failings.

Let me say a word or two about the price that certain people are prepared to pay for their beliefs. I do not think any of us can exist in society without making some sort of contribution, financial or otherwise, towards the maintenance of that society. We do that in order that we may live with our fellow citizens. One can cite examples taken from all religions which show that people must make sacrifices, monetary or otherwise, in order to maintain that way of life in which the people believe.

Actually, I would support some sort of legislation, which might be presented to this House, which would allow a person's contributions to the Canada Pension Plan to be completely voluntary. As I said when I spoke on this bill on second reading, I have no sympathy for the concept of the Canada Pension Plan and did not favour that legisla-

tion which was introduced and passed some years before I was elected. As a means of protesting personally against this plan, I have failed to take out a social insurance number. I still do not have a social insurance number, even though I get periodic messages from the Department of National Revenue saying that I do not have a social insurance number.

I dare the minister, who is sitting on the other side of the House, to instruct the department to lay charges against me for not taking out a social insurance number. The messages from the department tell me that I am in breach of the legislation. Time will tell if the department will ever catch up with me. The department has wasted a great deal of postage in trying to encourage me to take out a social insurance number. Actually, the government of Canada paid for a young employee to go from Calgary to Drumheller, a distance of 90 miles; that employee visited me and reminded me that I had not taken out a social insurance number. An attempt was made to persuade me that I should take out such number. However, I do not believe in the Canada Pension Plan. If I do not believe in it, I do not think I should participate in it. On the other hand, if I cannot get out of my obligations under the Canada Pension Plan, I do not see why anybody else should escape them, either. That is my position in a nutshell.

I would be happy to let anybody out from under, so long as that right is extended to everybody who wants to get out. So long as the plan is compulsory and applies to everybody in this country, I do not see why certain small groups should be allowed to opt out, merely because they do not want to participate, as the hon. member for Crowfoot said. If they do not want to take out social insurance numbers, they can look on the contributions to the plan as a tax, because they are a tax. The Canada Pension Plan will never be sound actuarially. It is very much like the unemployment insurance plan, although it is really quite wrong to use the term, "insurance" when talking about that part of our statute law.

As I said before, when you find various groups living together in society, life is much easier for everybody if their respective levels of life are not too different. Federal and provincial legislatures in this country set minimum standards and, minimum wages. They establish health standards and various other standards. In the end these all add to the cost of doing business.

As the hon. member for Crowfoot said, the people about whom we are talking at present are primarily interested in the business of farming. I suppose many city dwellers think that somehow the seeds get in the ground, that the rain makes them grow, the wind threshes the grain and the crop sort of falls into bins, without anybody making too great an effort. The truth is that food production is a pretty specialized operation in this country, and certain costs are associated with that business. I have still to be convinced that contributions to the Canada Pension Plan are not part of the cost of doing business. As the Hutterite brethren of our community farm one million acres or more in Alberta alone, it is evident that they are engaged in the business of farming in a large way. If they are not subject to this tax, which in fact is what the Canada Pension Plan contribution is, they will have an unfair competitive advantage over their neighbours. They should be subject to the same cost of doing business as everyone else.

● (1650)

We can go on to the amendment, level of living. In my opinion, this is just another step toward giving more arbitrary power to a minister of the Crown. If we continue on this way, we will not have any laws that are real laws. We will have regulations that some individuals can interpret. No one in this country will know where he stands. However, the fact remains that to have orderly development in this country, we must know where we stand and not be at the mercy of some chief administrator.

After all, most ministers are merely the political heads of departments. In many ways, they do not have too much input in the actual decisions made in their departments. They tend to be at the mercy of the bureaucracy. The more we allow the bureaucracy what is, in effect, taxing powers without any responsibility to the electors of this country, the more we will go down the road toward political serfdom.

This amendment should be given favourable consideration by members of this House. After all, how are we going to define a level of living? What are the parameters? How are we to look at that objectively? The Canadian standard of living is probably high enough. However, we all recognize the fact that it varies from coast to coast. It is not the same in every region, but at least there has developed some sort of underpinning for a definition of the Canadian standard of living.

Possibly Statistics Canada now has the situation in hand. Maybe they can tell us what the various provincial standards are across the country. This could be used as a basis for some measurement. What are to be the guidelines to determine the level of living? I think that clause could raise no end of problems in the administration of this act. I urge all members to give serious consideration to allowing the amendment of the hon. member for Crowfoot.

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, if there are no other points to be raised, perhaps I can comment briefly on the arguments that have been made.

I wish to point out that the amendment would not seem to accomplish what the mover had intended because it would make the section read that the test would then be "their Canadian standard". I am sure this leaves the House in complete confusion as to the intention of the clause as it would be amended.

Apart from that, as hon. members know, the Canada Pension Plan is an earnings related plan. For each individual, the general level of living for the contributor is the test for those who contribute. It does not seem unreasonable that the general level of living for this particular group, or the individuals making the applications for exemption, would be the test in this section.

Even if the hon. member had drafted his amendment, as I think he intended, to try to relate this criterion to a Canadian cross-country standard, members will realize very quickly the extreme difficulty of defining and interpreting that phrase. As the minister who would have to be responsible for making that interpretation, I appeal to the

House not to impose such bureaucratic chaos on the department and on the people who would have to be subject to a ruling.

Mr. Horner (Crowfoot): Mr. Speaker, I do not know whether it is necessary, but possibly I might move a sub-amendment adding the words "their general level".

The Acting Speaker (Mr. Laniel): Order, please. The hon. member has already had the floor. If he is rising on a point of order, he will be recognized for that purpose.

Mr. Horner (Crowfoot): I am rising on a point of order, Mr. Speaker. I thank the minister for drawing this to my attention. The amendment should read "by deleting the words 'their general level'" and adding the words "Canadian standard". This was a typographical error on my part. In my rush to file these amendments, I deleted the word "their". If the House agrees, I will move that subamendment.

The Acting Speaker (Mr. Laniel): Perhaps the Chair could make a much simpler suggestion. A decision would, of course, be taken later. I suggest the simplest way would be for the hon. member to seek the unanimous consent of the House to modify his amendment by adding the word "the" in front "Canadian" and delete the word "their" in front of "general level".

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the Minister of National Revenue (Mr. Stanbury) took the words right out of my mouth with regard to an error when drafting the amendment. I wonder if I could have the privilege of drawing to the attention of the hon. member for Crowfoot (Mr. Horner) that his French version is correct. His French is better than his English. The French version of the amendment takes out the word "their" and puts in "the Canadian standard of living". All he needs is the authority of the House to treat the English version as though it says what is said in French.

The Acting Speaker (Mr. Laniel): Is the hon. member suggesting that we proceed in French for the remainder of the debate? From what has been said, I think the House should allow the Chair to make the correction to make the amendment read the same as it reads in French.

Mr. Stanbury: Mr. Speaker, I think we could agree to that provided the hon. member for Crowfoot (Mr. Horner) does not make the same speech now in French.

Mr. Horner (Crowfoot): I would like to, but I don't think I could.

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

Some hon. Members: Question.

● (1700)

The Acting Speaker (Mr. Laniel): All those in favour will please say, yea.

Some hon. Members: Yea.

[Mr. Stanbury.]

The Acting Speaker (Mr. Laniel): All those against will please say, nay.

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Pursuant to section 11 of Standing Order 25, the recorded division on the proposed amendment stands deferred.

Order. The Chair is at this point questioning the validity of the amendment in the name of the hon. member for Crowfoot (Mr. Horner). It would appear, at first glance, anyway, that motion No. 4 is consequential upons motions 1 and 2 which have been declared unacceptable, and it may be that the hon. member would not wish to proceed with motion No. 4 in those circumstances. There is, however, no difficulty about dealing with the motion from a strictly procedural point of view, because motion No. 4, as it reads, is acceptable, even though it might be consequential on the first two motions.

Mr. Horner (Crowfoot): Your Honour will correct me if I am wrong; I understood you to say that the motion, itself, is acceptable, but you wonder whether it is not consequential on motions Nos. 1 and 2. I believe it stands on its own. It deals with the form of certification a religious order or sect would need from the minister in order to qualify for the exemption set out in the bill, and I should like to speak to that point.

The Acting Speaker (Mr. Laniel): The Chair has said that procedurally the motion is acceptable, and in the light of what the hon. member has said, I think the best way to proceed would be to put the motion before the House at this time.

Mr. J. H. Horner (Crowfoot) moved:

That Bill C-190, an Act to amend the Canada Pension Plan, be amended.

That clause one be amended by deleting lines 20 to 22 inclusive at page three.

He said: Mr. Speaker, this amendment attempts to clear up the basis upon which the minister will make his decision. It proposes to delete the words "religious sect or division thereof has applied to him in prescribed form for certification." In other words, which groups can apply for certification from the minister for exemptions from the Canada Pension Plan? I think I should read from the committee proceedings of October 18, issue No. 17 of the Minutes of Proceedings of the Standing Committee on Health, Welfare and Social Affairs. A Mr. Snyder was appearing before the committee on behalf of members of the Old Order of Mennonites. He is the executive director of the Central Mennonite Committee of Ontario. I draw the attention of the House to the following exchange of questions and answers:

MR. HORNER (CROWFOOT): Does the Old Order of Mennonites live as individuals? Do they farm as individuals, or do they farm in communes like the Hutterites?

MR. SNYDER: No. They live as individuals and farm as individuals. They own no land corporately.

MR. HORNER (CROWFOOT): If I understand you correctly, the Bishop will determine whether or not they should be allowed out of the Canada Pension Plan.

Mr. Martin, who is a member of the Old Order of Mennonites, and who was appearing as a witness along with Mr. Snyder, stated:

If this bill passes, the person's standing will determine it.

MR. HORNER (CROWFOOT): Pardon?

MR. MARTIN: The person's decision on these matters will determine it. The Bishop will only be the tool who will be responsible to say yes or no. It is not a dictatorship. The Bishop will never say . . .

MR. HORNER (CROWFOOT): The Bishop will never be able to veto an application?

MR. SNYDER: No.

MR. MARTIN: No.

MR. HORNER (CROWFOOT): In other words, each individual will make his own applications? Anyone can get an old age pension in Canada if they fill out a form.

I will pause there. I then went on to deal with another matter. So the individual would make his own application. But the bill says applications must be made in prescribed form for certification. The minister concerned is, I suppose, the Minister of National Revenue (Mr. Stanbury).

Clause six says the minister shall certify a religious sect or division for the purposes of exemption in certain circumstances. I should like the minister to answer this question. If the bishop of the Old Order of Mennonites, for example, were to apply for certification, would that application automatically include all his following, the whole flock among those wishing to opt out, or would each of the individuals concerned need to apply for certification? I go on to deal with this point in a series of questions reported at page 26 of the same committee proceedings.

MR. HORNER (CROWFOOT): Anyone can get an old age pension in Canada if they fill out a form. How do you know, Mr. Snyder, that absolutely none of your people, the people you are representing are getting an old age pension? There is no religious form. The Department of National Revenue has no way of knowing what a man's religion is when they send out his old age pension.

MR. SNYDER: Our information is based on the circulating of the ministers who know who is in good standing. I think you can appreciate that when you live in a small community and you live so closely together as the Old Order Brethren do, and I am talking about close associations with persons, it is almost impossible for one person to be doing too much that other people do not know about. I know there have been cries in parliament about bugging and this, I suppose, is a form of bugging when you know what your neighbour is doing all the time.

What has this specifically to do with the old age pension? It has this to do with it. If the bishop could certify his whole flock, then any individual member of that flock could supply a social security number and pay premiums if he wanted to, because nowhere in the application is it specified that a person's religion need be mentioned. So, the department would not know whether he had been certified by the Bishop or not as desiring exemption. Mr. Snyder went on to say:

I am simply saying that on the circulation of the bishops we have this information. Now, if you want to press me to the wall and say there is not one person in the whole group who has ever made application, obviously, I could be tried, but I am . . .

MR. HORNER (CROWFOOT): In other words, nobody has proof.

MR. MARTIN: Personally, I know of such a situation in the brotherhood where an older man at the prison—

● (1710)

I think that must be a misprint; I think it should be "community".

—decided on his own behind the curtains, but the situation has been corrected. It is not tolerated.

Certainly, the bill is not clear. The clause provides that the minister shall certify a religious sect or a division of a religious sect. Do those words mean that each individual will have to be certified, or the whole sect? As I have said, before the committee the Old Order Mennonites stated that the bishop would not be able to veto any application. In other words, if an individual member wanted to get out of the Canada Pension Plan, then as I understand it he would apply to do so and the bishop would not have the power to veto his application. I suppose such an individual could also apply to join the Canada Pension Plan. If the bishop found out an application had been made, I suppose he could ask the applicant to leave his church or following; but that is beyond the purview of our study. That is their concern, not ours.

Under the provisions of the bill, any money collected since 1970 will be returned to the individuals concerned, I suppose on their application. I believe that it should be for the individual to declare whether he is in the Canada Pension Plan or out of the plan, rather than a whole group being certified. If it is left up to the individual, there is a certain degree of freedom. A member of the modern Mennonite faith can apply to get out of the CPP, but leaving it to the bishop is directly opposed to the wishes of the Mennonites who appeared before the committee. Because Mr. Martin clearly said:

If this bill passes, the person's standing will determine it.

Then, I asked them whether the bishop would be able to veto, and both Mr. Snyder and Mr. Martin said no. The clause refers to a religious sect or a division of a religious sect, and I should like to know what that means. Is a division of a religious sect one-half of the following, one-quarter or one-tenth? Or is it just one person within the following?

For some strange reason, the Minister of National Revenue was not asked to appear before the committee which studied this bill to explain exactly how this money that has been collected from these people is going to be returned to them or how these people will be exempted. Surely, we should be able to ask the minister a couple of questions on that, particularly the question who can apply to get out of the plan, and whether if an individual applies the Department of National Revenue will automatically check off his name with the bishop, thereby giving power of veto to the bishop. Or is a person going to make an individual application to have himself and perhaps his family exempted? These questions make a major difference to the application of the act. If application is left to the individual with no power of veto given to the bishop, then anyone can apply to be exempt from the Canada Pension Plan on religious grounds providing they can convince the minister that their religious tenets and teachings are such that they wish to provide for themselves if they become disabled or retire.

I know my hon. friends in the NDP party—I always add the word "party"; they are just a group really and I should

call them the NDP group—will shudder at the thought that this is the beginning of the erosion of the compulsory aspects of the Canada Pension Plan. Four per cent of the Old Order Mennonites in Canada want to get out of the plan; the other 96 per cent may at some later date, if premiums rise and it is beneficial for them to do so.

I read the newspapers and am aware that this government follows very closely the teachings of Quebec. If Quebec says that the pension plan should be changed, then the government will change it. In Quebec, the premiums are now nearly double because of the amount of money collected, so without alarming anyone unduly we can rest assured that our contributions to the plan next year will be nearly double what they are this year, and that in the next session of parliament the Minister of National Health and Welfare will bring in another of these little bills and change the whole concept of the plan.

Taxes never go down, it seems; they just go up and up, and without a doubt the stage will come when many individuals want to get out of the plan and will ask for certification by the minister because they say their tenets and teachings are such as to enable them to provide for themselves when they become old or disabled, or for that matter widowed.

I hope the minister will clear up this question. I realize I can only speak once on any motion and this does handicap me to some extent because I should like to pursue a line of questioning with the minister on this point. As I say, the committee never called him before it, and this is part of my complaint about the way the committee handled the bill. They were slightly less than diligent in their examination of what may be the beginning of the erosion of the Canada Pension Plan if the minister readily certifies the exemption of too many people, or if he takes the bishop's word that his flock is really several times larger than it actually is. The plan, in other words, will fail to be universal in its application if we continue to allow people to get out of the plan. The principle on which the plan was founded was that of universality. This is why participation was compulsory. This aspect is now being eroded. This particular part will determine how great that erosion might be in years ahead.

● (1720)

Perhaps the minister could explain what is meant by "certificate" and who will apply for certification. Will it be the bishop of the church or a minister in charge of one single Hutterite community, or will the bishop of the Hutterite group in Canada apply for a certificate across the board? As I understand their religion, there are two groups of Hutterites in Canada and perhaps one from each group would be required to apply for certification. I think this is a matter that should be cleared up, and perhaps the minister could give us an explanation.

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, if that is the only question I will try to answer it. There is a clear provision in the bill requiring certification by a spokesman for a sect or division, as well as application for exemption by the individual. The bill attempts to allow enough flexibility, recognizing that not every religion is monolithic, to administer the intention of parliament as it will be stated if we should pass this bill.

[Mr. Horner (Crowfoot).]

The amendment proposed would remove the need for religious groups to apply for certification. Of course, it is this information which would allow the minister to satisfy himself that the criteria had been met. I suggest it would be quite impractical to simply delete the lines proposed by this amendment. This would, in fact, deprive the minister of the means to exercise the controls I think parliament would expect him to exercise in order to see that the exemptions offered here are not abused.

Mr. Horner (Crowfoot): Would the minister permit one question?

Mr. Deputy Speaker: Would the minister permit a question by the hon. member for Crowfoot (Mr. Horner)?

Mr. Stanbury: Yes, Mr. Speaker.

Mr. Horner (Crowfoot): May an individual apply for certification for himself and his family? Did I understand correctly that this is the minister's answer?

Mr. Stanbury: Mr. Speaker, I referred to the provisions in the bill which require that not only may an individual apply for an exemption, but that there must be a certification obtained by the minister from a spokesman of the sect or division to which the individual belongs.

Mr. Horner (Crowfoot): In other words, you are giving the bishop a veto?

Mr. Stanbury: No.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on amendment No. 4 proposed by the hon. member for Crowfoot (Mr. Horner). All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Motion No. 4 (Mr. Horner (Crowfoot)) negatived on division.

Mr. Deputy Speaker: Having regard to Motion No. 5, standing in the name of the hon. member for Palliser (Mr. Schumacher), I should advise the hon. member that the Chair has some doubts as to whether this motion should be put to the House. It would appear to the Chair that the motion involves a new proposition, and as such is not relevant to the clause or the bill itself. However, I would give the hon. member an opportunity to be heard regarding the point raised by the Chair.

Mr. Schumacher: Mr. Speaker, I thank you very much for this opportunity. I proposed this amendment as I felt that the clause dealt with the membership of a group which either obtained the benefits of the Canada Pension

Plan or declined its provisions. Primarily, the clause in question will allow certain groups to opt out. I think that is its general purport.

On the basis of the old rule of what is sauce for the goose should be sauce for the gander, I believe that if you change a clause allowing somebody to opt out it should be changed to allow others to come in. I say there should be that optional spirit in the legislation. The proposed amendment would merely allow spouses to contribute on the basis of either their own incomes or the incomes of their partners to a marriage. I submit that if the Canada Pension Plan can be amended by this clause to allow some to opt out, the clause should be amendable to allow those who want to come in to do so. I suggest there is really not a new concept being introduced here but merely a change in the provisions in respect of membership, allowing certain people to opt out and other people to come in if they desire, both on a voluntary basis.

Mr. Knowles (Winnipeg North Centre): It's your baby.

Mr. Deputy Speaker: I thank the hon. member for his contribution on behalf of his proposed baby.

The recommendation affixed to the bill states in part:

to provide under the circumstances prescribed for the return of contributions to a contributor who, being a member of a certified religious sect or division of a religious sect has elected not to make contributions;

The hon. member for Palliser (Mr. Schumacher) has made an interesting contribution in respect of the rule relating to what is sauce for the goose and sauce for the gander as opposed to the Royal recommendation. On balance, I think the Chair must decide that his proposed motion goes beyond the bill and assumes that spouses of contributors should be allowed to make contributions in respect of this pension plan. I would think, and I gather that most hon. members would agree, that if this motion were adopted it would amend provisions of the main act which are not before the House at this time.

Secondly, I suggest the proposed motion would be inconsonant with the main purpose of the bill as stated by the Royal recommendation. The Chair has many times used the Royal recommendation as a reason for not allowing an amendment, as, in accordance with our democratic system, the Royal recommendation must be heeded at all times. For those reasons, and in spite of the charming argument of the hon. member, the Chair regretfully rejects the proposed motion No. 5.

● (1730)

Mr. J. H. Horner (Crowfoot) moved:

That Bill C-190, an act to amend the Canada Pension Plan, be amended in clause 2 by deleting the word "greater" in line 32 at page 3 and substituting therefor the word: "lesser".

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Horner (Crowfoot): Mr. Speaker, this is a relatively simple and clearcut amendment. What the bill does is to allow certain people to be exempted from the Canada Pension Plan. This amendment attempts to put a less severe penalty on the rest of us. Clause 2 on page 3 reads as follows:

(6) Every employer who fails to remit to the Receiver General the total amount that he was required to remit at the time when he was required to do so is liable to a penalty of 10% of the amount that he failed so to remit or $10, whichever is the greater,

So, if he failed to remit $1,000, 10 per cent of that would be $100. His fine would be $100 rather than $10. All my amendment is doing is to leave the choice to the individual. Since we are letting some people off, letting them be exempted, let us allow the minister to be generous toward the others in this regard.

Some members might think that I am the only one who thinks this way. Let me point out that the vice-chairman of the committee, as recorded at page 1615 of the proceedings of the committee on September 20 said:

It is up to us then to see that we carry out our promises. I think if we carry out our promises, we will accept the bill and let them get away with it.

When the vice-chairman was accused by the hon. member for Provencher (Mr. Epp) of making this unkind statement, he said he sticks by his guns, that he made that statement and was not retracting it. I admire him for that. Certainly, we are letting them get away with it. Whether or not they deserve to be let off is not the point. The committee did not even bring up the point of the large number of people who also want to be exempted from the Canada Pension Plan. We are saying that if they can get away with it, then we should change the word "greater" to "lesser" and let us have the choice of whether we are fined $10 or 10 per cent, whichever is the lesser penalty.

I know that the Minister of National Revenue (Mr. Stanbury) is a kind man and would be generous if somebody failed to remit a portion of his premium. I know the minister would be understanding and would not want to levy the higher penalty. But the fear I have is that this minister may not be Minister of National Revenue forever. He has his eye on the Prime Minister's position. Another fellow may come along and take his position, someone who might not be as generous as he is. In any case, I do not believe that this provision would be applied too often. I do not see why the minister cannot give the rest of us a break, now that he is letting certain people off whose religious tenets qualify them to be exempted from the plan. Surely, he can allow us who have remained under the plan to have the choice of paying the smaller penalty.

Without delaying the proceedings any further, let me say that the amendment is clear and succinctly worded. It merely gives the person who has failed to remit to the Receiver General the total amount required the choice of having to pay the lesser penalty. The minister might argue that the word "lesser" might mean $1. It says somewhere in the bill that if the amount is less than $1 the whole matter can be dropped. One can argue that if it is less than $10 the matter should be dropped. Surely, we do not want to cajole people into remitting the proper amount by making them pay harsh penalties provided in a bill which allows other people to be exempted completely from paying, people who are not contributing at all. Surely, we

should be a little more humane and change the word "greater" to "lesser".

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I shall be brief. I wish to indicate complete opposition to this amendment. I suggest that the hon. member for Crowfoot (Mr. Horner) really understands the Canada Pension Plan better than one would think, judging from some of the things he just said. He talked about giving us a break. He talked about some of us having failed to remit our payments. May I remind him that in the case of employed persons, no individual remits his Canada Pension Plan premium to the Treasury. All remittances to the Treasury on behalf of employed persons are made by employers.

An hon. Member: What about the self-employed?

Mr. Knowles (Winnipeg North Centre): I thought my hon. friend down there understood it better as well. There is a different part of the act altogether dealing with self-employed persons. This section of the bill that is being amended by the clause now before us does not deal with self-employed persons at all, it deals only with employers.

I suggest that it is a very serious misdemeanour for an employer not to remit moneys that he has collected from his employees, and to which he should be adding his own payments. Indeed, persons can lose some of their pension rights if their employer fails to keep the law. I suggest, therefore, that it is a proper penalty to say that if an employer fails to remit the payments he should be making there should be a penalty for it.

The act now provides a penalty of 10 per cent of the amount that he did not send in or $10, whichever is the greater. That means that, for example, if an employer has failed to send in $10,000, the penalty would be $1,000, but the hon. member for Crowfoot would make the penalty for failing to send in $10,000 only $10. That is not a deterrent at all, to use a word that has been used a lot around here in recent weeks. If it were $100,000 the fine under the legislation would be $10,000, and I think that would not be unfair at all for that kind of misdemeanour. But the hon. member for Crowfoot would let the persons get off with a $10 fine. Surely, the purpose of this penalty is to make sure that employers do not jeopardize the pension of the individual. I suggest that the amendment should be defeated.

● (1740)

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, as the explanatory note to the bill indicates, the purpose of the amendment in clause 2 is to make the rate of interest charged on any amount that an employer fails to remit to the Receiver General capable of being adjusted to the rate of interest charged for unremitted amounts under the Income Tax Act, which may be fixed by regulation. It is important, from the standpoint of equity as well as administration, to maintain uniformity between income tax, Canada Pension Plan and unemployment insurance deductions. The hon. member's motion would defeat this purpose.

With respect to the limiting of penalties to $10 as proposed by the hon. member, that of course would be a change of the existing law and, as has already been pointed out, we are speaking here of trust funds which belong not to the person remitting but to his employees and the people participating in the Canada Pension Plan. Clearly, the hon. member's motion would encourage late remitting and delinquency. For example, a large employer who had deductions of $50,000 a month and who failed to remit that amount would be subject to a maximum penalty of $10, plus interest at 7 per cent on the amount that should have been remitted. Surely, this is not the intention of the hon. member for Crowfoot (Mr. Horner). If he considers the implications of this, he will see that his proposal really is an encouragement to take advantage of deductions which belong to employees and to the plan. I do not believe he would want to be party to that.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion? The motion is not adopted.

We will now proceed to motion No. 7. It is the feeling of the Chair that Nos. 7 and 8 might be grouped for the purpose of debate and that a division on No. 7 would also dispose of No. 8. If hon. members do not agree perhaps they could raise the matter with the Chair, otherwise we will proceed along the line indicated.

Order. Up here on this lonely plateau we are always susceptible to advice, and I gather that I should have asked for the yeas and nays on the motion of the hon. member for Crowfoot (Mr. Horner). Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those against will please say nay.

Some hon. Members: Nay.

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

Motion No. 6 (Mr. Horner (Crowfoot)) negatived.

Mr. Deputy Speaker: I was right the first time. In any event, we will now deal with motions Nos. 7 and 8, and I gather it is the will of the House that these be grouped for the purpose of debate and that a division, if called for on No. 7, would also dispose of No. 8.

Mr. Horner (Crowfoot), seconded by Mr. Skoreyko, moves:

That Bill C-190, an Act to amend the Canada Pension Plan, be amended in Clause 2 by deleting the words "a prescribed rate" in line 33 at page 3 and substituting therefor the words:

"a rate of 7%"

Perhaps I could put the second one also, since they are being debated together. Mr. Horner (Crowfoot), seconded by Mr. Skoreyko, moves:

That Bill C-190, An Act to amend the Canada Pension Plan, be amended in clause 3 by deleting the words "a prescribed rate" in lines 4 and 15 at page 4 and substituting therefor the words:

"a rate of 7%"

Is it the pleasure of the House to adopt the said motions?

Mr. J. H. Horner (Crowfoot): Mr. Speaker, basically the act now sets out that a rate of 6 per cent applies in both these sections, and in this bill the minister is suggesting that the 6 per cent be deleted and be replaced by the words

"a prescribed rate." This is a government of high interest rates. We have watched interest rates climb.

This is the government that removed the 6 per cent ceiling on bank interest rates, and now people tell me the rate is over 10 per cent if you want to borrow money to buy a house or anything else. The government is doing the same thing in this bill. It is removing the 6 per cent ceiling.

Mr. Knowles (Winnipeg North Centre): Ten per cent.

Mr. Horner (Crowfoot): The hon. member says it is 10 per cent in the act. It is 10 per cent in one place in the act, but not in all places. Now, when the 6 per cent rate is removed the interest charge will rise to 10 per cent, 11 per cent and 12 per cent. By spring it may be 14 per cent.

The Liberal government believes in high interest rates to absorb all the careless, foolish, extravagant expenditures in which it becomes involved. The wasteful, inefficient administration of government requires the minister to charge higher interest rates to cover all the extravagance. This is really what the government is doing in this bill.

The government wants to allow the interest rate to go up, up and up. People may ask why I settled on the figure of 7 per cent. The fixed ceiling on bank interest rates used to be 6 per cent. Then, we were told that banks were not making enough money, and that the interest rate had to go up. At that time I moved an amendment allowing the bank interest to go up only one per cent, to 7 per cent, and that is what I am again doing here.

Because of the inefficiency and careless administration of the government, I believe interest rates should be allowed to rise only one per cent. Parliament must carefully scrutinize the administration and expenditures of government departments. One of the ways to do that is to put a limit on interest rates so that the government must strictly account for its administrative practices. I think it would be wise, Mr. Speaker, to accept the amendments suggested in motions Nos. 7 and 8. It is clearly set out that interest on instalments will be at 7 per cent rather than at a prescribed rate. The minister has suggested that he would like provisions similar to those of the Income Tax Act or the Unemployment Insurance Act so that there is a parallel. He might as well say that we should do something similar to what is done on mortgage loans under Central Mortgage and Housing. Interest on those loans is over 10 per cent now. He might as well say that, because that is the interest rate that will be charged under this bill.

● (1750)

Somewhere along the line we have to take a stand and say that we will not allow the department to prescribe the interest rate. We will say that it should be only 7 per cent. We are all living in a credit world and surely we want to hold down the interest rates so that credit will not cost us so much. My purpose in moving these two rather simple amendments is that, rather than change the bill to agree with the old act and put in 6 per cent, we are putting in 7 per cent. If the minister were to assure the House that the prescribed rate will never be higher than 7 per cent, then the amendment would not be necessary. Most people in Canada are alarmed at the present high interest rates. It is all very well for the Minister of National Revenue or the Minister of Finance (Mr. Turner) to say that we must have high interest rates because of our place in the international world and on the North American continent; that if we did not, too many people would be coming here to borrow money.

The minister might claim that all the government's interest rates cannot be equal. That was not the case when this bill was passed in 1966. The government of that day changed the Bank Act a year or so before the Canada Pension Plan came into operation and the 6 per cent figure was used then. What is wrong with it now? Well, the government feels that it is too low, and they want a higher rate of interest on instalments and on unpaid contributions which is comparable to other rates of interest. How much higher? If the minister is prepared to say that it will be less than 7 per cent that is fine but if not, when I recommend these two amendments.

If we, as members of parliament, concerned about high interest rates, say to the minister that he will only be able to charge 7 per cent interest on unpaid contributions and on instalments, the minister will immediately claim that many people will not pay their interest on instalments because the interest rate is cheaper than that of the banks. That may be so, but we must encourage the government to lower interest rates to the people of Canada so that they can buy homes and the things they need. If we take the wraps off interest rates and allow the government to do what they like, then we are derelict in our duty. This is just a little piece of legislation, but it is a measure of the sincerity of the government in managing their affairs. We must make sure that the government is forever conscious that the people of Canada want lower interest rates. I think this is one of the prime causes of inflation, particularly in today's credit oriented society. Everybody is borrowing money and perhaps living beyond their means.

I suppose it could be argued that the Canada Pension Plan contributions would not come forward too quickly if people could just pay the interest on the contributions. This may be so, but it is what the government would have to suffer because of their careless handling of our finances. I do not mind saying that from time to time the government should be reminded of its job in this regard.

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

Mr. Deputy Speaker: It being six o'clock, this House stands adjourned until two o'clock tomorrow.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, October 25, 1973

The House met at 2 p.m.

[*English*]

BROADCASTING

PETITION RESPECTING ADVERTISING ON CHILDREN'S PROGRAMS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise on a point of order. I hope, Sir, that as the custodian of our ancient rights and privileges in this House you will hear my point of order. It concerns yesterday's *Votes and Proceedings* which record your ruling on the petition presented by me under Standing Order 67. The rationale of that ruling was that the petition concerned a matter over which parliament by statute had delegated control to the Canadian Radio-Television Commission. Various precedents were cited in support. However, in determining whether this House has divested itself of control it is the appropriate statute to which one must refer. The precedents are an aid in the interpretation of the statute. Parliament never gave up control of the CRTC. Section 32 of the Broadcasting Act provides:

All expenditures for the purposes of this part—

That is the part that constitutes the CRTC and sets out its jurisdiction.

—shall be paid for out of moneys appropriated by parliament therefor.

I make this point of order in recognition of your ruling and the observation that the right of the people to petition "is a very ancient and historical right" which should not be—and here I quote Shakespeare—"cabined, cribbed or confined" in any way by precedents decided on particulars.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order to indicate certain agreements that have been arrived at by all parties. Apparently I was trying to demonstrate the universality of agreement by rising to speak from a seat other than my own.

● (1410)

Today, Sir, is an opposition day, with the motion being moved today by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). I think you will find there is agreement that the time limits on speeches today be as follows: 30 minutes for the mover of the motion, as provided in the Standing Order; 30 minutes for the minister responding; and 20 minutes for the lead-off speaker of each of the other two parties; but 15 minutes for all other speakers today.

There is another matter on which we have reached agreement. Shall I deal with that while I am on my feet?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the other matter on which we have reached agreement has to do with any division that may be called tomorrow related to the business that the President of the Privy Council (Mr. MacEachen) will be announcing. Perhaps we could deal with both these matters now.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, on the point of order, I understand we have agreed that any division that might arise tomorrow on any items before the House will be dealt with later at a time to be agreed upon after discussions among the House leaders. Tomorrow we would begin with the CNR financing bill, then the Canada Pension Plan Bill No. 1, followed by the National Parks Act bill. On Monday we would begin with the Canada Pension Plan Bill No. 2 and probably follow that with the report stage of the foreign investment bill.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, on behalf of the official opposition may I say that we concur in the arrangements that have been discussed and agreed upon in the usual way.

Mr. Speaker: Is this agreed and so ordered?

Some hon. Members: Agreed.

* * *

NATIONAL DEFENCE

PURPOSE OF CERTAIN FLIGHTS TO QUEEN CHARLOTTE ISLANDS BY ARMED FORCES AIRCRAFT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise pursuant to Standing Order 43 on a question of urgent and pressing necessity to seek leave to move a motion. The question of urgent and pressing necessity concerns the intensified feelings on the part of residents of the Queen Charlotte Islands, in my riding, about the nature and purpose of visits there by Canadian Armed Forces personnel aboard military aircraft from the air force base at Comox. I would therefore like to move, seconded by the hon. member for Comox-Alberni (Mr. Barnett), the following motion:

National Defence

That there be presented to this House for referral to the Standing Committee on External Affairs and National Defence the information from all flight plans of aircraft operated by the Department of National Defence which departed from the Canadian Forces Base at Comox, B.C. and which landed at Sandspit, B.C. or at any other location on the Queen Charlotte Islands from August 1, 1973 to today except such information as may be classified as being of a security nature.

Mr. Speaker: Is there unanimous consent for the motion proposed by the hon. member for Skeena?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

TRANSPORT

REDUCTION IN DIGBY-SAINT JOHN FERRY SERVICE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, I rise to ask the unanimous consent of the House, pursuant to Standing Order 43, to present a motion of urgent and pressing necessity. It relates to the curtailment of ferry service in the Bay of Fundy scheduled to become effective next Sunday. In view of the serious cutback, in view of the large investment the Canadian government has in the service which will thereby be wasted, and in view of the substantial loss of jobs and economic opportunities in southwestern Nova Scotia, I move, seconded by the hon. member for Halton (Mr. O'Connor):

First, that the Ministry of Transport be instructed by this House to underwrite all legitimate losses suffered by CPR after October 28 in relation to the operation of the Digby to Saint John ferry, *Princess of Acadia*, operating on a twice daily schedule.

Second, that the Ministry of Transport be instructed to enter into negotiations with CPR to either provide a subsidy which will ensure the continued operation of the ferry or alternatively to purchase the ferry and include it in the operations of the recently commenced, or announced, Atlantic ferry administration.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

NATIONAL DEFENCE

PERSONNEL AND PURPOSE OF CERTAIN FLIGHTS TO QUEEN CHARLOTTE ISLANDS BY ARMED FORCES AIRCRAFT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise on the same basis and for the same reasons as I rose previously to seek leave to move an additional motion under Standing Order 43, seconded by the hon. member for Comox-Alberni (Mr. Barnett). I would move:

[Mr. Howard.]

That there be presented to this House for referral to the Standing Committee on External Affairs and National Defence the names of, the rank held by, and the purpose and duration of the visit of all Armed Forces personnel who flew from the Canadian Forces Base at Comox, B.C. to Sandspit, B.C. or anywhere else on the Queen Charlotte Islands aboard aircraft operated by the Department of National Defence from August 1, 1973 to today, except to the extent that the said purpose may be classified as being of a security nature.

Mr. Speaker: Is there unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

ARAB-ISRAELI WAR—RESOLUTION OF NON-ALIGNED SECURITY COUNCIL MEMBERS FOR EMERGENCY FORCE TO MAINTAIN CEASEFIRE—POSSIBLE CANADIAN PARTICIPATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Does the government support the eight-nation resolution, with the proposed amendments, to establish an emergency United Nations force to guarantee maintenance of the ceasefire in the Middle East? If so, does the government of Canada believe the resolution provides a satisfactory basis for immediate Canadian participation if this is requested?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the Leader of the Opposition knows, Canada is not a member of the Security Council. Therefore we have not been required to take a position on this particular proposal put forward by the non-aligned members of the Security Council. In general, as I stated in the House during the special debate, we believe it may be very useful to have an emergency force in operation in the area during the period when negotiations are going on. At that time I indicated that, provided we could play a useful role and were under United Nations auspices, we would be ready to participate. We have not yet been asked to participate. Indeed, the proposal to which the hon. gentleman referred has not yet received the support of the Security Council.

ARAB-ISRAELI WAR—DEPLOYMENT OF CEASEFIRE OBSERVERS—PRESENT SITUATION

Hon. Robert L. Stanfield (Leader of the Opposition): Can the minister confirm whether the United Nations military observers have yet been fully deployed on both fronts? If so, has the government any new information as to the military situation at this time, particularly with regard to the ceasefire?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, UNTSO, the United Nations supervisory organization is redeploying its members on both the Syrian and Egyptian fronts. We have personnel who are involved. I understand the Secretary General is considering enlarging the organization, the numbers. We have not yet had a request to provide additional membership but we would certainly be prepared to do so. Indeed, we have men standing ready who could take on these responsibilities if they were requested to do so.

ARAB-ISRAELI WAR—CEASEFIRE—UNITED STATES MILITARY ALERT—POSSIBLE UNILATERAL DISPATCH OF TROOPS TO AREA BY RUSSIA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have one further supplementary related to the state of military alert adopted by the President of the United States. Is the Canadian government in possession of any evidence that the Soviet Union is preparing unilaterally to send forces to the area for peacekeeping or other reasons? If so, what position has the Secretary of State for External Affairs expressed to the Soviet Union on behalf of the government of Canada with respect to any such development?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it is my understanding that the forces of the United States are on a general alert. This does not affect us. We have not been requested to do so. I understand that the Egyptian government proposed that forces of the Soviet Union and the United States might form a peacekeeping mission in the area. The Secretary of State of the United States is opposed to this idea. Indeed, I gather that in a broadcast just a few moments ago he proposed that any peacekeeping force not include permanent members of the Security Council.

● (1420)

Mr. Stanfield: With all respect to the Secretary of State for External Affairs, he did not answer my question. I am sure he would wish to do so. Has the government of Canada any information in its possession that the U.S.S.R. is preparing unilaterally to send forces to the area?

Mr. Sharp: I cannot answer that question. I have no direct evidence. All I know is that it is, I think, in light of this likelihood that Dr. Kissinger has expressed his very strong opposition to any such movement on the part of the Soviet Union. The United States has said it is not prepared to participate along with the Soviet Union in any such activity. It is for this reason, I gather, that the forces of the United States have been placed on a general alert.

ARAB-ISRAELI WAR—PROPOSED WITHDRAWAL TO LINES OCCUPIED AT TIME OF SECURITY COUNCIL RESOLUTION OF OCTOBER 22—CANADIAN POSITION

Mr. Andrew Brewin (Greenwood): In the resolution presented by the non-aligned members of the Security Council there was, I understand, in addition to the matters mentioned by the Leader of the Opposition, a proposal that both sides be called upon to withdraw to the lines occupied at the time of the first Security Council resolution last Monday. I should like to ask the Secretary of State for External Affairs whether Canada would also support that particular part of the resolution.

Hon. Mitchell Sharp (Secretary of State for External Affairs): The House may recall that I welcomed the resolution of the Security Council of that day, and by implication, therefore, I would support maintenance of the position as it existed on the day the ceasefire was approved by the Security Council.

ARAB-ISRAELI WAR—WILLINGNESS OF CANADA TO SUPPLY TROOPS FOR PEACE ENFORCEMENT—RUSSIAN POSITION RESPECTING RESOLUTION NO. 242

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I think the questions raised by the Leader of the Opposition and the answers given by the minister require clarification. Is Canada prepared to supply troops for peace enforcement in the Middle East rather than peacekeeping units? I mention this because that seems to be the distinction in what has been advanced by the U.S.S.R., which at the moment has not been accepted by the United States.

Hon. Mitchell Sharp (Secretary of State for External Affairs): There are various forms of activity, as the right hon. gentleman knows, which, generally, have been divided into two kinds of activity, one of them observers such as we had in Viet Nam and the other, peacekeeping forces which stand between the combatants such as we have in Cyprus. Whether there are distinctions within the peacekeeping function as to the amount of armament and the degree to which they would resist is a question that has not yet been settled. Therefore I could not give a clear answer unless I had a much better idea of the exact functions that would be performed by a peacekeeping force in the Middle East.

Mr. Diefenbaker: I should like to know from the minister whether Canada is prepared to supply troops for peace enforcement. That requires armed forces. That is question No. 1. Second, arising out of the question asked by the hon. member for Greenwood, what attitude does the U.S.S.R. take as a basis upon which an armistice or a ceasefire would be determined in connection with the implementation of Security Council resolution No. 242 of 1967 which provides, among other things, for Israel's withdrawal from occupied Arab territories in return for Arab acceptance of secure and recognized borders for Israel. That particular portion of the 1967 security declaration was accepted the other day in the Security Council. I ask the minister this: does not the U.S.S.R. take the stand that this means that, before there can be any basis for a ceasefire or an end of the hostilities, Israel must withdraw from all of the areas occupied since the six-day war?

Mr. Sharp: Mr. Speaker, one of the points that I made very clearly in my speech in the special debate the other day—

Mr. Diefenbaker: No, it was not clear at all.

Mr. Sharp: —was that we accept resolution 242 in its entirety, that we resist any efforts to interpret it, that we

believe it does provide a framework for settlement and therefore we do not accept any particular interpretation such as the one put on it by the Soviet Union. We believe it was very carefully drafted and that any attempts to interpret it publicly and to get acceptance of a particular interpretation is only going to interfere with prospects for peace. So I must make that very general answer to the right hon. gentleman.

As to the first part of the question, it is interesting in this connection that some time ago Canada presented to the United Nations a draft plan for peacekeeping activities which represents the Canadian point of view. It is the kind of force in which we would be prepared to participate. If I am asked a hypothetical question whether we would agree to participate in a plan for peace enforcement, as the right hon. gentleman has mentioned, then I must ask him to define his terms a little more carefully.

Mr. Diefenbaker: I have a further supplementary question.

Mr. Speaker: Order, please. The Chair will recognize the right hon. gentleman for a supplementary. A number of other members are also seeking to ask supplementaries. They will be recognized and the order will be the hon. member for Selkirk, the hon. member for North York and the hon. member for St. Paul's.

Mr. Diefenbaker: Mr. Speaker, the U.S.S.R. has always taken the stand that Security Council resolution 242 of 1967 requires the entire evacuation by Israel of the areas occupied since the 1967 war. When Mr. Kosygin was here a communiqué was issued by the minister and Mr. Kosygin which stated that Canada and the U.S.S.R. are in agreement as to the meaning of resolution 242. I would ask the minister what that meant. The U.S.S.R. says it means get out, but is Canada now saying that when it agreed with Kosygin it really did not mean to agree?

Mr. Sharp: Mr. Speaker, I do not accept the reading that the right hon. gentleman has put upon the communiqué issued by Mr. Kosygin and the Prime Minister. Canada's position is very clear on this question. It is that Israel should withdraw to secure and recognized borders, which I understand is also the position taken by the right hon. gentleman.

Mr. Speaker: The hon. member for Selkirk.

Mr. Diefenbaker: I do not want words that I did not say placed in my mouth.

Mr. Speaker: Order, please.

Mr. Diefenbaker: I ask the minister what he meant by saying that Kosygin and he had agreed.

Mr. Speaker: Order, please. The Chair has recognized the hon. member for Selkirk.

[Mr. Sharp.]

ARAB-ISRAELI WAR—U.S. CONTINENTAL AIR DEFENCE COMMAND ALERT—STATE OF READINESS OF CANADIAN COMPONENT IN NORAD

Mr. Doug Rowland (Selkirk): Mr. Speaker, my supplementary question is addressed to the Minister of National Defence. In view of the fact the Continental Air Defence Command, which is the United States component in NORAD, has been placed on alert, or at least an increased state of readiness, I should like to ask the minister whether this has in any way affected the state of readiness of the Canadian component in the NORAD forces.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the Canadian Armed Forces are always alert.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Richardson: To answer the hon. member's specific question, it has not been necessary in these circumstances for the Canadian component of NORAD to move to an increased level of alertness.

ARAB-ISRAELI WAR—POSSIBLE LANDING OF TROOPS BY RUSSIA IN MIDDLE EAST—CANADIAN POSITION

Mr. Doug Rowland (Selkirk): Mr. Speaker, may I put a further supplementary question to the Secretary of State for External Affairs. Is the Canadian government directly seeking assurances from the Soviet Union to the effect that it will not act unilaterally in the Middle East by landing troops there? Is it seeking that assurance actively?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, these developments have arisen only within the last few hours, but I can assure the hon. gentleman that this is the attitude of the Canadian government which will be conveyed to the Soviet Union.

● (1430)

ARAB-ISRAELI WAR—NECESSITY OF ISRAEL WITHDRAWING TO PREVIOUS BORDERS BEFORE PEACE TALKS

Mr. Barnett J. Danson (York North): Mr. Speaker, I have a supplementary question to the Secretary of State for External Affairs following the response given the hon. member for Greenwood. I should like to ask the minister whether, in referring to Canada supporting the position that Israel withdraw to previous borders, he meant that to be as a precondition to peace talks or as a consequence of peace talks?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it has been the position of the Canadian government that Resolution 242 is a package and all parts must be observed and must be part of a simultaneous implementation.

Mr. Danson: Mr. Speaker, I was thinking of the present situation where the borders have certainly changed since Resolution 242 was passed by the United Nations. I refer to the existing situation and the ceasefire. Prior to peace

talks is it necessary for Israel to withdraw to the previous borders, or will peace talks take place before this withdrawal occurs?

Mr. Sharp: Mr. Speaker, if peace is going to be effective in the Middle East the two parties must first agree to be in negotiations, and it will be for them to decide the conditions, not for us.

Mr. Brewin: On a point of order—

Mr. Speaker: Order, please. I will recognize the hon. member for Greenwood on a point of order, but I remind hon. members that we are still on the first subject. I appreciate that it is very important, but after the point of order and a question by the hon. member for St. Paul's perhaps we should attempt to move to the second subject.

Mr. Brewin: Mr. Speaker, my point of order is that I think the hon. member for York North has unwittingly misunderstood or misstated the question I asked. I was not referring to withdrawal to the boundaries before Resolution 242; I was referring to withdrawal to the ceasefire line at the time the ceasefire was decreed last Monday. That is all I was referring to.

ARAB-ISRAELI WAR—DISCUSSION BY MINISTER AND ARAB AMBASSADORS OF ADHERENCE TO CEASEFIRE AND SOVIET TROOP BUILD-UP

Mr. Ron Atkey (St.Paul's): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In his discussions with Arab ambassadors today concerning delivery of mideast oil to Canada, did he have occasion to raise the question of securing adherence to the terms of the ceasefire in the Middle East, set last Monday, and did he express concern about the unwarranted build-up of Soviet troops in the area apparently in support of some of the Arab states?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker. The subject of my discussions this morning, as I said to the House yesterday, was the refusal of the State of Abu Dhabi to load a freighter with oil destined to the Portland-Montreal pipeline. It took us long enough to discuss that question and we did not have an opportunity to pursue the other subject. In any event, that would be a subject which would more properly be raised by our ambassadors in the countries to which we are accredited.

SECURITY OF OIL SUPPLY FROM MIDDLE EAST—RESULT OF DISCUSSIONS WITH ARAB AMBASSADORS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Can he tell the House the results of the meeting he held this morning with the Arab ambassadors, can he now guarantee security of supply of oil to the Canadian consumer, and did he assure the Arab ambassadors that any oil destined to multinational corporations in Canada would not be diverted to American refineries?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, in my discussions with the Arab ambassadors this morning I emphasized the point that Canada in its commercial dealings had never allowed politics to have an effect upon the destination of our commodities, nor upon the way in which we give aid to countries. I emphasized that we have always kept politics outside and we hoped the Arab countries would do likewise in their relations with us.

Mr. Nystrom: With deference, Mr. Speaker, I do not think the Secretary of State for External Affairs answered my question. My question was specifically whether he was able to get a guarantee from the Arab states that there would be security of oil supplies to this country, and whether he assured them that if they sent oil to American-based multinational corporations in Canada that oil would not be diverted to American ports?

Mr. Sharp: Mr. Speaker, I do not like to paraphrase what was said to me as I would not in any way want to be incorrect. I think it is fair to say that the Arab ambassadors were not aware of the reasons which motivated Abu Dhabi to refuse to load a tanker with oil for Canada. Therefore it was impossible for me to pursue the matter any further. What I wanted them to convey to their governments was the very serious concern Canada would have about relations between Canada and the Arab countries if they took the position of supporting any of the Arab states in cutting off oil to Canada.

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary question, Mr. Speaker. Yesterday the Secretary of State for External Affairs indicated in response to a question by me that it was the State of Saudi Arabia which had prohibited the shipment. Was this an error on his part, and can he tell us whether he is taking any measures at all to ascertain whether the State of Saudi Arabia, which is the leading producer among the mid-eastern Arab states, is cutting off or refusing shipments of oil to Canada?

Mr. Sharp: Mr. Speaker, I apologize to the House for having passed on information that we had received from the Petrofina Company. Their information was that the ship had been loading in Saudi Arabia. That was not so; it was loading in the State of Abu Dhabi. I do not believe that is a matter of any significance in so far as the action itself is concerned. We are just as concerned about the action of any Arab country in cutting off oil shipments to Canada. We are making representations in all Arab countries, not only those that supply oil but others, so as to make it clear that Canada is very interested in continuing the ordinary commercial and other relations with the Arab countries and that it would be quite inexplicable to Canada for them to take action of this kind against us.

Mr. Speaker: Order, please. The Chair will recognize the hon. Leader of the Opposition, attempt to have a few questions from other hon. members on different subjects and perhaps return after five or ten minutes to this important matter.

Mr. Stanfield: Mr. Speaker, in reference to the veto or prohibition against the shipment, was this not directed to Aramco which is the producing company in question, and

has the Secretary of State for External Affairs or anyone on behalf of the government attempted to ascertain from the producing company the particular significance of this move that was made with regard to Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it was not Aramco that was involved which, as the hon. gentleman knows, is a producer in Saudi Arabia but rather Shell International in respect of its production in Abu Dhabi. We have pressed through Petrofina to find out whether in fact this represents a conscious decision by Abu Dhabi not to ship to Canada or they do not understand that in shipping to Portland, Maine, the oil then moves in bond by pipeline from there to Canada. At the moment I do not have any further information on that.

Mr. Stanfield: What about instructions to Aramco?

Mr. Macdonald (Rosedale): Mr. Speaker, as far as I am advised at the moment by Canadian firms which receive oil from Aramco, they have not had shipments interrupted.

Mr. Stanfield: Do they have instructions?

Mr. Macdonald (Rosedale): Pardon?

Mr. Speaker: Order, please.

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ENERGY

PROPOSED OIL PIPELINE EXTENSION TO MONTREAL—EFFECT ON EXPORTS TO UNITED STATES

Mr. Jim Balfour (Regina East): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources and is in connection with the possible extension of the oil pipeline to Montreal. In view of Governor Love's statement yesterday that the United States would probably allow looping of the United States part of the line provided no cutback of oil supplies to the United States midwest resulted, will the minister tell the House how he would plan to serve the Montreal market through the pipeline extension without reducing exports to the United States?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, my understanding is that in terms of pipeline construction this depends very much on the level we intend to put into Montreal. My understanding from Interprovincial is that 250,000 barrels a day would not require substantial construction west of Sarnia, although an amount over that would, of course, require such construction. Basically we would take the position, as indeed the United States takes, that we should move to a position of self-sufficiency to the degree that we can. Of course, we would have the priority that Canadian oil would be used to meet Canadian requirements.

● (1440)

OIL—SUGGESTION THAT PIPELINE EXTENSION TO MONTREAL BE THROUGH NORTHERN ONTARIO

Mr. J.-J. Blais (Nipissing): Mr. Speaker, my question is also directed to the Minister of Energy, Mines and Resources. In view of the statement he has just made and in view of the growing national concern about security of supplies for eastern Canadian markets and the government's recognition of the necessity of building an oil pipeline to the Montreal refineries, would the minister assure the House that full consideration will be given to the building of the pipeline from Sault Ste. Marie through northern Ontario in lieu of a line from Sarnia to Montreal?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): We certainly would give that consideration, Mr. Speaker. The concern, of course, would be whether the increased financial cost involved in an extension from Sault Ste. Marie would be warranted by the additional security that might be obtained.

Mr. Blais: Can the minister advise the House when the study relating to costs will be available to the House so that future discussion can be had on that particular subject.

Mr. Macdonald (Rosedale): Mr. Speaker, I would hope to be able to report more fully in connection with the pipeline at an early date. I cannot give a precise date.

* * *

THE CANADIAN ECONOMY

UNEMPLOYMENT INCREASES VIS-À-VIS HEALTH OF ECONOMY

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is for the Minister of Finance. When the Minister of Finance states, as he did last night in London, that the problem of unemployment grows in large measure from the strength of the economy rather than its weakness, does he mean to suggest to parliament and the people of Canada that in future unemployment rate increases should be read as a measure of the health of the economy—

Mr. Speaker: Order, please.

Mr. Hellyer: —and the government's satisfaction with the results of its own policies?

Mr. Speaker: Order, please. The hon. member for Trinity knows he cannot ask a question in those terms relating to a statement made outside the House.

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PUBLIC SERVICE

GOVERNMENT POSITION RESPECTING SALARY INCREASE FOR CLERKS

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to ask the Minister of Finance whether, when he asks for

restraint by business and labour in granting wage increases he sees as an example of that restraint the current policy of Treasury Board against adequate wage increases for the CR group in the civil service?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think the President of the Treasury Board and I see eye to eye on the problem.

Mr. Hellyer: I have a supplementary, Mr. Speaker.

Mr. Speaker: The Chair will recognize the hon. member for Trinity on a supplementary, followed by the hon. member for Portneuf.

Mr. Hellyer: Can the minister give the House the name of one deputy minister who on merit is entitled to an increase of $10,000 when the government refuses to give these clerks—

Mr. Speaker: Order, please.

* * *

[*Translation*]

SOCIAL SECURITY

OLD AGE PENSION—POSSIBILITY OF LOWERING AGE OF ELIGIBILITY TO 63

Mr. Roland Godin (Portneuf): Mr. Speaker, I should like to ask a question of the hon. Minister of National Health and Welfare.

In view of the fact that National Health and Welfare technicians are preparing the documentation on the payment of old age pensions from the age of 63, can the hon. minister tell us when he intends making a statement on this subject?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I believe that the facts upon which the hon. member's question is based are unfounded. Consequently, his conclusion does not apply.

* * *

[*English*]

ENERGY

OIL—INQUIRY AS TO DIVERSION OF SHIPS DESTINED TO CANADA FROM MIDDLE EAST TO UNITED STATES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I should like to direct my question to the Minister of Energy, Mines and Resources. I think he is coming back from behind the curtain, Mr. Speaker, if he can find his way in. He is hunting for tankers. Other than the shipment of oil referred to yesterday from Abu Dhabi, can the minister say categorically if he knows of any other ships of any other company or country that have been diverted to United States refineries which were originally destined to refineries in eastern Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I know of none other. I checked again after the question the hon. gentleman asked yesterday and I again received the insistence of the two companies he mentioned that they control their own ordering and shipping and that there has been no diversion from supplies intended for Canada and they are not missing any cargoes.

Mr. Nystrom: A supplementary.

Mr. Speaker: The hon. member for Yorkton-Melville has had a question and I do not know how many supplementaries. I lost track of them a while ago. Perhaps the Chair might be allowed to recognize some other hon. members. The hon. member for Palliser.

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THE CANADIAN ECONOMY

VALIDITY OF INDICES MEASURING EMPLOYMENT AND BUSINESS ACTIVITY

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is for the Minister of Finance. As the Governor of the Bank of Canada finds great difficulty in reconciling the unemployment statistics with the level of the indices indicating business activity, I should like to ask the minister whether he has any reason to doubt the validity of the indices that measure employment and business activity in Canada?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the governor was not doubting the statistics. He was suggesting it was difficult to reconcile them with some of the evidence in the country. I said to the hon. gentleman's leader a day or so ago that I was awaiting with great interest the report of the Economic Council of Canada on the meaning of statistics as they affect the labour force.

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AGRICULTURE

PROVISION OF ADEQUATE SUPPLY OF FERTILIZER TO FARMERS

Mr. Jack Murta (Lisgar): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Because of the tremendous demand that greater quantities of food be produced for the coming year and since there seems to be little doubt that we are headed for what could be called a major fertilizer crisis not only in Canada but also in the United States—

Some hon. Members: Oh, oh!

Mr. Murta: —I suggest this is a very serious matter and ask the Minister of Agriculture what the government is doing at this time to ensure that Canadian farmers will have an adequate supply of fertilizer?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, first of all, if we could can the bio-mass material in this House we would probably have an ample supply. I just want to say that we have met this morning with the Canadian Fertilizer Manufacturer's Association and with some of the independent fertilizer producers in Canada

and are meeting again later this afternoon with another group. I can say, from the meetings we have had so far, I do not think we will have any crisis. The farmers are using far more fertilizer than they ever have. We have asked the companies to produce more and they are doing that. The farmers used 50 per cent more last year in western Canada because I asked them to do so. They are going to do that and we are going to see they have the supplies of fertilizer they need.

Mr. Murta: Mr. Speaker, that was the most ridiculous political answer I have ever heard to a question. In view of the fact that major grain companies that handle and in some cases produce fertilizer are going to experience shortages without a doubt this year, what does the government intend to do about these shortages in the future? Does it intend only to hold discussions and talk and not really meet the problem?

Mr. Whelan: Mr. Speaker, some companies have already shown us their production figures for this coming year. They have been increased from 500,000 to 650,000 tons in one plant alone in western Canada and it is cutting off export of 100,000 tons. So in that plant alone this represents over 200,000 extra tons for the farmers in western Canada. We are prepared to take action to make sure that the fertilizer stays in Canada for the use of the Canadian farmers to make them as productive as possible. We have taken action in regard to other products to make sure—I refer to protein for one—that they stay in Canada to make our people productive so they do not have to compete in an unfair manner with other countries which might otherwise get our product.

Some hon. Members: Hear, hear!

Mr. Speaker: I will allow the hon. member for Lisgar to ask a further supplementary, after which I will recognize the hon. member for New Westminster.

● (1450)

Mr. Murta: Mr. Speaker, I want to ask one last supplementary. Instead of giving short speeches such as the minister has now given, what specifically is he going to do since he has said that the government will do something if such a situation occurs? What specifically is going to happen?

Mr. Whelan: Mr. Speaker, we have to get all the facts. I have just outlined some of them. Hon. members may want me to outline them all at this time but I know that you, Sir, would not allow me to do that. I have confidence in the ability of the fertilizer producers to look after the needs of our people. If they do not and they want to continue exports, we can, of course, stop them. There is no doubt about that. As the hon. member knows, we are huge exporters of nitrogen and potash, and we import phosphate. Surely we can make a deal to get the best possible advantage for our manufacturers. This is what the manufacturers have been telling me this morning and will probably do so again this afternoon.

Mr. Whittaker: On a point of order, Mr. Speaker, I do not think that the Minister of Agriculture is fully informed. I have evidence that there is a shortage of fertilizer in British Columbia—

[Mr. Whelan.]

Mr. Speaker: Order, please. The hon. member will appreciate that is hardly a point of order. There are only five minutes left before the end of the question period and I think we should try to move to the next subject.

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ADMINISTRATION OF JUSTICE

SUGGESTED CHANGES IN BAIL REFORM ACT TO PROTECT FREEDOM OF SPEECH

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I wish to direct a question to the Minister of Justice. In view of the peculiar conditions which were imposed on bail in the case of Dr. Henry Morgentaler of Montreal, namely, that the bail provisions not only deny him the freedom to discuss his case publicly, which is usual, but also deny him the right to make any public appearances whatsoever or to discuss anything whatsoever, is the minister considering changes in the Bail Reform Act so that the fundamental right of freedom of speech can be protected for persons presumed to be innocent until proven otherwise?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I would hesitate to comment on a particular existing case. A great deal of discretion in our judicial process is inevitably left to the judiciary, and I think that that is as it should be. We are, of course, looking at other matters in relation to the Bail Reform Act, and so did the Commissioners on Uniformity. We will be bringing proposals before the House before too long.

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PUBLIC SERVICE

AMOUNT OF INCREASES OFFERED BY GOVERNMENT TO THOSE AT LOWER LEVELS

Mr. Don Blenkarn (Peel South): Mr. Speaker, I wish to direct a question to the Minister of Finance supplementary to that asked by the hon. member for Trinity. Is it the government's view that it will help restrain inflation by offering people in the junior levels of the civil service, nurses in particular, wage increases that are significantly less than the rate of inflation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, not accepting the premise of the hon. member's question I have difficulty in forming an answer.

Mr. Blenkarn: Mr. Speaker, there has been a suggestion of a 20 per cent increase in pay for deputy ministers, and this minister says that he does not accept that as a fact. Will he answer this question: Is the government trying to restrain inflation by reducing the pay of junior civil servants?

Mr. Turner (Ottawa-Carleton): The answer is a categorical no, and the hon. gentleman knows it.

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, would the Minister of Finance confirm or deny that the pension payable to his deputy minister will be more than his annual salary today as minister?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Lambert (Edmonton West): That is correct.

Mr. Speaker: Order. The hon. member knows he cannot ask a question like this.

Mr. Lawrence: May I rephrase—

Mr. Speaker: Order, please. The hon. member for Vancouver South.

Mr. Lawrence: May I redirect the question—

Mr. Speaker: Order. If the hon. member for Vancouver South will bear with me for a second, the hon. member for Northumberland-Durham wishes to ask a related question. Will the hon. member for Northumberland-Durham resume his seat. Hon. members know that it is entirely out of order to ask what is the amount of salary paid to an individual or whether one salary is higher than another. That is obviously not a question that can be asked at this time. It can be placed on the order paper or, if there is urgency, raised at the time of adjournment.

Mr. Lawrence: Mr. Speaker, we have difficulty in getting questions answered when we put them on the order paper. That is why we have to use the oral question period.

Mr. Speaker: Order. The Chair will recognize the hon. member for Vancouver South and will then have to call orders of the day.

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NATIONAL DEFENCE

OPERATIONAL STATE OF AIR SQUADRON 442 BASED AT COMOX

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I wish to direct a question to the Minister of National Defence. In view of the fact that Squadron 442, which is based at Comox, is responsible for search and rescue operations over 690,000 square miles of British Columbia and the Yukon, and since that squadron is unable to meet normal operational tasks because of worn-out aircraft and lack of parts, can the minister advise what immediate steps will be taken to correct this situation?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I do not accept the premise of the question.

Mr. Fraser: Mr. Speaker, it has been reported by Jes Odham in the Vancouver *Sun*—

Some hon. Members: Oh, oh!

Mr. Fraser: This is a very serious matter because it affects the lives and safety of people who are lost.

Some hon. Members: Hear, hear!

Mr. Fraser: With regard to the search for pilot Neil Carey, which started on September 18, it was not until September 28, ten days later, that the squadron was able to put all of its aircraft into the air. Will the minister either replace these worn-out aircraft or increase the number available, and when will this be done?

Mr. Richardson: Mr. Speaker, the search and rescue capability of the Canadian Armed Forces has an excellent record on the west coast, as elsewhere, in the number of discoveries that have been made of lost planes. In the new modernization and renewal program that I have announced there are funds for new equipment which will be going into search and rescue, as well as into other areas.

Mr. Fraser: Mr. Speaker, I have one other supplementary question. At the present time, given the fact that we cannot get replacement parts for these aircraft because they are all stored in Toronto, causing long delays that keep these aircraft out of the air, will the minister reconsider the information he has been giving, come back to the House in a few days and say what he is going to do about the situation?

Mr. Speaker: The hon. member for Yukon has a supplementary and also, I believe, the hon. member for Vancouver Kingsway.

INVESTIGATION INTO LOSS OF TRACKER AIRCRAFT IN SEARCH

Mr. Erik Nielsen (Yukon): Mr. Speaker, I wish to direct a supplementary question to the Minister of National Defence. Have the armed forces yet concluded their investigation, which I assume they made, into the loss of a Tracker aircraft in the search just referred to, which resulted in the loss of four members of the forces, and, if concluded, are the results going to be made public or made available to members of this House?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I will make inquiries concerning the result of that particular investigation.

Mr. McGrath: Mr. Speaker—

Mr. Speaker: Order, please. Again there are a number of supplementaries. The Chair has said it will first recognize the hon. member for Vancouver Kingsway.

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ABORTION

REQUEST THAT MINISTER MAKE REPRESENTATIONS TO PROVINCIAL HEALTH DEPARTMENTS FOR INCREASE IN COMMITTEES AND FACILITIES

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, my question is supplementary to that asked by

the hon. member for New Westminster and is directed to the Minister of National Health and Welfare.

Some hon. Members: Oh, oh!

Mrs. MacInnis (Vancouver Kingsway): In view of the extreme shortage of facilities for legal abortions in various parts of Canada—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Hon. members are protesting that the question being asked by the hon. member is not supplementary. I am quite willing to hear the hon. lady ask her supplementary. I think hon. members should be prepared to allow her to ask her supplementary, although it is not relevant to the question asked by the hon. member for Vancouver South. If there are supplementaries to the previous question, other hon. members will be recognized.

Mrs. MacInnis (Vancouver Kingsway): In view of the extreme shortage of facilities for legal abortions in various parts of Canada, as emphasized by the case of Dr. Henry Morgentaler, would the minister make representations to the provincial departments of health, and through them to the hospital boards of the provinces, to set up adequate numbers of abortion committees and other necessary facilities.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I do not believe that the case of Dr. Morgentaler supports the point of view expressed by the hon. lady.

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NATIONAL DEFENCE

REQUEST THAT ADDITIONAL CREWS BE PROVIDED FOR RESCUE PLANES

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I would like to address a question to the Minister of National Defence supplementary to that asked by the hon. member for Vancouver South. Will he provide the crews to make the rescue planes he now has fully operational before he gets around to providing new equipment instead of having them, as at present, on a five-day week and a standby weekend?

● (1500)

Hon. James Richardson (Minister of National Defence): I will give consideration to that, Mr. Speaker.

Mr. Speaker: Order, please. We have reached the end of the question period. The Chair, with the consent of the House, allowed a supplementary. The minister may, if he wishes, reply to the question of the hon. member for Comox-Alberni. If not, the hon. member for St. John's East will be recognized on a last supplementary, after which we will call orders of the day.

Mr. Richardson: Mr. Speaker, I indicated that I would look into the matter raised by the hon. member.

[Mrs. MacInnis (Vancouver Kingsway).]

SUGGESTED TRANSFER OF TRACKER AIR SQUADRON FROM NOVA SCOTIA TO NEWFOUNDLAND

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is in the interests of saving life, not destroying life. I should like to ask the minister if it is the intention of the government to place the Tracker squadron now in Nova Scotia in eastern Newfoundland, which would add 1,000 miles to its capability and hence provide that part of eastern Canada with search aircraft capability?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I have indicated on earlier occasions that it was not practical for us to do that.

Mr. Speaker: Orders of the day.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker: Mr. Speaker, a few moments ago we dealt with the business of the House for the balance of this week. I wonder if I could ask the government House leader his intention with respect to the business of the House next week and perhaps beyond, as far as he can see.

Mr. MacEachen: Mr. Speaker, on Monday it is the intention to call the Canada Pension Plan Bill No. 2; following that the report stage of the Foreign Review Investment Act, so I would think that would take us well into next week.

Mr. Stanfield: Well into Tuesday.

Mr. Baker: One further matter, Mr. Speaker. Could the government House leader inform the House when he intends to bring in the supplementary estimates for consideration.

Mr. MacEachen: Mr. Speaker, the President of the Treasury Board advised me that the target to date is a week from next Wednesday.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—SUGGESTED MEASURES TO ENSURE SUPPLY OF OIL AT FAIR PRICES TO ALL CANADIANS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands) moved:

That this House expresses the opinion that the government should give consideration to the taking of immediate steps to ensure that available petroleum supplies are used to ensure a continuity of supply at fair and just prices to all Canadian consumers and as a preliminary step to this end should implement the following measures:

1. The setting up of a publicly-owned National Petroleum Corporation to enter into bi-lateral arrangements with oil-producing states and to supervise the marketing of oil in Canada.

2. The extension of the oil pipeline to eastern Canada and the bringing of the inter-provincial pipeline under federal government ownership.

3. The ensuring of future oil supplies by entering into negotiations with the provinces concerned for the development of the oil sands by a joint federal-provincial Crown corporation.

He said: Mr. Speaker, in presenting this motion for the consideration of the House, I think it is a most opportune time to discuss the oil situation in Canada because at this moment we face some very serious problems. For years voices have been raised in this country warning of an impending oil shortage. Very few have listened and nobody has acted. Successive federal governments have refused to face up to the consequences of an archaic oil policy and more recently, no policy at all.

There is no reason why Canadians should be unable to secure adequate supplies, particularly at fair and just prices. Canada is a net exporter of oil. We are one of the few countries in the world which produces more oil than it consumes. Why then should the people of Quebec and the Atlantic provinces face the possibility of oil shortages this winter? The unpalatable fact is, Mr. Speaker, that we do not have a national policy in Canada; we have a Standard Oil policy in Canada.

In 1961, the government of that day established the Borden line running through the Ottawa Valley. West of that line was designated as the exclusive market for western Canadian crude and east of the line was to be served by offshore oil, mainly from Venezuela. It is noteworthy, Mr. Speaker, that Standard Oil is the major operator in western Canada and also in Venezuela; Canada has been parcelled into two captive markets. At the present time Canada is exporting western crude to the United States midwest at a rate of 1.2 million barrels of oil per day and importing offshore oil to an amount of about 800,000 barrels per day. This leaves eastern Canada completely at the mercy of oil importers, both with reference to security of supply and to price.

We have been told frequently that the government has a contingency plan in the event that offshore oil is cut off. Such a plan did operate in 1956 and 1967 during the Arab-Israeli conflicts through a swapping arrangement by which Canadian oil exports to the United States midwest and to the Rocky Mountain regions were increased in exchange for increased U.S. oil supplies being shipped to eastern Canada. Mr. Speaker, that plan worked because the United States had spare production capacity but that is no longer the case. The Minister of Energy, Mines and Resources (Mr. Macdonald) has been telling us for months that the government has a contingency plan to meet the possibility of offshore oil being unavailable. Today when he speaks I hope that he will tell the House of Commons what that contingency plan is, and how he proposed to meet the present situation in eastern Canada.

We have to face the fact that the amount of oil and gasoline the people of eastern Canada will be able to consume, and the price they will be required to pay is not in the hands of the government but is in the control of the major oil companies. The production, refining and distribution of petroleum in Canada is in the hands of foreign controlled multinational corporations. Some 91 per cent of our production and 99 per cent of our refining capacity is in the hands of this gigantic octopus, which is not concerned either with security of supply or with fairness of price. Their concern is making money. If that means leaving Canadians short of their requirements or compelling them to pay exorbitant prices, so be it.

We saw that this last winter when oil shortages in the United States pushed up prices to the point where it was more profitable to export Canadian oil to the United States, even if Canadians were going short. Only when the minister summoned up enough courage to impose export controls, first on oil and then on gasoline, were Canadians west of the Ottawa Valley given some security of supply. But this did not stop the increase in the price of oil which has gone up some 37 per cent, an increase of 95 cents per barrel in less than a year.

On September 4, this faint-hearted government finally acted, not to cut back the unjustified price increase but merely to hold the line. Now, we are witnessing the major oil companies playing the same game in eastern Canada. For years we have had the bland assurance that if we shipped our western crude to the United States we need have no fear about security of supply in Quebec and the Atlantic provinces. The NDP has always contended that in an emergency, the U.S. based oil companies would ensure supplies for the United States at Canada's expense. At present there is said to be a gap of 100,000 barrels per day between eastern Canada's need and the quantity of oil being imported. Some western crude has been diverted to eastern Canada by four companies, which have shipped the oil down through the seaway. When the freeze up comes this will no longer be possible. The quantity that can be moved by road and rail is insufficient to prevent hardship.

● (1510)

The inquiries made by the Minister of Energy, Mines and Resources regarding the diversion of offshore oil intended for Canada to the United States have, in my opinion, been superficial and the replies we have received would not deceive anyone less naïve than the minister. Yesterday the minister said, as recorded at page 7182 of *Hansard*:

> . . . I have had replies from Canadian refiners, particularly the two refiners mentioned by the hon. member for Yorkton-Melville . . .

It is significant that he made no reference to the marketing branches of the parent companies. Apparently he did not ask them whether there had been any diversion. It is significant that no reference has been made to the shipping register. Therefore, we do not know whether or not ships which were destined for Canada, ships carrying oil to Canadian ports, were diverted and, if so, by whose orders?

The minister said today that he knows of no ships having been diverted. The oil industry seems to think that ships have been diverted; otherwise, how does one explain the shortage which is being experienced in eastern Canada? A report from Calgary, which appeared in the *Globe and Mail* on October 23, gives the views of persons in the oil industry. I shall quote from that report, as follows:

Oil

The recent diversion of several ocean-going tankers loaded with oil destined for Canada to U.S. ports is said to have contributed to the present shortage of crude oil in Quebec and Eastern Canada.

Industry sources suggest that diversion of tankers from their original Canadian destinations to U.S. ports began as a ploy in the final week of September to circumvent the Arab restrictions on the direct flow of oil to the United States.

The tankers are either owned or leased by the same international oil companies that operate within Canada and overseas and which are mostly headquartered in the United States.

According to information in Calgary, the tankers destined to Canadian ports have 'not been hijacked' but merely ordered to change directions 'under the complex and global marketing and supply patterns of major companies.'

If one wants to know who really decides where oil will go, one ought to read the next paragraph in the article, which says:

An industry expert with the Canadian subsidiary of an international oil company who asked that he not be named said that there was 'nothing sinister' in diverting Canadian-bound tankers to the United States and added that most U.S. planners believe that Canada 'could get by' with the remaining oil imports.

We have come to a pretty pass when United States planners decide whether or not we can get by, and whether or not oil destined for Canada can be diverted to some other port.

Some hon. Members: Hear, hear!

Mr. Douglas: This country desperately needs an oil policy as part of an over-all energy policy. Most of the government's views, as contained in the energy report tabled a few weeks ago, have already been repudiated by the government or overtaken by the rush of events. In this debate it is not possible to cover the whole field of oil policy. Nevertheless, some decisions ought to be taken without delay if our present situation is not to deteriorate into a Canadian oil crisis by the end of this decade.

My colleagues and I have put forward three proposals that should be acted upon immediately. The first is:

The setting up of a publicly-owned National Petroleum Corporation to enter into bilateral arrangements with oil-producing states and to supervise the marketing of oil in Canada.

Many nations are seeking to bypass the oil cartel. They want to deal directly with governments. Japan and West Germany have both entered into bilateral trade arrangements with oil producing countries. Exporting countries represented by OPEC have also rebelled against exploitation by multinational companies and have publicly indicated their desire for bilateral agreements. This is true of countries like Libya, Nigeria and also Venezuela. The minister himself said, after returning from a visit to Venezuela, that the government of Venezuela would like to deal with a national petroleum corporation. As recorded on page 7183 of *Hansard*, the minister said:

It is not so much the ingress of the commodity into Canada as its egress from the supplying states that is the problem.

Of course that is the problem. The best way to resolve it is by following the example of other countries which have entered into state trading agreements with oil producing countries. That way we can be assured of continuity of supply.

A national petroleum corporation would also ensure continuity of supply and stability of price in this country.

[Mr. Douglas.]

That is what consumers of Canada have the right to expect. They do not want to be at the mercy of foreign-owned corporations which are responsible to nothing except the balance sheet. Such a petroleum corporation would also be able to allocate oil supplies, so as to ensure that every region of Canada has its needs met. As well, it would be able to encourage the processing of more of our oil in Canada and the development of a petro-chemical industry in Canada, an industry which we have the capacity to develop.

The second proposal which we are putting forward in a motion is as follows:

The extension of the oil pipeline to Eastern Canada and the bringing of the Inter-Provincial pipeline under Federal Government ownership.

I, for one, have been arguing in this House for ten years now in support of the advisability of extending that pipeline to Montreal. The present minister and his predecessors had given us a variety of reasons to show why this could not be done. There have been arguments about economic viability, which the independent petroleum producers of Canada completely demolished in their brief. We were then told that there would be enough oil in the Atlantic provinces to meet the needs of eastern Canada. That hope, of course, has turned out to be unfounded.

On September 4 the Prime Minister (Mr. Trudeau) announced a policy for the extension of the pipeline to Montreal, something that should have been agreed on at least ten years ago. We have no right to leave large sections of our population at the mercy of the world's oil producing companies, especially when we have adequate supplies in Canada to meet our needs. The building of that pipeline should be begun just as quickly as the government can make the necessary arrangements. I believe that public opinion in Quebec and the Atlantic provinces will support the government in this regard.

Further, we think that such a pipeline ought to be publicly owned, because pipelines will be the future means of transporting many commodities. They are too important to be left in the hands of oil companies which have no responsibility whatsoever for ensuring proper distribution and providing adequate supplies.

● (1520)

Some hon. Members: Hear, hear!

Mr. Douglas: We believe that such a pipeline ought to be reversible so that when offshore oil is cheaper, it can be used and moved further west, thereby conserving our own oil which is rapidly running out. If we are in danger with regard to price or supply from oil producing countries, western Canadian crude could flow into the Quebec and Atlantic provinces when it is needed. As a matter of fact, I agree with the hon. member for Nipissing (Mr. Blais) who was pressing this afternoon for extending this pipeline through Canada rather than leaving ourselves completely at the mercy of another country by having it pass through the United States, with all the complications that may arise if we decided to loop that line at any time.

The third proposal we have put forward is the ensuring of future supplies by entering into negotiations with the provinces concerned for the development of the oil sands

by a joint federal-provincial Crown corporation. While it is true that Canada can meet its oil needs for the present, our supplies of conventional crude have a life index of only 10 to 12 years. There are some authorities who would set the figure much lower than that. By the end of this decade, our oil production will have peaked and we will be required to look at other sources of energy.

We are fortunate in having one of the largest potential sources of oil in the world in the oil sands of Alberta and Saskatchewan. The potential is many times the quantity of potential crude we had at the turn of a century and, if properly developed, could meet our needs for many decades. We are not talking about a small quantity of oil. The estimated potential is some 300 billion barrels. When we consider our present conventional supply is about 10 billion barrels, we will be aware of the fact that the oil sands in Alberta and Saskatchewan could be a life saver for Canada, if properly developed and the production made available to our people. If we have learned anything from the past, it is not to allow such a vital resource to fall into the clutches of the major oil companies.

Some hon. Members: Hear, hear!

Mr. Douglas: We must not repeat the mistakes of the past, the mistakes we made when we allowed 91 per cent of our oil production to fall into the hands of foreign controlled companies. If we are to develop these oil sands for the benefit of the people of Canada, it should be under public ownership and it should be through a federal-provincial Crown corporation.

Some hon. Members: Hear, hear!

Mr. Douglas: If we are going to develop the oil sands through a joint federal-provincial Crown corporation, it should be for the purpose of making sure that the oil from those sands will be available to the Canadian people, not only today, but tomorrow and for generations yet to come.

The oil companies which make up the consortium that is seeking to build the Syncrude plant are talking about approaching the federal government. They want to be exempted from price controls, export controls and export tax. What does this mean? It means only one thing. The three major companies involved in that proposed development have in mind the development of the oil sands for the purpose of shipping oil to the United States where they can get a much better price than they can get in Canada. I will fight to the death against any move to turn this tremendous deposit over to companies which want to take this oil, as they have taken so much of our other oil, out of Canada for the purpose of making a profit by selling the birthright of the Canadian people wherever they can make a fast buck out of it.

Some hon. Members: Hear, hear!

Mr. Douglas: I believe the federal government should open negotiations with the provinces of Alberta and Saskatchewan with regard to the immediate development of these oil sands. The federal government is levying an export tax of 40 cents per barrel on all oil shipped out of this country. I support that move. I think it was a good one. However, I believe that 40 cents a barrel should be returned to the provinces which produce the oil.

Some hon. Members: Hear, hear!

Mr. Douglas: I believe the federal government should negotiate with the provinces to see if they would be prepared to use that money as their equity share in a joint corporation to develop the oil sands. That would enable these two governments to put in $180 million a year. I think the federal government ought to match that.

In a way, the federal government owes these two provinces that amount as a result of fixing the price in Canada on September 4. I supported that move and still do. However, these provinces did lose some money on the royalty they would have collected if the domestic price would have kept pace with the export price. I am not suggesting that the federal government can rectify that, but in view of the fact they have not put a price ceiling on any goods other than oil, Alberta and Saskatchewan have a just complaint.

In my opinion, the federal government should, as a quid pro quo, say quite properly to the oil producing provinces, we are prepared to put in another $180 million along with returning the export tax to them. That would total $360 million a year. It would supply the equity capital plus what loan capital could be floated on the market to begin building plants for the extraction of oil from the oil sands in Alberta and Saskatchewan.

I am sure hon. members realize the seriousness of the situation. By the year 1980, we will be in trouble with regard to our oil supplies. As far as Canadian crude is concerned, it will not cut off instantly. It will begin to phase out. We will probably pass our peak by 1977 or 1978. By the end of this decade, we will be facing a very serious situation. If we do not do something about it now, we will probably panic at that time and unnecessarily spend huge sums of money on a crash program which could be avoided by starting now.

It is estimated we will have to build a plant approximately every 18 months in order to have sufficient capacity to produce oil from the oil sands by the time our normal conventional crude has run out. That means we have to start soon.

I hope the minister will tell us today whether he is interested in opening negotiations with the provinces of Alberta and Saskatchewan. No one is going to tell me we cannot raise the money to develop the oil sands. If the federal and provincial governments will put in the equity capital and offer participation by the Canadian public, I am sure thousands of Canadians would invest in the development of it. For the past few years the government has been talking about a $6 billion pipe line to bring Prudhoe Bay oil down to the United States, a project which will do no good at all for Canada but which will be a convenience to the United States. No one can tell me that the government and the people of Canada cannot find sufficient money to develop these oil sands so that when our children and their children face the prospect of being without oil, the oil sands will have come into production and will meet their needs not only in this century but for several decades into the next century.

● (1530)

I believe this is one of the most important decisions facing the people of this country. We must not wait until the crisis is upon us. We must begin to plan now so that when our conventional sources of supply dry up, plants in the oil sands will be ready to go on stream. I need not remind hon. members that ours is a technological society. It is true there could be some reduction in our consumption of oil. We might be able to persuade people to drive smaller cars and insulate their homes better so that they would use less gasoline and home heating fuel. The fact remains that our transportation system, much of our industry and practically all of our agriculture production are dependent upon adequate supplies of oil at reasonable prices.

I wonder whether hon. members have ever considered that if we had to go back to the horse to produce the food the people of Canada need, 40 per cent of our population would be needed on the land instead of 10 per cent as at present. We could not feed ourselves if we lacked oil for tractors, combines and other farm equipment. We can no longer leave our future development in the hands of foreign oil companies. Parliament, this parliament, must take the initiative in pressing for a workable oil policy to meet Canada's needs before it is too late.

Mr. Macdonald (Rosedale): Would the hon. gentleman permit a question?

Mr. Douglas: Yes, of course.

Mr. Macdonald (Rosedale): I am trying to clarify the hon. gentleman's position on the disposition of the export tax. Do I understand him to say that if the royalty which the provinces would have received from the increased price was made good to the provinces he would still insist that the additional amount which would have accrued to the company benefit should be given back to the province as well?

Mr. Douglas: I am not suggesting the federal government should pay the province the amount the provinces would have collected in royalties from an increased price in the domestic field. I sought to make two points. First, the federal government should return the 40 cents a barrel to the provinces but I would make it conditional that they be prepared to use that money for the development of the oil sands. Second, in view of the fact that these provinces are not getting a royalty on domestic oil they would have received had the federal government not, quite properly, applied a price freeze, I think the government has some moral obligation to put a considerable amount of federal funds into the development of the oil sands.

Mr. Speaker: I am sorry I must interrupt the hon. member who is replying to the minister's question, but his time has expired.

Mr. Jim Balfour (Regina East): It is not possible Mr. Speaker, to read the motion put before this House by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) without reaching the inescapable conclusion that the New Democratic Party has once again sacrificed the public interest to party survival, and sought to conceal

that betrayal of the public interest with a mask of compassion.

Some hon. Members: Oh!

Mr. Balfour: Mr. Speaker, the opening paragraph appears to deal with the current urgent crisis in oil supplies, a crisis which threatens Canadians in the immediate winter months ahead with difficulties in connection with transportation, heating, industrial unemployment and rising prices. The motion urges the government to take immediate steps to solve these difficulties. Mr. Speaker, what "immediate steps" is the House to ask the government to take?

As a preliminary step to the "immediate steps", the government is asked to set up a national corporation to contract with oil-producing states and, once the oil is obtained, to supervise the marketing of the oil. Parliament has set up a number of national corporations. We might estimate that such a corporation, once constituted by parliament, will take a couple of years to negotiate and contract at the international level.

As another preliminary step, Mr. Speaker, the House is asked to authorize the government to extend the oil pipeline to eastern Canada and to bring such a pipeline under federal ownership. It is common knowledge that construction of such an extension will take at least until 1976.

Then, as the final preliminary step, we are to ask the government to ensure future oil supplies by negotiating with the concerned provinces for the development of the oil sands by another Crown corporation. Even the NDP draftsman boggled at describing this project in any other time context but "the future"; yet he managed to include it as a "preliminary step" to be taken before any "immediate steps".

These "preliminary steps" that are to be taken before any "immediate steps", are long-term projects, Mr. Speaker. They are, whatever their merits, simply not relevant to ensuring that there is continuity of supply to Canadians at fair and just prices this month, in November and December of this year, and in the winter and spring months of 1974. Canada, eastern Canada in particular is facing a crisis in the energy field. Contrary to the view put forward by many, however, I suggest that this crisis is not one of an inadequate supply of energy fuels in Canada but, rather, an organizational crisis caused by failure to arrange for adequate supplies of energy to be at the appropriate place in terms of consumer demand at the appropriate time. It is, in other words, a crisis created by the lack of a coherent energy policy on the part of the federal government, concerning which much has already been said. A great deal more will be said, I am sure, in the weeks and months ahead.

If Canadians now and throughout the winter months become caught in a situation of inadequate supplies of energy fuels, blame for the situation must rest squarely on the shoulders of the present government because of its failure to undertake meaningful consultation on energy matters with the producing provinces, with the industry itself and with the foreign crude oil suppliers as well as its heavy-handed approach to policy implementation and the complete lack of a national energy policy consistent with the conditions prevailing at the present time.

Instead, we are presented with a policy-making process which can only be described as ad hocery with the government appearing to lurch from energy crisis to energy crisis and, in the process, antagonizing the western provinces, the petroleum industry and our American customers to the south. Eventually, I predict this antagonism will be shared by the eastern Canadian consumer if he finds during the winter months ahead that he is short of fuel for his home and gasoline for his automobile. I repeat, Mr. Speaker, that the main victim of the current energy crisis in Canada is the Canadian consumer.

The current energy crisis has a national character. In the Maritimes, failure to protect sources of supply has left the provinces at the mercy of middle east oil cut-offs and tanker diversions to other destinations. Dependence in these provinces on offshore oil supplies may leave maritime consumers at the mercy of the OPEC countries. In Quebec and Ontario, consumers may have insufficient oil this winter. As much of this oil comes from the Caribbean area, and as much of these supplies may be diverted to the United States to meet shortages there, the industry is now scrambling to implement emergency plans to prevent possible shortages this winter. But can the federal government assure the consumers of Quebec and Ontario that there will be no shortages during the winter months? In Quebec and Ontario, as elsewhere in the country, the price of gasoline, home heating oil and other oils has been rising rapidly. What measures does the federal government propose to protect the consumer from unreasonable price increases for his fuel supplies?

● (1540)

In western Canada, the federal government's mixture of arrogance and complacency has created resentments and antagonisms that will long endure. Imposition of the export tax without prior consultation with the producing provinces, and without a clear-cut commitment to these provinces that the revenue so generated by their oil would be returned to them in total, has further weakened the cause of federalism in Canada and will not soon be forgiven or forgotten by the provinces concerned.

In its approach to formulating national energy policies, this government is once again resorting to techniques developed and discredited during its first term of office. A flattering name for its participatory democracy. In practice, however, it amounts to leadership from the rear. Its loose-jointed experiments in policy formulation in parliament are largely responsible for this government's unimposing legislative record. But here we go again in a matter of vital national concern, a national energy policy for which the government has repeatedly stated it gave high priority.

In December 1972, the Minister of Energy, Mines and Resources announced that the government expected to have a national energy policy ready to present to parliament in June. There was no policy in June, or in July, or August, or September, or October. Instead, there have been a series of ad hoc policy decisions implemented in a heavy handed manner and of questionable utility. Canada has a pressing need to establish clear national policies on energy matters to ensure that Canadians get the clean energy they must have at the best possible price with the least possible disruption of the rest of the economy and with a minimum impact of the environment.

I suggest, Mr. Speaker, that the time is long overdue for this government to define clearly and precisely for the Canadian people energy policies at the national level which, in turn, must be based on broad national objectives. I further suggest that the most important such broad national objectives would include the basic need to maintain a secure supply of energy for the Canadian people, to be available to it at competitive prices; the need to safeguard our national security; the need to ensure that any export of energy supplies be on terms that produce a net benefit to our nation; the need to maintain a vigorous and healthy energy industry; the need to align energy policy goals with other national objectives, including environmental protection, control of our own economy and the protection of the rights of our native people; and finally, the need to maintain a flexible energy policy posture so as to be capable of responding to changing world conditions.

I submit that Canada is not experiencing an energy crisis in terms of a long-term capability to meet our supply requirements. However, by its inertia, by its lack of a comprehensive policy, the government is in grave danger of creating such a crisis. Unless the current uncertainty affecting the future operations of the industry in our frontier areas is resolved so that exploration and development may proceed in an orderly and economic manner, future shortages may very well result; and therein lies our greatest danger.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in the motion that the hon. gentleman has brought forward today he has included several concepts that have been very much under discussion, either because they have already been canvassed frequently over the years—such as the Montreal pipeline extension—or because they were canvassed very extensively in the energy analysis or in other public statements that I have made. I find in the three different points that he makes, some points to agree with, some points which have already been stated and which he knows go in the government's direction, but there are other viewpoints that I do not share.

Basically, the three questions that he raises are all related to the substantial issues that are facing us at the present time, and which have faced us particularly during these past several weeks as a result of pressure from the external changes in energy supply and the fact that that supply of oil that North America has in relative terms has been declining, with increasing dependence being placed on overseas supplies, supplies which as I say have already been put under pressure by reason of political events in the Middle East.

The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) reviewed the historical events by which we got to this point. However, he very carefully left out, in the course of his analysis, what was really the substantial and the critical factor involved in the energy policy which was enunciated in 1961, and which until recently we have been following, namely that western Canadian oil—that is, Alberta and Saskatchewan oil—was at a substantial price disadvantage and was substantially more expensive than oil that was available elsewhere throughout the

world. Overseas oil was available at the beginning of that particular decade at relatively low cost and, contrary to what the hon. gentleman said, it was available till toward the very end of the decade at even lower cost.

Let me say on behalf of the policy that was enunciated by the hon. member for Prince Edward-Hastings (Mr. Hees) and carried forward by subsequent governments that, on the whole, it made basic sense to put Canada in the position where we could buy cheaply for our market and sell abroad at higher prices. I think the policy at that time was good from the standpoint of Canadian consumers. Perhaps the only group of Canadian consumers who suffered from the policy was those that I represent in central Ontario. But from the standpoint of Canadian consumers east of the Ottawa Valley line, they were at a distinct price advantage in terms of cheaper off-shore oil; and from the standpoint of the producers in western Canada, the policy provided them with a protected market, which in the years of over-supply during the late 1950's and early 1960's had proved to be a substantial depressant on the growth of that industry. The industry has grown and prospered because of that policy, and on the whole I think it was a sound one.

The two principal external events which brought about a change in this policy, events which have accelerated in the last several years, were firstly the very substantial shift in North American demand, and principally United States demand, which theretofore was very substantially self-sufficient in oil; secondly, the combined action by the governments of the member states of the OPEC countries in getting together to agree to force up the international price of oil.

The hon. gentleman has referred to the fact that there were high profits made. I do not think there is any doubt that this has been a very profitable industry for the investors and companies involved. But the problems which the Canadian consumers have in the eastern Canadian market today, and indeed throughout the whole Canadian market, I think it is fair to say are not the result of company action but rather the result of foreign government action. I made a careful note of his reference to the OPEC action, and in terms of international relations I think it has been a very legitimate action.

The hon. member referred to the efforts of the OPEC countries to rebel against the low prices that had been forced upon the producers in those countries by the actions of the international oil companies. On the one hand, it may be commendable that this group of member states, most of them in the third world, should be able to recoup a better return for their resources; after all, this is what we in Canada say. On the other hand, it is fair to remember that the other side of the coin is that we, as Canadians, are going to wind up paying more money for our oil supplies. Judging by the motion that has been put forward by the hon. member, I take it that neither he nor his party is proposing that we should totally eliminate foreign oil from the Canadian market but should indeed remain dependent, to some degree at least, on supplies of foreign oil.

The fact of the matter is that for a period of time—and I think here of the OPEC action in combination with a price increase—there has been general collective action toward

greater state involvement which has been taken in different ways, depending on the country concerned. For example, the action in Iran, with its history of struggle in the oil industry, has been different from the action taken in Venezuela. However, a precise trend leading to greater state involvement on the producing side has been taking place. There is, therefore, concern on the consuming side, in this case Canada, as to whether the structure of our market should be left to the internationals and their affiliates in the producing and consuming countries, or whether state action should now be taken.

● (1550)

As the House knows, I had an opportunity of reviewing this question in the very recent past with the minister concerned in Venezuela who indicated frankly it was their intention not to wait until concessions expired there in 1983, but to seek action and agreement with the companies requiring closer control of Venezuelan oil companies or producers in order that the public interest in Venezuela would control production. Venezuela made it clear to me that, in terms of security of supply agreements—and I will just interpolate here, whatever one might plan with regard to the Montreal refining market, it would appear that the effects of geography and economics would indicate some dependency in some parts of the eastern Canadian market on overseas supplies—in future planning for the Canadian petroleum market some portion of the petroleum will continue to come from overseas. It would be desirable if possible, as the hon. gentleman said, to try to establish that supply in terms of long-term contracts.

Indeed, Venezuelans indicated they would be prepared or interested in negotiating a long-term contract, but indicated that the primary vehicle for this purpose should be a national government entity rather than an affiliate or affiliates of various corporations in Canada. It is for that reason that this is one concept the government will have to take into account in its current consideration of policy to establish a national petroleum corporation in this country.

The term "national petroleum corporation" has become something of a pressman's cliché, being passed on from newspaper editorial to newspaper editorial without any real evidence in my opinion that the authors of the articles approving the concept have really thought about what substantive questions a national petroleum corporation would solve that other policy measures or private organizations in the market could not solve.

I should like to take a minute to comment on at least two areas which may be relevant in Canadian terms, and may be a cause for consideration in this country. The first possible role for a national petroleum corporation is again what I have just referred to, that is a vehicle for acquiring a government-to-government agreement to ensure the long-term supply for the Canadian market. I am quite confident that no OPEC country is going to tie its hands in respect of price. We in Canada in our export policy have at no time been prepared to tie our hands in respect of the price of export oil, and we cannot expect that they would do so abroad. I think we should be entitled to assure ourselves of whatever the reasonable international price may be as determined from time to time by comparison

with competitive conditions, and we should at least be assured of supply. A national petroleum corporation, as I have said, could be a vehicle for an agreement of that kind.

The second of the ways in which a national petroleum corporation could be of value, and potentially could be of direct assistance in executing Canadian oil policy, would be in respect of the collection of economic rent which in future in the petroleum industry will arise very substantially from lands both in the high Arctic and offshore which fall under the jurisdiction of the government of Canada. In effect, an international petroleum corporation would be taking a role on the production side and possibly through the industry would be involved directly in the exploration and development field, or by taking the government of Canada benefits arising from oil and gas land regulations as they may be from time to time, and by taking these assets of the oil in kind, be itself a producer, or acquire the commodity for sale on the Canadian market.

The hon. gentleman made reference to this concept not being without precedent in Canada. Indeed, it has been one that has been experienced in Canada in the petroleum industry. Of course, the most outstanding and successful example in the recent past has been that in regard to Panarctic Oils. In the more distant past, we have had the experience of Eldorado and Atomic Energy of Canada, both in the energy area although in respect of nuclear power.

So, the concept of a national corporation for the purpose of collecting economic rent is one that is neither novel to us nor one we should disregard as a possible means of making sure that as these non-renewable resources are developed a very substantial portion of the benefits should remain in Canada, either indirectly through the economic activity they create or directly through the payment of economic rent to the Canadian public interest for the benefit of Canadians.

There is a third role here, and this is where I think there may be some relevance to the third part of the hon. member's motion, and that is with regard to the role of the government of Canada in relation to the development of our oil sands. If I may say so, I was a little surprised to hear from a former premier of Saskatchewan a full reference to oil sands, some of which are in northern Saskatchewan, but principally in Alberta, but no reference to the heavy oil in the Lloydminster field. Whether we talk about Cold Lake or Lloydminster, we also have some very substantial deposits of petroleum in both Alberta and Saskatchewan which, if the technological problems of lifting the heavy oil can be solved, will along with the oil sands provide a very substantial reserve for the future in Canada.

In both these areas, I think it is perfectly evident that a great deal of expenditure is required in terms of research and development of the resource. In the case of the Athabasca oil sands, while a great deal is known by individual lessees about individual properties, I think I am correct in saying there is not very substantial knowledge about the full dimensions of the deposit, about its qualitative differences from level to level, about the impact of certain kinds of in situ recovery processes, or whether if the right kind of process is not used you might make it more difficult rather than less difficult to get the oil out. Above all, of course, not much is known about the most efficient in situ method to get to the oil resources.

Certainly, a critical fact with regard to the oil sands, it seems to me, is not with regard to the 65 billion barrels which the energy analysis estimated was accessible through the customary open-pit mining techniques, but rather how we get at the 250 or more billion barrels of oil which at the present time are not regarded as recoverable by conventional techniques and in respect of which an in situ technique will have to be developed.

I agree with the hon. gentleman that there will have to be substantial public expenditures involved. Indeed, the government has already declared itself on this point at the Western Opportunities Conference, when it indicated at that time its willingness to enter into research and development programs in conjunction with western provinces for the purpose of not only developing and determining the limits and best means of reaching these various western deposits, but also for bringing them into development.

That proposal was not confined only to petroleum of the various non-conventional kinds to which I have referred, but referred as well to the possible development of the coal resources in that particular area. I think a lot of public money will have to go into this, and one of the least advantageous ways as far as I am concerned would be research and development grants made available to the existing petroleum corporations. I think if public funds are to be expended for the purpose of developing the technology to deal with this unique Canadian resource, we should be thinking in the same terms we thought of in respect of Eldorado and Atomic Energy of Canada Limited. So far as the federal government is concerned, the know-how, the patents and the other information developed from this should be held in a public form in a public corporation, and this should be carried out, because of the jurisdictional division, in conjunction with a similar corporation on the provincial side.

So, this represents a further very important area of endeavour in the development of additional Canadian petroleum resources at a time when we have identified, as detailed in some length through the energy analysis, conventional Canadian resources which are accessible by present gathering systems, and at a time when we are moving into the non-conventional resources in order to ensure a substantial supply of petroleum products for the future.

● (1600)

The hon. gentleman referred to the question of the export tax, a question which we will have occasion to debate in this House when, in due course, the ways and means motion comes up for consideration. In connection with the export tax and division of the proceeds, this is a question on which I hope to have further discussion next Monday in conjunction with my colleague the Minister of Finance (Mr. Turner) with the Alberta ministers who are coming down to talk about this and the Syncrude project. It seems to me—this is the position I have taken and I think the hon. gentleman disagrees although I am not sure I quite understood his answer—that in effect the provinces should be made good on the royalties that they

would have obtained, not so much if the export tax had not been put on but if we had not put a domestic freeze on the price.

In other words it was not the export tax that has deprived the provinces of revenue; it is the fact that we have put a freeze on the price whether for export or for sale to the Canadian market. So I would agree that if 40 cents a barrel appears to be the differential in any particular month, it is not unreasonable for the provinces to expect that the royalties they might have received would be returned to them. I am not sure I would quite agree with the hon. gentleman that they should receive the additional funds, which in effect once the provincial royalty is paid would have gone into the company account, would have been exigible for federal income tax or available for company use, either in that province or more probably as has been the experience in the last year or so for diversion outside the province, and even outside Canada for engaging in other exploration activities.

I am not all together sure that it necessarily follows that, too, should be paid directly into the provincial account. I do think there is a nexus here between the windfall, if you like, or a fund both for the province and for the federal government, and the subject I was previously discussing, namely the very heavy expenditures in a research program. As I have indicated already to the Alberta ministers, we would see substantial sums of money being placed to back up that undertaking we made at the Western Economic Opportunities Conference for the purpose of developing these resources in western Canada, and developing them of course for the benefit of western Canadians but also for the benefit of all Canadians.

Mr. Stanfield: With a tax on their produce.

Mr. Macdonald (Rosedale): The hon. gentleman says "with a tax on their produce". There is a tax on the produce of all Canadians.

Mr. Stanfield: Not like this.

Mr. Macdonald (Rosedale): It seems to me that if the province has chosen to pick a particular level of royalty as being the best and equitable return to that province from the resource, then we should take their word for it. The additional revenue, of course, is one that the province itself could not have raised by any form of export or removal tax. To that extent, it is a revenue in the public area that they would not have obtained by any tax method.

Several other questions are raised by the motion of the hon. gentleman which it seems to me were not very fully dealt with in his remarks. In particular it is not clear to me, to pick up the last part of the first sentence, how the national petroleum corporation would supervise the marketing of oil in Canada. Certainly, the experience with national corporations in other parts of the world has been that on the whole, at least down at the refining and retail marketing level, a national corporation instead of being a fully competitive entity has almost provided a price umbrella under which the internationals have been able to compete without any difficulty at all.

[Mr. Macdonald (Rosedale).]

I think the real question to be decided in our mind is whether we need to put the national corporation to work at all the levels of the highly vertically integrated industry, or whether there are some levels particularly at the production and wholesale supply end in which a national corporation could operate most effectively. It was not clear to me from what the hon. gentleman said, given the relative shortage of these large sums of capital in Canada, what particular advantage would accrue from nationalizing the pipelines in Canada. It is difficult to pick a type of company which is more subject to regulation in this country than a pipeline company is in relation to other elements of public policy by the setting of the tariff and by the other controls established through the province, if it is under the jurisdiction of a province, or a national pipeline corporation where the jurisdiction is established through a regulatory tribunal.

The pipeline does not ensure the supply. The supply comes from the production which is held elsewhere. Pipelines really only perform a service in relation to the supply. If private capital is prepared to be placed in that particular area on the whole, given only a limited pool of public capital, I would rather put it in the area where the big public gain is to be made in terms of the return from the resource with necessarily the lower return which may be safer but which is available in terms of a pipeline owned by a pipeline corporation.

In summary, Mr. Speaker, we are in a position where, with rapidly accelerating events in the energy scene, particularly in the petroleum industry, we are at the moment in the process of changing from the oil structure we had known before, not only nationally but internationally. We have come to a situation where the major international corporations play the dominant role in seeking and developing the resources, and then later marketing them and controlling the price.

From the situation of control of companies which first brought OPEC into existence, we have moved into a situation where the companies are increasingly losing their power to control the situation and must increasingly go to government in order to get the support to carry on their operation. Whatever the political philosophy, whether one likes it or not, the fact of the matter is that the producing countries are moving into a situation where they are placing government more directly into the action and, ultimately, I think there is a trend toward closer government-to-government involvement. In that sense, a national entity under the Government of Canada can have increased leverage in dealing with this situation. It is the possible role of such a national entity in our over-all petroleum policy that is being given consideration by the government at this time.

If I could, just for a moment, I should like to make some reference to the security of supply question. This is a question that is of particular concern at the moment. The security of supply question has been a continuing concern ever since the commencement of our national oil policy, given the fact that some portion at least of the oil supply was coming from an area of the world with a certain political instability. There were interruptions in the supply to the Canadian market in the past in 1956 and 1967. In both cases, they were not prolonged interruptions

and were ones in which the United States and western hemisphere sources were able to make good to the other oil users with not too much disadvantage by increasing production and increasing overseas shipments. The difference between those two crises and the present one is that the United States has now lost its capacity to pick up the slack.

The problem which is a matter of grave concern for us in eastern Canada is, of course, of monumental proportions to a country like Japan which has no indigenous supplies. From the standpoint of the Canadian government, we have followed a series of actions in attempting to handle the situation. The obvious and first starting point was to know whether an agreement could be achieved with the government of the United States in terms of assuring supply to eastern Canada, either from United States sources or from sources controlled by the United States government in the event of interruption. The obvious quid pro quo in this situation was that we have a very substantial delivery of oil into the United States market which at the present time is 1.2 million barrels a day, and the undertaking would be to assure that supply to the United States if they could supply a comparable assurance to us in Eastern Canada. In fact, it was not possible to get an American assurance in that regard. The best they could do was to assure their best efforts in the event of interruption, recognizing on the one hand that they would have intense political difficulties in certain parts of the United States if they had to divert oil from oil short parts of that country to Canada in order to honour such an agreement.

● (1610)

At the same time as those discussions were under way there were discussions within the framework of the Organization for Economic Co-operation and Development. Those discussions broke down essentially because of the different positions of a number of the principal states involved, and Japan, being the most exposed, was the one most concerned about the slow development there.

As a result, the various countries went abroad on a bilateral basis to see if they could secure their supplies. It was on that basis that I indicated my intention, and later followed up the indication, to go to Venezuela to see under what circumstances that supply could be assured to Canada. While the indication there at the present time was that they did not expect to see a reduction in the supplies coming to the Canadian market, in the longer run a government arrangement would be necessary, of the kind I referred to earlier in my speech today. We have at the present time, in relation to security of supply, stocks of petroleum products which vary according to the nature of those products. In crude and certain other products we have about 45 days supply, and with regard to heating oil up over 100 days supply.

The capacity of the Canadian system, the Canadian productive system, to meet the requirements of eastern Canada is limited to a degree by the productive capacity in Alberta, but the greater limitation is the fact that there is not an effective delivery system from the end of the line in Sarnia to Montreal. It was really to overcome that security risk that the government undertook the decision in principle in favour of the Montreal pipeline, provided satisfactory arrangements could be worked out, among other things with the province of Quebec, to make certain that the province's plan for petroleum industry development would not be deflected by a pipeline. I am confident that in the aftermath of current events some of the reluctance on the part of Quebec to enter into that system will be overcome, and that we will see an extension of a pipeline of that kind. As I indicated earlier today, in answer to a question, that will be one of the priorities in ensuring supplies to the Canadian market.

The government entered into discussions with the eastern Canadian producers and importers, commencing as early as June last, to deal with heating oil supplies because of the general international shortage of this refined product, and but for the potential interruption in supplies from the Middle East there was a general feeling in the industry that heating oil requirements could be adequately covered by the supplies that would be made available through the winter. This will bear careful attention and examination as time goes on, and indeed the National Energy Board is monitoring certain of the markets on virtually day to day basis, and on a basis of several times a week in other cases. The critical period is within the next 45 days, when the navigation season is open, and one of the questions we have to meet is to make sure the product is moved to the right place to be available in time for winter supplies.

I am obliged to the hon. member for Nanaimo-Cowichan-The Islands for creating this occasion today to talk about some of these matters, allowing me to give the government's views on these various issues. I will listen with interest to some of the other contributions made to this debate.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, would the minister permit a question?

Mr. Macdonald (Rosedale): Absolutely.

Mr. Stanfield: It is on the subject of the immediate supply problem. I am not sure that the minister understood my question during the question period. Has his department or the National Energy Board been informed, not necessarily directly by the producing company in Saudi Arabia, either directly or indirectly, that that company has been instructed by the government of Saudi Arabia to ban shipments of oil to Canada?

Mr. Macdonald (Rosedale): Mr. Speaker, we were given advice that ARAMCO had received instructions of this kind from the Saudi Arabia government. We have also had conflicting—

Mr. Stanfield: You were given that information?

Mr. Macdonald (Rosedale): We received information that that kind of instruction had been given. We also received conflicting information as to whether or not this would be the case, as to whether or not the government of Saudi Arabia would distinguish Canada from the United States in terms of its embargoes. Very naturally, the Canadian purchasing companies that purchase oil from ARAMCO are pursuing this question. The government of Canada will be pursuing it also. At the moment, I do not

think it can be confirmed that there will be an interruption in supply from Saudi Arabia.

May I just say that it is my earnest hope that there will not be any such interruption and that, as the Secretary of State for External Affairs (Mr. Sharp) said, Saudi Arabia will see that Canada has attempted to play a balanced role in this issue, and that neither the interests of Saudi Arabia nor of Canada would be served by that kind of interruption.

Mr. Stanfield: Mr. Speaker, I, of course, share the minister's hope, but in the interests of informing the Canadian people on an important subject, may I again ask has it not been indicated to the government that such instructions were given by the government of Saudi Arabia to the producing company, although the minister is seeking clarification? I do not think we should keep information from the Canadian people.

Mr. Macdonald (Rosedale): I think I am correct in saying that the information which came to me from one source was that this has happened. Another source says that this is not necessarily so. We intend to have the matter clarified.

Mr. Douglas: May I ask the minister a further question?

The Acting Speaker (Mr. Laniel): If we are to pursue the questioning of the minister, we should at this time get unanimous consent because, while he was answering the previous questions his time expired. Does the House give unanimous consent to allow the minister to answer a few more questions?

Some hon. Members: Agreed.

Mr. Douglas: Last Thursday the minister said that he was making inquiries as to whether or not the 5 per cent reduction per month proposed by the Arab states was applicable to Canada. Has he been able to secure any information on whether that reduction is applicable to Canada? Secondly, has he received any indication that the action by Saudi Arabia or Abu Dhabi is due to the fact that there has been a report of a diversion of oil, destined for Canada, to U.S. ports, and that therefore any shipment to Canada is suspect as being a smokescreen for shipping oil to the United States?

Mr. Macdonald (Rosedale): It is not clear to me, although the question has been pursued, whether or not this reduction will be applied to Canada. So far as we know, and this comes from the Canadian companies which themselves are in the direct role of purchasing and shipping, delivering to Canadian sites, supplies have not been interrupted. There is the instance I gave of Petrofina for which, I gather, the parent company buys and ships. In the case of Petrofina, a cargo invoiced for Canada through Portland was interrupted. We are seeking to clarify this situation with Abu Dhabi, as to whether they would recognize that that oil passing in bond through Portland would be regarded not as a U.S. invoice but as a Canadian one, and would therefore be exempt from that standpoint.

I would repeat something I said previously in comments to the Leader of the Opposition (Mr. Stanfield) about the Arab governments, that in their actions they would, I hope, regard Canada as a country that tried to play a constructive and fair role in the crisis.

With regard to the internationals, I consider it would be an act of the grossest stupidity on their part to take action which would prejudice supplies of oil to Canada. They will have problems enough in supplying the American market, and it would be folly to go out of their way to put Canada in jeopardy. I think I might adopt what someone has said that such action would not be a crime but worse than a crime. It would be a gross blunder. I hope we have made that message very clear to the companies operating in Canada, and we hope it is understood by them.

Some hon. Members: Hear, hear!

● (1620)

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I find of great actuality the debate brought about by this motion. Explanations were given which satisfy Canadians more or less as there is increased fear of a shortage of resources. It is a very serious question that must be examined carefully if we want to make sure that Canada has sufficient oil supplies.

This situation has many causes that can be discussed this afternoon. There have been many suggestions from both sides, but I cannot say that I necessarily agree with what has been said up to now on methods of operation. First of all, we must make an evaluation of our natural resources, which is not difficult. We can see that Canada has oil wells that can supply its population and enable it to withstand difficult periods like this one.

I hope—at least I wish—that there will be some regulation for the benefit of the Canadian population.

I suggest, Mr. Speaker, that the development of oil and gas deposits must secure sufficient revenues to industry to offset unprofitable expenses and cover all production costs, including depreciation, working expenses, overhead expenses, transportation costs and sufficient returns on invested capital. Revenues exceeding this amount are defined as being an "economic profit" and can be returned either to industry, or to the owner, that is usually the state, in some cases, of course.

In Canada, there are mostly private businesses; this practice should be perpetuated. Canada could take advantage of economic profit in two different ways: direct taxation by the state, in the form of royalties, various duties, entry fees or a discount to energy consumers, through a price reduction.

Both systems have some disadvantages. The first one, related to royalties, only applies at the production stage, except for possible returns from transportation, refining and marketing. Besides, consumers do not realize right away the advantages. To be 100 per cent efficient and to prevent misuse or a waste of energy, controls exercised over oil and gas prices should not only apply to wellhead production but as well, in a selective way, to a whole range of refined oil products.

The present system of collection of the economic profit at federal level is not flexible enough to be efficient in many situations of variable costs. While including provi-

sions that provide for the reduction of royalties to encourage the development of small or medium deposits that have a low capacity at the wellhead, it allows industry to get an overly high profit in case of an important discovery and a particularly profitable operation.

It is not very useful or significant to compare fiscal and financial conditions in effect in Canada—duties and royalties—with those of other countries. Operating costs and market conditions vary a lot with countries and Canada must set financial conditions reflecting the very great differences between our resource capital and our degree of current expansion.

A revision of the present way of collecting economic profit in Canada is necessary if this country is to take fullest benefit from its natural resources. I think that the increase in oil marketing was highest at the tax level. Federal and provincial taxes on gas increased by 6.6 cents a gallon from 14.5 to 21.1 cents. In view of that, would companies be justified in increasing their prices, or should governments reduce their taxes on gas or oil?

We shall see later that oil companies do not seem to be justified in raising their prices because they make ever-increasing profits as a result of higher production.

Furthermore, governments do not seem to be ready to reduce their taxes on gas because they represent a good source of revenue and allow them to redistribute incomes from natural resources and, finally, can either discourage gas consumption which would result in less pollution or allow governments to further tax gas consumers, provincial and national highway users.

The reaching of an overall agreement should be considered so a true policy of oil marketing in Canada can be arrived at. I think we can do it. There is talk about a pipeline, about different organizations. However, if one considers oil-producing countries, Arab countries, for example, one finds in the first place that those countries incurred income losses as a result of the devaluation of the dollar. The same old dollar problem again. They want to be compensated and demand higher sale prices. As they have almost cornered the market, it is rather difficult for them to refuse to pay, unless they have other oil supply sources.

For example, let us consider the situation in the United States. They need oil imports. If supplies become more difficult to obtain, due to the requirements of Arab leaders who would like to see Washington let Israel down, there will be a shortage of oil in the United States unless they find other supply sources or develop other forms of energy.

The Canadian traveller in the United States was aware last summer of the real or artificial scarcity of oil. It seems, however, that the scarcity was indeed in the first place to get consumers to accept price increases for natural gas, gas and heating oil. As their known oil stocks can only last some ten years at the present rate of consumption, the United States must import. They are turning towards Venezuela and Canada.

Venezuela is not a safe source because of the political situation in South America, while Canada, if it wants to export its surpluses to the U.S., must rely on supplies from the Middle East to meet requirements in Quebec and in the Maritimes.

The situation is becoming complicated. Western oil companies want to export more to the United States because of the overproduction. Canada would like to get reserves but it would have to renegotiate the Canada-United States Automotive Products Agreement of 1965. The solution regarding the price we will have to pay for our gasoline probably lies around these two problems. Should we increase our exports, prices will have a tendency to rise. However, as we depend on the Middle East for supplies in eastern Canada, we should also expect a price increase. A trans-Canadian pipeline which would carry oil from the west to the Maritimes could ensure the independence of Canada regarding oil but we will have to pay the price.

So the members of Parliament are faced with a monetary problem. Yet we have all the necessary resources for providing adequate supplies for the Canadian people. Paradoxically, we are crippled by a price problem. We have the natural resources, but the members of this House are reluctant to find the means to develop them.

What would be the role of the government in the construction of a pipeline? Of course, this subject can be debated for three months before a final agreement is reached.

How do we finance the construction of a pipeline? Would we use the Bank of Canada or foreign capital? This question would result in another lengthy debate. Yet the natural resources are abundant in Canada. If the Canadian people had a monetary system suited to their needs, they would not be concerned about the oil supply.

All those questions need to be answered before we decide on a real oil policy. I do not intend to dwell on this subject, but in ending I would like to go back to a particular aspect which strikes anyone who has considered Canada's position as regards oil supply, well development and transport organization.

I wish hon. members would become aware of their responsibilities regarding the supply of oil, a product that is essential for driving and heating purposes. Members of Parliament should therefore resolve once and for all to use the famous Bank of Canada to develop our natural resources for the benefit of Canadians.

● (1630)

[*English*]

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I cannot stress enough the importance of this debate on energy, oil, the security of fuel supplies for Canadians and the price that Canadians must pay for fuel. That oil is the lifeblood of the nation is a truism, yet few Canadians stop to consider how great is our dependence on this fuel. Oil is used for heating as well as for moving automobiles and industry as well as farmers are dependent on this precious fuel.

Canadians have been alarmed, shocked and bewildered by the recent trend of events in the energy field. We have long been accustomed to the idea that we are, supposedly, a resource rich country; yet in eastern Canada we face the spectre of fuel rationing and the certainty of rising prices. Canadians are looking to the federal government for leadership and protection but are finding that the Liberal government too often reacts to the immediate turn of

events instead of planning ahead and acting on the basis of that planning. We need careful planning and management with respect to our petroleum resources.

I listened with interest to the comments of the spokesman of the Conservative Party—

An hon. Member: One of them.

Mr. Symes: Yes, one of the spokesmen. He criticized our proposals in the motion as being long-term proposals which would take some years to implement. I waited to hear some immediate counterproposals put forward by his party, but none were forthcoming.

I listened with interest also to the comments of the Minister of Energy, Mines and Resources (Mr. Macdonald). I feel, rather optimistically, that he may consider the contribution of my party as being worthwhile and accept our policy proposals concerning the national petroleum corporation, the extension of the pipeline to eastern Canada and the joint federal-provincial development of the oil sands. Spokesmen for the NDP will elaborate on these suggestions. I will deal with the extension of the pipeline.

We must examine the situation in Canada today if we are to see how past policies have brought us to the edge of the present crisis. Canada's energy demands have doubled during the past 12 years and are expected to increase at a faster rate in future. At present rates of consumption, our known reserves of oil will be depleted in 15 years. Some industry experts and reports now say that we will not be able to meet domestic demand seven years from now unless we develop the oil sands of Alberta and Saskatchewan. Thus, there is a problem concerning supply.

There are also difficulties concerning price. The market price is not controlled. As world oil prices have gone up, the multinational oil companies have used that upward price movement as an excuse to increase western Canadian oil prices. The price of Canadian crude has jumped by 40 per cent at the well head. This increase has been reflected in price increases of gasoline and heating fuels. Gasoline prices have risen by 10 per cent. Northern Ontario has been especially hard hit by these increases, as gasoline prices in my part of the country even before these increases, were higher than in the southern parts of the province. The price of heating oil and natural gas has also risen and the average householder can expect to pay about $70 more for heating this year than last year. We can only anticipate further price hikes.

As a result of the lack of a national energy policy, the consumer is suffering. Not only are the commodities mentioned affected; food prices also will be affected. They will go up because, as fuel costs to the farmer go up, food prices which reflect those costs will go up. The price of manufactured goods will increase, because industry must pay higher prices for fuel.

Inevitably, of course, the profits of the oil companies are going up. In 1972, the oil companies increased their profits by 20.4 per cent over 1971. For the first quarter of this year, those profits rose by 31.7 per cent over profits for the same quarter one year earlier.

We also face a predicament regarding supply, in the sense that Canada, a resource-rich country, must import 50

per cent of the oil used to meet domestic requirements. Why, Mr. Speaker? The reason lies in the government's past policy of drawing a line through the Ottawa Valley. Under that policy, western Canadian oil could not be transshipped to eastern Canada, and eastern Canada had to rely on oil imports to meet its needs. As the minister said, this policy worked to our advantage in the past in that the imported oil was cheaper than domestic oil. However, the government's lack of foresight is catching up with us. Not only are we facing the prospect of increased prices; we are facing the problem of lack of security of supply for eastern Canada.

The whole of eastern Canada depends on the Arab states for about 25 per cent of its oil imports and on Venezuela for about 50 per cent of its imports. Now, as a result of the situation in the Middle East, Arab states are threatening to cut back their supplies of oil to Canada, their reason being based on reports that American oil companies are diverting oil tankers bound for Canada to U.S. ports. There is the prospect of fuel rationing in eastern Canada.

Canadian consumers are without protection in the face of rising prices of oil on world markets. The consumers of eastern Canada are without protection, as they depend on imported oil, it being impossible at present to ship to that area sufficient quantities of western Canadian oil. We cannot allow this situation to continue. If we reduce exports to the United States to earlier levels and, more importantly, extend the oil pipeline to Montreal, we shall be able to meet Canadian domestic requirements. Incidentally, that has been the long standing policy of the NDP.

This fall, the NDP exerted pressure on the government and on September 4 the Prime Minister (Mr. Trudeau) announced that the oil policy concerning the Ottawa Valley line would be lifted and that the government would consider extending the pipeline from western Canada, which now dips down through the United States and re-enters Canada at Sarnia, to Montreal. The government is now negotiating with Quebec.

● (1640)

We still have no definite commitment on the extension of this line. During the minister's remarks this afternoon, I waited for some kind of commitment. We still have not got it. The oil companies are now desperately trying to bring some western Canadian oil to the eastern markets by the St. Lawrence Seaway. The problem is that it will freeze over. In addition, there is only a limited number of tankers available to carry that fuel. Meanwhile, eastern Canada remains dependent on foreign supplies. It is faced with cutbacks, rationing and price increases.

Obviously, we need a pipeline through eastern Canada. What would be the effects of such a pipeline? First, it would guarantee security of supply for western Canadian oil, and future oil from the tar sands could be transported to eastern Canada. We want to see a pipeline that is reversible. In other words, if for some reason world crude became less expensive, or if there were an oil find off the coast of Nova Scotia, that oil could be shipped to western Canada. In effect, there would be competition. I know the word "competition" is loathesome to the oil companies, but the consumers would benefit from this reversible pipeline. Canadians could purchase whichever fuel was cheaper.

The third thing I would like to see in addition to the extension to the pipeline from Sarnia to Montreal would be a Canadian route through northern Ontario. That is the only way we can really have guaranteed security of supply. If we get into a nasty situation with the United States involving some kind of trade war with regard to oil, the United States could impose a throughput tax on oil which traversed pipelines through their territory. Canadians could end up paying more for western crude. If we had a Canadian route, we would avoid that predicament.

We would like to see all interprovincial pipelines brought under federal ownership. The minister said this would be expensive. Because of existing regulations, he could not see the advantage of such a move. Obviously, pipelines are going to be essential to a whole national energy policy, where they go and how they are looped. The question of pipelines involves the whole problem of transporting goods in the future. All existing pipelines should be under government control so that the government can plan with assurance for the supply of various regions of Canada in such a way that the national energy policy will work to the advantage of Canadians. Only with an extension of a pipeline, and future Canadian route, can we guarantee security of supply at a fair price through the concept of a reversible flow.

The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) outlined in some detail our porposal for a national petroleum company. I have examined some of the reasons we feel there is a need for an extension of the pipeline. Others will be developing the theme of the Athabasca tar sands.

Canadian oil resources should belong to Canadians and be used in the best interest of Canadians. Today, 91 per cent of our oil or gas wells are foreign-owned as well as 99 per cent of our petroleum refineries. As long as we allow the multinational oil industries to have a free hand in decision making and the control of marketing, they will exploit Canadian oil for their use and maximize their profits to the detriment of the Canadian consumer. It is time we as a nation regained control over what is rightly ours. We can only do this by implementing a national energy policy along the lines outlined by my party.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my opening phrase must be that I am deeply disappointed with the developments of the past three or four months. I think the reasons will become apparent as I say what I have to say.

In the debate on a similar motion by the New Democratic Party on May 29, I stated that in view of the great danger to Canada in the present situation and also the great opportunity, all parties should approach this question of an energy policy in a non-partisan way. With the efforts made in the standing committee, and with the rational type of debate that took place on May 29, the Canadian people had a right to expect that this attitude would continue.

In spite of the great opportunity that exists in Canada in this situation and, at the same time, the danger, I am deeply disappointed when I see this posing of politicians, pretending they are the friend of the consumer when everything they are doing is going to cause higher prices for the consumer. They pretend they are the great champion of the Canadian people against the great corporations. In these statements and in this attitude, I do not see any sincere effort to take advantage of the present opportunity that this world situation gives this country. Therefore, I begin my remarks with this feeling of pessimism and disappointment.

I took the minister at his word last spring when he assured us in committee, and in this House, there would be discussions with the provinces, industry and members of all parties to try to arrive at a type of national energy policy with both immediate and long-term implications, one that would help all Canadians achieve what is our manifest duty to achieve. I took the minister at his word. However, suddenly last month we had a rash of decision making. These decisions turned out to be gaffs, awkward movements. I suddenly realized there was no intention to carry out what I thought was a pledge to consult with this House, industry and certainly the provinces that own the resources, before embarking on actions or measures that may cause great harm. These actions may not only cause great harm to the consumer who has to pay for these amateur actions but, as the Leader of the Opposition (Mr. Stanfield) stated, to this very important and precious federal system that we have.

● (1650)

My remarks today are made against a background of feeling. I do not think I am harming anyone in Canada when I recall that this opportunity to Canada in the energy context really became clear to us when, in 1952, in a report to the United States president of that day, the Paley Commission told the American people they were running short of strategic resources, oil, gas, minerals. This report recommended that private industry in the United States should go about the world seeking access to these resources, supplies of which were likely to be severely restricted in the 'seventies and 'eighties.

The United States legislature passed taxation laws which gave incentives to United States investors to go into Brazil, into Africa and into Canada. These investors had a double advantage over Canadians because Canadian tax law was imposed on the premise that there should be a penalty imposed against Canadians investing in their own country. United States tax law provided there should be incentives and inducements for Americans to invest in Canada. Our provinces played their sad role. They set up laws and regulations which, in effect, killed the golden goose by taking all the money they could get quickly. The companies which had established themselves were only able to keep going because of circumstances which made it possible to pay these charges levied by the provinces. There is no one else to blame for the fact that a great bulk of our oil, and other natural resource industries in Canada, is owned by outsiders—no one but the provincial governments and the federal government. We could not have done a better job if we had tried to do it systematically.

So when this Paley Report came out, men of my generation who had travelled this country in the old fashion by canoe and on foot, did our level best to get Canadians to realize that there was a great opportunity open to them, even though the provinces had sold us out because of their ignorance as to the way in which our resources should be

handled. Our position was that nobody was going to take our territories, and the land beneath the seas adjacent to our coasts, away from us.

I do not think members of my own party will mind if I recall that in 1957, within days of my becoming a minister on August 22, an order in council was passed which did away with the old oil and gas regulations and advised that new ones would be introduced giving Canadians facilities to own and develop their own resources. The first action of the new parliament in 1957, was to set up the Borden energy commission. In 1958, the Roads to Resources program was introduced—and well I remember sitting on the other side of this chamber and listening to the scoffing on this side. Roads from nowhere to nowhere, they said. There followed the doubling of the hydrographic service to measure the depth of the seas around our coast, and the establishment of the Institute of Oceanography in Halifax to chart ocean currents. Nations attending the Law of the Sea Conference in Geneva in 1958 heard the Canadian proposal that the land at the bottom of the sea should belong to the country beside that sea. This proposal was unanimously accepted and, today, half the bottom of the Atlantic, the Arctic and the Pacific off our coasts belongs to this nation.

In 1959, we set up the National Energy Board to control the export of gas, oil and electric power, and to control the building of pipelines because we felt that the best opportunity for Canadians to exercise any control over these natural resources was in the pipeline field. In 1961, we set up a national oil policy in response to the unilateral action taken by the United States in implementing policies placing impractical quotas on Canadian oil entering their country. We knew, from long observation of the way in which the oil business was conducted in the world, that the United States government had no more power over the international oil companies than did any other government. We knew enough about the working of the system to be able to say: We expect a barrel of oil to go out of this country for every barrel of oil that comes in. The international oil companies met this demand, so there was stability. A word in passing: Even though the oil business of the world, since the 'twenties, has been run by the seven big international companies, it was in their private interests to ensure that the policy was one of plentiful supply at minimum prices.

If hon. members will examine the wholesale price of gasoline in Montreal or Toronto they will find it has not varied in 50 years more than 2 cents, one way or the other. Not only did the companies benefit as a result of this worldwide policy, but every consumer who drove a car or heated a home benefited. All this has changed. National aspirations have emerged, and become stronger. The Arab people, the Nigerians, the Venezuelans, who now realize they have been robbed blind with regard to the price of oil for 50 years are setting up controls, and in a few years those controls will become more stringent and will present more problems for the oil companies who have run the business for the last 50 years.

What I have said indicates that a long time ago some of us were thinking in terms of policies which would give Canadians a chance to benefit from the resources which exist in this country. Go back and examine the records this spring. When the House met in January, who was it asked in this House about the security of the Montreal-Portland pipeline? Who was it asked about the possibility of emergency rationing and related planning should a war break out between the Arabs and Israelis? Who was it asked in this chamber about the extension of the pipeline to Montreal—reversible, because I know of the possibility of oil being developed off the east coast? It was not my friends in the New Democratic Party. That was not a favourite issue at that time; they did not get on to it until later.

I am not saying all this with any intention of trying to prove that I am smarter than anybody else. I am saying it simply with a feeling of sadness, because there was no corresponding activity on the part of the government. We were told there was an agreement with OECD on sharing oil reserves around the Atlantic area. We were told there would be consultation with the United States. Now, we are told there has been failure in both these directions. I asked in committee that the minister go to Venezuela because the Venezuelans had made it clear in 1968, in a public statement to the whole world, that they would not deal with private companies but only on the basis of government to government. I asked the minister to contact the Nigerians who have set up a national oil company and who are selling oil around the world.

On May 29 in this chamber I told the government that Nigeria was offering 100,000 barrels a day on a definite contract. There were no Canadian takers. Then, all of a sudden rush action is taken this fall. It was brought on by some exterior force which I can only surmise. This exterior force I expect was someone picking up a phone somewhere and saying "Give me all the proposals you have so that we can put on a big show in the House of Commons that we have a policy to meet inflation". In addition to things like indexing of fixed pensions, we had the proposal of a Montreal pipeline and a two-price system by using an export tax. All of these proposals were worked out in an afternoon. Certainly, they were not thought out and the provinces were not consulted. Any person who knows the first ABC's of the oil industry would know that an export tax is designed to destroy.

● (1700)

In the debate last May 28, I took no exception on behalf of my party to the concept of a two-price system. I have known for years and years that under the pricing system of the oil companies Canadians have always had a differential applied against them ranging from 25 cents a barrel to $1.25 a barrel. Why did the minister bring in an export tax of 40 cents? Because it happened to be the approximate differential on the day he announced his policy. During most of our oil buying history—and we are an importer of energy in this country—we have had a differential applied against us.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but the time allotted to him under arrangements made earlier for this debate has expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: The hon. member may continue if he has unanimous consent.

Mr. Macdonald (Rosedale): Not for too long, though.

Some hon. Members: Agreed.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I thank the House for its courtesy and I will not abuse it by continuing with all of the remarks I intended to make. I will wind up by saying that I still believe that, in spite of the awkwardness of the situation and the reasons given by the minister in the last month to six weeks, the situation is not fatal but can be restored. I know the minister does not really want to attack our federal system, but when you put an export tax on the products of one province, then to be fair it should be placed on the products of every province. The minister does not intend to put an export tax on the lumber of B.C., the potash of Saskatchewan or the steel of Ontario.

I am simply saying that this was a crash program, dangerous and not thought out, which will raise prices. The record will show that last week I asked him whether, when he met with oil industry representatives, he suggested to them the technique of the differential, and the minister said no. Let us not close the door on any of the proposals that any party makes. Let us look at them. On future occasions I hope to be able to speak in a more positive manner of the great opportunity that the energy situation in the world gives to this nation. All of the things that Canadians ever dreamed about are possible if we realize that the key to them is the use and control of our energy resources, along with the other things that we have.

I will not abuse the courtesy of the House further. I ask the members of this House, and I hope all Canadians, to rally round, to take counsel with each other, consult their provinces, business and other parties, and see whether we can come up with a policy that will take full advantage of this great opportunity.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Before recognizing the next participant it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), Veterans Affairs—Request that pay award to nurses be reviewed; the hon. member for Scarborough West (Mr. Harney), External Affairs—Chile—Possible extension of credit to military government—Alleged denial to Allende government; the hon. member for Edmonton-Strathcona (Mr. Roche), Urban Affairs—Position of minister at trilevel conference on possibility of municipalities receiving share of federal revenues.

The hon. member for Nipissing.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—SUGGESTED MEASURES TO ENSURE SUPPLY OF OIL AT FAIR PRICES TO ALL CANADIANS

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

This House expresses the opinion that the government should give consideration to the taking of immediate steps to ensure that available petroleum supplies are used to ensure a continuity of supply at fair and just prices to all Canadian consumers and as a preliminary step to this end should implement the following measures:

1. The setting up of a publicly-owned National Petroleum Corporation to enter into bi-lateral arrangements with oil-producing states and to supervise the marketing of oil in Canada.

2. The extension of the oil pipeline to eastern Canada and the bringing of the Inter-Provincial pipeline under Federal Government ownership.

3. The ensuring of future oil supplies by entering into negotiations with the provinces concerned for the development of the oil sands by a joint federal-provincial Crown corporation.

Mr. J.-J. Blais (Nipissing): Mr. Speaker, I hasten at this point to take issue with some of the comments made by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). I have the greatest respect for the hon. member and his opinions, but on two or three occasions when the hon. member has risen to speak in this House on matters that he deems of national importance he has chastized members who have spoken before him and regretted that partisan views were being taken by members of the various parties in this House. He indicates that the issue is one of national importance which should not be considered on partisan grounds. He then proceeds to use some very partisan arguments in attempting to put his own views across.

Mr. Paproski: The truth hurts, doesn't it?

Mr. Blais: A review of the content of his speeches will show that it is political, of the most partisan nature. If I can review the speech given by the hon. member at this time, he chastizes the government for not presenting a policy.

Mr. Stevens: And rightly so.

Mr. Blais: Then, he indicates that he has no solutions to the problems but hopes solutions can be arrived at with proper consultations between the federal government and the provinces. However, he fails to indicate that in June of this year a report was presented to the House by this government called "An Energy Policy for Canada, Phase I", which report invited contributions from the provinces and opposition parties on the basis of the information transmitted in that particular document.

What has the hon. member for Qu'Appelle-Moose Mountain done since June? What have the opposition parties done since June?

Mr. Baker: What has the government done since June?

Mr. Blais: It has done exactly what it said it would do. The government has been forced into a position, as a result of the absence of constructive contributions from opposition parties, or from the party bearing the same political label as the official opposition in the province of Alberta, and from other provinces.

Mr. Baker: Pure sophistry.

Mr. Blais: I take strong exception to posturing. The hon. member accuses other members of posturing, yet his own speech was an untenable posture. He indicated that the government had advised the House that there were fixed agreements between OECD and the United States. There never was any such statement. There was an indication that there was an attempt made to enter into arrangements with the United States regarding security of supply for the eastern provinces, but there was no indication that there were any fixed agreements.

Surely, the hon. member recognizes that, given the fluid situation faced today by the oil producing and oil consuming countries in the world resulting from the international situation, it was impossible to arrive at any fixed agreements. With the OECD facing the same problem of security of supply and hastening exploration in the North Sea, how could we have any fixed agreements with OECD for security of supply in Canada? In view of international instability, how could we have encouraged those countries to enter into any fixed agreements with Canada?

Then, the hon. member contradicts himself by stating that he does not agree with the policies being argued and presented in this House. On the other hand, he states he agrees with the Arab oil producing countries and their recognition that they have been robbed for all these years. I suggest to you what we are trying to do now is prevent Canadian non-renewable resources from being stolen from under our noses. That is the whole thrust of this particular debate, and that is the direction in which I should like to move.

● (1710)

Indeed, this is a serious and important question, and in that I agree with the hon. member. I may indicate to you that I am not in complete agreement with hon. members of my own party in this regard. I would indicate that the policy I should like to espouse is one which is not posturing, but one which contemplates a long-term benefit for Canada and, contrary to what some of the older members on the benches opposite think, I plan to be around for a long time. I intend that my children be here after me for a considerable time, too.

When we are dealing with non-renewable resources, these policies being debated now will have long-term effects on the availability of these resources. The motion presented by the NDP speaks of primary steps. I suggest to you that we are not dealing with the steps enumerated in the motion as being primary steps but as fundamental and ones which essentially concern principles that are being presented. I do not agree with the formulation of the ideas presented. I agree fundamentally, however, with the principles I intend to describe, and which I think fit in with the ideas that have been advanced.

In the first paragraph of the motion, the NDP indicates it would like to set up a publicly-owned national petroleum corporation. I agree with that principle. However, I suggest that I am not speaking of a national petroleum company which would displace all the present exploiters of petroleum in Canada in the fields of extraction, refining or retailing. What I am speaking of is that sort of a national petroleum corporation described in a document which evidently the members of the opposition have not read entitled "An Energy Policy for Canada". Perhaps I may refer to that document, and I note that none of the previous speakers for the NDP have done so. At page 186, where arguments in favour of a national petroleum corporation are set out, there are 10 factors listed which are deemed advantageous in the establishment of such a corporation.

An hon. Member: Are they for or against?

Mr. Blais: I suggest to the hon. member that those arguments against are not as sound as these 10 arguments in favour. There are three I would like to emphasize specifically.

Mr. Paproski: You are going to be the next leader of the NDP, you are doing such a good job.

Mr. Blais: I can tell that the riding of the hon. member for Edmonton Centre (Mr. Paproski) is indeed a weighty one.

Mr. Paproski: It sure is.

Mr. Blais: National energy policy, which evidently the hon. member for Edmonton Centre has not contemplated, would indicate substantial advantages in the establishment of a national petroleum company. First of all, and I think this is the most important, we find in paragraph 2 the following:

> There is a need to increase the level of knowledge of all phases of the operations of the petroleum industry.

I am sure there is no one who will deny that fact, Mr. Speaker. The paragraph then continues as follows:

> While Canadian-controlled companies in the private sector are active in some spheres of petroleum industry operations, only a few foreign-controlled fully integrated companies have the broad knowledge and experience associated with the total spectrum of the petroleum industry.

We need more information. I am concerned about security of supply, and I am concerned that in the event that foreign interests and foreign technology are removed from Canada for any cause, Canadians would have at least a six-month time lapse before they could operate these particular refineries and extracting plants on a reasonable and profitable basis.

The second point is cited in paragraph 3 which states that a national petroleum company:

> . . . could play some role in determining the criteria on which the government might base its policies regarding economic rent collection.

That is what we have been talking about, economic rent. After the payments and all expenditures for extraction, refining and retailing the petroleum products, how much is left over for distribution for the Canadian public good?

That is the important question, and how do we determine this question of economic rent?

The minister has imposed a 40-cent surcharge on exports. This is a flexible amount and may be increased depending on the circumstances. This represents an economic rent, an amount which ought not to fall into the pockets of the exporters because that would not be justified. This is an amount owing to the Canadian people, those people to whom the resource belongs, and some would say Alberta.

Mr. Paproski: That's right.

Mr. Blais: Others would say it was the Canadian federation that brought about the exploitation and development of this resource in Alberta and, therefore, there has to be some sort of a division of return.

The question of economic rent is something which has to be determined, and can only be determined once the information is available to the Canadian people and the Canadian government. This could be achieved through a national petroleum company. I would suggest to those hon. members who have paid some attention to my remarks that they now turn their attention to a national energy policy for Canada.

Before my time expires, I want to launch into an item dealt with by the hon. member for Sault Ste. Marie (Mr. Symes), however lightly. I suggest it was brought to his attention during the question period this afternoon by my question to the Minister of Energy, Mines and Resources (Mr. Macdonald). I refer to the question of a pipeline from Sault Ste. Marie to Montreal. I espouse the view that, indeed there has to be security of supply. The first criterion is that Canadians should control the transportation of this essential resource. As it is now, the oil is piped from Gretna, Manitoba, through the United States, a friendly territory I will agree, up to Sarnia. A total of 974 miles of this line is or could be directly under United States control at any time.

I suppose in opposition to my suggestion that the line should be built from Sault Ste. Marie it might be argued that we would still have that line going from Gretna to Sault Ste. Marie. I agree, but we would then be that much closer to the Manitoba border, and we need that pipeline not tomorrow but right now. There should be steps taken at this time to build that line from Sault Ste. Marie. Having built that line there should be some plan so the line could then be extended from Sault Ste. Marie to Gretna via the north shore of Lake Superior. That is the point I want to put forward.

The essential question involves security of supply. I must admit that I am parochial in my interest as this would develop that area of Ontario in greatest need of development, namely the area north of Lake Nipissing. It was initially developed by that other Canadian transportation system, the CPR, and I need not remind those historians among the members of this House of the effect this particular development had on the development of Canada as a whole. I suggest to the hon. member for Sault Ste. Marie that perhaps his constituents would still be travelling in canoes in that fair city were it not for the CPR. I am sure he would agree with me.

• (1720)

The third point that was brought to my attention in the motion relates to the development of the Athabasca tar sands. That particular subject will be discussed by a member of our party this evening, and I shall not belabour the point save to indicate that I agree there ought to be government control over that resource. I am not as idealistic or as dreamy as are members to the extreme left, members of the NDP. I do not believe, in the present situation, that you can have a joint federal-provincial Crown corporation. There are obvious reasons for this. One has merely to read the recent editions of newspapers to understand the difficulties that arise when one starts to try to develop national resources within one province by giving the responsibility for such development to the federal Crown. However, I suggest there are reasons that the control and development of that particular resource should be in the hands of the province of Alberta, because basically we are speaking of the province of Alberta.

Mr. Deputy Speaker: I regret to interrupt the hon. member, but the time allotted to him by the special order made earlier today has run out. Is it agreed that the hon. member may continue his remarks?

Some hon. Members: Agreed.

Mr. Blais: Thank you, Mr. Speaker. I also thank the hon. member for Edmonton Centre (Mr. Paproski) whose voice boomed over all. The point I should like to make in respect of the Athabasca tar sands, first of all, concerns the size of this resource. We are dealing with an area of 11,000 square miles and an amount of 625 billion barrels in reserve. The immensity of the investment needed for the development of this resource requires that there be some sort of collection agency. That collection agency could be either the multinational corporations, which could use their collateral to raise and deliver the capital, or it could be the provincial government which could use its facilities in order to develop this resource.

The second point is that we are dealing with a labour intensive investment for the plant structure in respect of the oil sands. We are dealing with a matter of one million barrels per diem, and we are dealing with the cost of a plant projected to 1980. We are talking about an amount of $8 billion. Surely, this is an immense amount of capital. If we tolerate the control of that capital in the hands of foreign-owned companies we would be in a serious situation. The technology necessary for the exploitation of the tar sands is in its infancy. It is in the beginning of its development and it is essential as the technology develops that it be under Canadian control and Canadian jurisdiction. The technology is as essential in respect of the exploitation of those reserves as is the capital.

My last point is that there is no problem about selling the reserves. There is an adequate demand. There is no question about having to spend money in research and exploration. The availability is there. Therefore, all that is necessary is the raising of the required capital. Then, it would simply be a matter of developing the technology and establishing the plant structure necessary to develop those reserves. Mr. Speaker, I thank you for the opportuni-

ty to speak during this most important debate and I thank hon. members for their attention.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in rising to speak on this motion immediately after the hon. member for Nipissing (Mr. Blais), I should like to point out that he, like myself, represents a riding in the province of Ontario. I find it interesting that a member supporting the government would be so defensive of the government in connection with the debate today because we must bear in mind that in Ontario we presently rely on sources beyond our borders for some 80 per cent of the energy we use. There is little reason to anticipate that with the growing energy demand we will succeed in significantly altering that dependency. That is why I think it is particularly important that the members of this House from the province of Ontario take an active and almost desperate attitude concerning the lack of a national oil policy in this country.

I refer to the province of Ontario because it is my native province. I would point out, however, that there are many provinces in this country in a like position. I would also point out that although this government has been in power for ten years, and that the present Minister of Energy, Mines and Resources (Mr. Macdonald) has been in office almost two years, we find that the national government is still grappling with ten significant crisis decisions.

I refer, first, to the question of a two-price oil and gas proposal with relation to taxation. I refer, second, to the suggestion mentioned in this motion of the establishment of a national petroleum corporation. I refer next to the negotiations, which the minister referred to earlier today, in an effort to secure a supply on a long-range basis from the government of Venezuela. I would emphasize, as the minister pointed out, that this was a last ditch attempt to negotiate that contract after, as he points out, the government had tried to make an agreement with the United States which failed after discussions with the OECD countries broke down.

Fourth, I would point out we have a crisis situation and that measures should be taken to prevent a fuel shortage this winter in this part of Canada, and certainly in the eastern provinces, and perhaps in the long run to prevent an undue escalation of price to the consumers of fuel. Fifth, what really will be the long-range government policy be in respect of oil and gas exploration in the north in this country? Sixth, how and when will Canadian fuel be made available to Quebec and the Maritimes? On that particular point it was only last February, when the minister appeared before the energy committee of this House, that he said the government certainly at that time had no intention of changing the Ottawa Valley concept or to build a pipeline through to Montreal.

We might ask what happened so suddenly to change the minister's attitude, because today we find, as we have for the last few days, that the minister has suggested indeed they may build an extra pipeline from Sarnia to Montreal to help relieve the imminent crisis in that city. On that subject, however, I would point out the inconsistency between what the Minister of Energy, Mines and Resources told us today and the testimony of the National Energy Board before our committee. The National Energy Board indicated that in fact there was no extra capacity available in our pipeline system to Chicago unless exports to the United States were cut back; whereas the minister, if I understood him correctly today, estimated a 250,000-barrel per day capacity in that line if it could be linked through to Montreal. I want to emphasize that the question of security of supply for eastern Canada is not a new problem. It is one that has been before the government for many years. It is the government's indecision that is making it a crisis today.

● (1730)

Seventh, when is the government going to give clarification as to who actually owns the resources in the areas adjacent to our maritime provinces and Newfoundland? Eighth, when will we have a clear position from the government with respect to development of our Mackenzie Valley pipeline system for oil and/or gas? Ninth, when will we have a plan for the conservation of energy or the development of alternate energy sources? Tenth, when will the haphazard and late reaction to the problem of oil spillage, both in British Columbia and on the Maritimes coast, be dealt with in a proper way by the government?

Those are ten problems that the government should have solved before this debate became necessary today. Having summarized those ten points, I must indicate that I am indeed disappointed by the tone of the NDP motion which is before us. When I heard initially that they intended to have an energy debate, I assumed the NDP would not use it simply as a starting-off point to mention various socialistic principles that they like to talk about and to belabour their much belaboured point about multinational corporations.

Read their motion, Mr. Speaker, bearing in mind that the crisis we have is not a crisis in the distant future: it is a crisis that may hit us in November, December, January, February or March. Their suggestion is that we set up a publicly-owned, national petroleum corporation which would, as has been indicated by my colleague from Regina, take about two years to set up. They suggest that there be an extension of the oil pipeline to eastern Canada, which it is generally accepted would be a 1976 project. Then they go on to more distant oil suggestions.

In short, the NDP motion is only a gesture, as the minister, perhaps inadvertently, indicated during his speech when he thanked the mover of the motion for giving him a platform to be able in some way to try to defend his very indecisive national position with respect to fuel. Let us be specific. If the NDP contingent in this House seriously wanted to challenge the government on this subject, it had every right to request a confidence vote. Let members of this House stand up and be counted as to whether they feel the government any longer deserves the confidence of the House.

On the question of energy alone, I would say that the government has demonstrated that it no longer has the right nor the will to govern. In short, this is a government that had the presumption to hold itself out to the people of Canada as a unifying force within the nation. I suggest that instead of being a unifying force, the government has introduced an atmosphere of distrust and uncertainty across Canada, an atmosphere of uncertainty and distrust between the federal level, with regard to the oil and gas

industry, and several provincial governments, including Ontario, Alberta, Quebec and British Columbia.

It is a strange thing that those provinces have brought in their own provincial fuel policies. It is a strange thing that those provinces, meeting in Charlottetown, unanimously endorsed the holding of a federal-provincial energy conference in order to have provincial participation in working out a national energy policy. But in spite of all that, the government to date has not moved to take a constructive step to solve the problems that are before the nation.

It is true, as has been pointed out, that we are a self-sufficient country with respect to oil and fuel—indeed, one of the few in the world. But we must not forget that we have only about 1.4 per cent of the total world-proven resources of oil. In short, Mr. Speaker, we must be sensible in our national oil activities. I suggest this means that the government must do something in addition to bringing in what the hon. member for Nipissing referred to as an energy policy for Canada, phase one. I sat through the presentation of that phase one. I know the government thought it had 18 months in which to have it talked about, to throw the ball around to everybody, hoping that somebody would come up with a satisfactory answer. The ugly fact is that time has caught up with the government and its ineptitude is now being demonstrated hourly to the voters of the nation.

In this connection I refer simply to this week's *Hansard* where some very interesting illustrations of indecision by front bench members of the government can be found. I refer to the issue for October 22. This is only the first of eight clear examples of total indecision and uncertainty by the government. I refer to a question asked on that date of the Minister of Energy, Mines and Resources by the leader of the NDP (Mr. Lewis), who said:

> Last Friday after he . . .

Meaning the minister.

> . . . had met with representatives of the oil industry he announced, according to press reports, that the government would probably agree to an increase in the prices of gasoline and home heating oil in Quebec and the Atlantic provinces and that it might have to consider similar increases for the part of Canada west of the Ottawa valley now served by oil from Canadian sources. May I ask the minister whether he has made such a decision and, if so, what the increase will be?

The short answer by the minister was:

> No, sir. No such decision has been made yet.

He went on to point out that the increase in the price of crude oil, so far as the Arab states are concerned, is 70 per cent. Later, my colleague from Vancouver South (Mr. Fraser) pressed the Secretary of State for External Affairs (Mr. Sharp) on the present position of the government concerning the proposal to give the Americans an alternative oil supply to Cherry Point so that the tanker route might be discontinued. The Secretary of State for External Affairs replied:

> . . . we have been reviewing our oil policies. We have not made a decision yet on this question.

Later, my colleague from Malpeque (Mr. MacLean) asked the Minister of Regional Economic Expansion (Mr. Jamieson) what the government was doing to assist in the conversion of thermal-powered generating stations in the Maritimes to the use of coal. The minister's bright reply was:

> We have been discussing . . . the whole question of energy—

On the same date, the hon. member for Saint John-Lancaster (Mr. Bell) put this question:

> . . . can we expect that the government will be accelerating its program of nuclear plants and, in particular, will the first decision, the one in which New Brunswick is interested . . .

The Minister of Energy, Mines and Resources replied:

> . . . I hope that the question of a heavy water plant can be decided by the government before the end of this month.

Mr. Speaker, I would emphasize that this government has been in power for ten years, but still has not made up its mind. On the following day, October 23, my colleague the hon. member for Calgary North (Mr. Woolliams) asked what the government's tax position was with reference to the Syncrude proposal in the province of Alberta. He directed the question to either the Minister of Finance (Mr. Turner) or the Minister of National Revenue (Mr. Stanbury). This was the answer:

> My colleague, the Minister of National Revenue says that he replies "no" to that question.

The government still did not know what their answer should be to Syncrude's request with respect to taxation. On the following day, the hon. member for Yorkton-Melville (Mr. Nystrom) asked the Minister of Energy, Mines and Resources—

Mr. Speaker: Order, please. I must interrupt the hon. member and inform him that his time has expired. He may continue, of course, with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Speaker: I remind the House that the hon. member for Yorkton-Melville (Mr. Nystrom) will be called next. If he wishes to finish by six o'clock he should be given an opportunity to begin in about one minute.

Mr. Stevens: Thank you, Mr. Speaker. I was saying that on that day the hon. member for Yorkton-Melville put the question to the Minister of Energy, Mines and Resources which I quote in part as follows:

> . . . he is considering introducing legislation to establish a publicly-owned petroleum corporation . . .

The minister replied:

> That is a question under consideration . . .

Mr. Speaker, I have two similar references and I am simply trying to demonstrate that this government is literally lurching from crisis to crisis. The government is in a total state of disarray and disorganization concerning a proper oil policy for Canada. I am particularly disappointed because I feel that we in Ontario have more to lose through the government's ineptitude than possibly any other part of this nation.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I think the concluding words of the hon. member for York-Simcoe (Mr. Stevens) about the great mishandling of this crisis by the government is a good place for me to start, particularly in view of the comments made by the Secre-

tary of State for External Affairs (Mr. Sharp) this afternoon about the meetings he had with representatives of the Arab states earlier today.

I asked the minister in the House if he could inform us whether he had arranged with the Arab states for security of supply for the eastern market and whether he could guarantee that any oil that came from the Arab states would not be diverted to American ports or refineries. The minister could not give us this assurance. But a few minutes later the Leader of the Opposition (Mr. Stanfield) referred to a report from ARAMCO which suggested that Saudi Arabia was cutting off supplies to Canada. The Minister of Energy, Mines and Resources said that he was trying to confirm that rumour.

What did the Secretary of State for External Affairs discuss with the Arab ambassadors when he met them this morning? Did he not discuss security of supply? Did he not discuss whether Saudi Arabia would be guaranteeing the supply of oil to the Canadian market?

Mr. Sharp: Mr. Speaker, is the hon. gentleman asking me to answer the question, or is he just talking?

Mr. Speaker: Order, please. The hon. member for Yorkton-Melville has the floor, and unless he advises the Chair that his speech is completed, the Chair cannot recognize the Secretary of State for External Affairs.

Mr. Nystrom: Mr. Speaker, I should like the minister to participate in this debate. We will be back at eight o'clock tonight, and I am sure the minister will be participating then because this is an important question of national concern. If we have a crisis, we must move western oil to the eastern market—and that means higher prices. The Secretary of State for External Affairs and the Minister of Energy, Mines and Resources could not even guarantee that the 5 per cent cut-back announced by the Arabs with regard to some countries would not affect Canada. The government do not seem to know what is happening. Despite the fact that they met with the Arab ambassadors this morning, we still do not have any guarantee. The minister did not tell us what happened about the security of supply from Saudi Arabia, and now there is a rumour that Saudi Arabia might be cutting us off.

I think the Minister of Energy, Mines and Resources should go to Saudi Arabia or Kuwait either tonight or tomorrow morning and seek assurances that there will be security of supply for eastern Canadian refineries. He should not just rely on hearsay, or react to a situation when he is notified by certain companies or some members of this House about activities in the oil business. While the Secretary of State for External Affairs is in the House I want to say a word about the type of representation that we have in the Arab states. I did some research this morning and found there are in this country only three or four ambassadors from the Arab states. We do not have representation in many of the Arab states either, so perhaps we are not getting the type of information we should. Perhaps there is some mistrust here.

Mr. Sharp: I do not think that is so, and I do not think it should be on the record.

[Mr. Nystrom.]

Mr. Nystrom: The question is very, very serious. Because of the situation in the Middle East, this government must act, and act now, to guarantee security of supply. I have said in the House before, Mr. Speaker, that the information I have from various oil companies leads me to believe that some tankers have been diverted. I have information from the Texaco oil company in New York. According to my information, a confidential memorandum was sent from Texaco, New York, to Texaco, Toronto, which discussed the possibility of making greater use of their supplies in Canada because there might be some change in supplies to them from abroad. Exxon has also sent a similar memorandum to their Toronto office, according to my source, telling their company there that they should make greater use of the reserves we have here because there might be some interference from abroad.

I am told that at least six tankers have been diverted since the last week of September which were carrying 3½ million barrels of oil to American refineries from the Middle East and Venezuela. Imperial Oil company, according to my source of information, has purchased some oil from Venezuela on Canadian bookings and diverted it to the United States. The minister should be investigating this matter. I appreciated it this afternoon when the minister said that if this type of practice is being carried on by the multinational corporations, it should be stopped because it will jeopardize security of supply for Canadian customers.

I wish the minister would investigate the situation, Mr. Speaker. All he has done is send telegrams to Canadian subsidiaries of the multinational corporations. He has contacted the refineries, and so on, and naturally they are all saying they are not guilty. It is like asking Spiro Agnew if he is guilty of income tax evasion. What kind of answer are you going to get? These are American subsidiaries, not Canadian companies. They are owned and controlled by their parent companies and are not responsible for the arrangements for getting crude oil to their markets. In the case of Imperial Oil, it is done by Exxon, the parent company; and it is the parent company—the minister knows this—which makes the decision to divert oil from a Canadian destination to a destination in the United States.

● (1750)

Mr. Macdonald (Rosedale): That is not true.

Mr. Nystrom: The minister should not just ask the Canadian subsidiaries but parent companies which are based in the United States. Why does he not check with the harbours people to ascertain whether ships destined for Canada have failed to show up in this country? Why does he not check with the Arab states to ascertain whether cargoes which might have been sent to Canada have gone astray and have been shipped elsewhere? I am asking these questions because they are of concern to my party. The minister's attitude makes no sense to me.

There are indications that there is now a shortage of fuel in eastern Canada. The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) said this afternoon that there is a shortfall in supplies of oil of 100,000 barrels per day. The reason for that shortage could lie in the fact that multinational corporations have been diverting crude

oil from Canadian ports to refineries in the United States. That development does not surprise me at all. The multinational corporations involved are more or less sovereign states in their own right and are merely shifting their product from one destination to another.

You can compare this situation to that of a farmer who is combining grain on the Prairies and hauling his grain by truck to a bin, then suddenly halfway across the field he changes his mind and instead of delivering to one grain bin he diverts it to another. The companies are merely shifting their product from one destination to another. The oil companies control the oilfields; they use or lease their own tankers; they deliver oil to their own refineries and sell the finished product through their own retail outlets. Their operations are vertically integrated. That being so, one would expect them to shift their product to where demand is greatest and prices are highest.

Yesterday I spoke to one of the leading petroleum people in British Columbia. He said he did not know whether companies were diverting shipments but said his experience with the industry would lead him to believe that if he were in charge, oil shipments would probably be diverted because, after all, an oil company aims to maximize its profits. He said this is probably happening because it would be the natural course for a multinational oil corporation to follow. I ask the minister to investigate thoroughly the reports that a number of us have brought forward concerning tankers being diverted from Canadian to United States destinations.

Until we can prove this is not happening, the Arab states may be nervous about supplying us. They have cut off deliveries to the United States as a result of conditions in the Middle East. If they think that oil carried by tankers owned or leased by American-based multinationals may end up being diverted to the United States instead of being unloaded in Canada, they may want to cut back our supplies as well as those of the United States. If that happens, what will the minister do this coming winter?

Let us look at the security of our supplies from Venezuela. The Venezuelan oilfields are under the control, basically, of the same multinational corporations which control Middle East supplies. If there is a real pinch in the United States, it is possible and probable that large companies such as Exxon may consider seriously diverting more of their product to United States refineries instead of transporting it to Canada.

That is the background against which we are debating this question. The problem we face concerns security of supply of oil, and if ultimately there are difficulties in this regard, the Canadian consumer will pay. My party is making a couple of positive and direct suggestions in this regard. We think we ought to establish a national petroleum company which ought to be publicly-owned and would deal directly with oil-producing areas such as Venezuela and the Middle East states. In that way we would not need to deal with any intermediary such as the multinational corporation which has its head offices in the United States. I think Venezuela is interested in dealing directly with oil importing countries. It would be to our advantage if such an arrangement could be made. By that means we could control the importation of crude oil and, similarly, the amount of oil being exported from Canada.

The hon. member for Nanaimo-Cowichan-The Islands pointed out that there is enough oil in Canada to supply the needs of Canadian consumers. Although we currently export about 1.2 million barrels per day, we import about 800,000 barrels, a large proportion of that oil being Venezuelan. Clearly, we have a balance in our favour of some 400,000 barrels per day. We are currently more than self-sufficient. The difficulty at present stems from the fact that our eastern provinces rely on oil imports, basically from the Middle East and Venezuela. What will happen if that oil supply cannot be secured? What will happen this winter if we must begin transporting huge quantities of western oil to the eastern market? We do not have a pipeline, and we cannot build one immediately. For that reason I suggest we should begin building such a pipeline immediately in order to supply the eastern market in the future. What will happen in the meantime if the security of our oil supply from the Arab states cannot be guaranteed? That, really, is the picture which is unfolding.

In the one or two minutes remaining, may I say that so long as we leave the matter of oil supplies and prices in the hands of the private multinational corporations, the consumers of this country will not profit; we shall face problems associated with high prices and supply. Let me put on record statistics showing the tremendous profits and power of companies such as Imperial Oil. For example, statistics show that the gross income of Standard Oil of New Jersey roughly equals that of the government of Canada. That gives one some idea of the tremendous power and wealth of the company. That is only one of such companies. As well, Imperial Oil made profits in Canada between 1963 and 1972, after taxes, of some $1,010 million. If you add to that figure deferred taxes, which are really an interest-free loan, you will find that the company's profits between 1963 and 1972 were $1,134 million.

In conclusion, I say it is about time the Canadian government, on behalf of the people, took control of the gas and oil industries in this country and regulated the importation of oil, the future developments which must take place in co-operation with the provinces, as well as pricing and export policies. Only the federal government can act in these fields. It is up to it to act. I think the minister should begin doing this right away.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Paul S. McRae (Fort William): Mr. Speaker, I find it very easy to support the intent of this motion and a good deal of the detail contained therein.

Some hon. Members: Hear, hear!

Mr. McRae: In only one or two minor ways would I like to see the motion amended. My real concern, however, is that in some respects it does not go far enough, particular-

ly in the matter of an oil pipeline. Later in my remarks I will be more specific about this proposal. Canada is in many ways the most fortunate country on the face of the earth, yet it is perhaps one of the most fragile. We are a country of diversity, of peoples with different points of view and of geography with extreme variances. We are so diverse that we seem to be always going in different directions.

There is one common element which, when called upon, will always, I believe, pull us together and in a crisis will always see us through. That common element—is our love for Canada—Canada, that magnificent, fragile flower, that land that makes us perhaps the most fortunate people on the face of the earth. When Canadians are threatened, when our security is questioned, we are as one. I believe that in the growing energy problem and in the degree of our indebtedness to foreign powers, compounded by the sudden threat of the Arab nations to withhold oil supplies to the area of the country east of the Ottawa valley, we are threatened, our security is questioned, and we will react as one.

I said earlier, Mr. Speaker, that we are in many ways the most fortunate power on the face of the earth. What other country, for example, has reached our degree of industrialization and has adequate proven and potential energy reserves? I contend that no other country on the face of this earth is in such a fortunate position. Yet it would be very easy for us to squander these resources. It would be very easy, for short-term gains, to give or sell these resources to a foreign power or powers and then find ourselves in short supply in the not too distant future.

I believe that as Canadians who are concerned, not just for our own generation but for our children and our children's children, we must take positive action to ensure two things. First, we must insist on the security of supply of our energy resources. Second, we must see to it that these resources are developed by Canadians for Canadians. Anything less would be to sell ourselves short and to deny future generations of Canadians the opportunities for full participation in the magnificence and largesse of Canada.

I will dwell shortly on the notion of security of supply and, specifically, the supply situation itself. However, I would first like to make a few remarks about our energy policy. For reference purposes I will refer to phase I of "An Energy Policy for Canada", volumes I and II—a very comprehensive document. This document has been criticized, and the government with it, for not adopting an immediate energy policy. If the critics would look carefully at this document they would see it embraces most, and perhaps all, of the elements of a complete policy and is most useful when we are faced with sudden changes in the energy scene such as those caused by the Arab-Israeli war.

● (2010)

The real merit of the document, I feel, is that it gives us a basis for debate and consideration of all the elements involved in an energy policy in a rapidly changing world. We are encouraged to look at the whole notion of growth and whether there are limits to growth. I happen to be one who is very concerned about these limits to growth. I think that increasingly we shall have to consider this question. The document deals with Canadian resources, present and potential, and with the whole question of Canadian ownership. It talks about foreign investment and the amount of foreign investment.

I think we have strange notions about the amount of foreign investment which any country should accept. If $40 billion, $50 billion or $60 billion are to come into Canada over the next 10 or 15 years, we could be in very serious trouble, both because of the effect on the Canadian dollar and because we might not be able to sell other goods should the country to whom we would normally be selling these goods expend most of its foreign exchange in buying energy. This would present a new problem, one which we have not yet considered.

This document deals, also, with the argument about public versus private ownership in the resource sector, and with the debate about industrial strategy, including research development by Canadians. These issues are well documented. Finally, we are encouraged to consider the effects of our energy policy on the environment, both physical and human. In this debate, we must consider, for instance, whether the environmental and social diseconomies involved would make James Bay or South Indian Lake viable projects. I believe that they are not, that they will most certainly lead to disaster, environmental and social. We are encouraged to look at the same effects in connection with nuclear power plants and various pipeline projects. Only when all these and other considerations have been reviewed and debated can we begin to adopt a really comprehensive series of policies. The debate today will bring us, I hope, closer to that set of comprehensive policies.

Now to the supply side of our problem. Since the motion deals with petroleum, I shall confine my remarks to this area. However, I would remind all hon. members that ultimately the debate concerning supply must take into consideration the various alternate energy forms and their intermodal aspects. Our most immediate concern must be for the major current supply—Alberta crude and the future of this commodity in our economy. We are told—I refer here to page 87 of volume 1 of the document to which I have referred—that the proven reserves of conventional crude amount to 9.7 billion barrels, of which over 99 per cent are to be found in western Canada, exclusive of the Territories. Of the potential reserves we might expect to recover, only 5 billion barrels out of a possible 83 billion will come from western Canada. When I use the term "western Canada", I principally mean Alberta but I am also including Saskatchewan and British Columbia. Thus, the western Canada supply, both proven and potential, consists of less than 15 billion barrels—less now, since these figures were arrived at in December of 1972.

I had the opportunity last winter to comment on the remarkable equanimity displayed by the three to five opposition members from the province of Albera on the National Resources and Public Works Committee on the subject of this potential supply. We are told that at current rates of production Alberta crude will last not more than 15 years or, in accordance with the present exponential growth rate, perhaps less than ten years. How, last winter, could these members have been so sanguine about the bleak future?

I visited Alberta on three occasions last summer and early this fall. I detected in the earlier visits a sense of well-being in relation to this matter. However, during my visit last weekend I was startled to hear expressions of concern such as I had not heard before. The people of Alberta are beginning to realize that they have been deceived, that their economic security depends upon, virtually, a single industry—in an industrial sense—in addition to agriculture and ranching, and that this security is in danger. The government of Canada and the government of Alberta must immediately address themselves to the fact that the industry surrounding the production of Alberta crude could be wiped out in little more than ten years.

It was, I suspect, the debate surrounding the tar sands project which sparked the present concern about the short term of Alberta crude. It was only when Mr. Lougheed struck out in his efforts to justify the immediate letting of some spicy contracts that he admitted the short duration of conventional oil and used this fact as justification for rushing headlong into the tar sands approach.

I believe that eventually we shall need the tar sands, that eventually they will become Canada's greatest single energy source. I do not, however, believe there is any real need to launch into this project without a great deal of care and concern. I do not believe there is any need to let ourselves panic into giving these resources away to the lowest bidder. I said "lowest bidder" because I believe that eventually the people of Canada will have to make a much higher bid for these resources if they are disposed of now.

There is in existence a very fine document labelled "confidential" but which has nevertheless been given fairly wide circulation. It was prepared for the executive council of the cabinet of Alberta by a large group of top civil servants. It is entitled "Fort McMurray Athabasca tar sands development strategy." Let me read just one or two choice extracts from this document, which I consider to be a very fine document. There are many other extracts I could read expressing similar views.

> Alberta is not under any pressure to develop synthetic crude oil from the bituminous tar sands for the purpose of meeting either Albertan or Canadian petroleum requirements. The pressure to develop synthetic crude from the tar sands emanates from markets external to Canada.

Here is a further quotation:

> The tar sands offers a unique opportunity to change the historical trend of ever-increasing foreign control of non-renewable resource development in Canada. Here is a reserve of the greatest magnitude which does not require highly speculative investment to find and prove.

That is not a document of the Committee for an Independent Canada; it is a document of the Alberta government. Another statement talks about research into the extraction process, mining methods and experiments in situ. It reads:

> We are not aware of any research with respect to tailings disposal, reclamation or revegetation. This apparent emphasis on winning the resource is again an indication of the heavy influence of the conventional crude oil industry.

There is a whole series of statements of this kind in the document. What has Mr. Lougheed done with this excellent document containing advice from a committee of 41 top government employees from every department of government, including the Research Council of Alberta, the Alberta Housing Corporation and the Energy Resources Conservation Board? He has completely ignored this exhaustive report and based his policy on odds and sods, including a report from a New York consulting firm. What, Mr. Speaker, must be done with these reserves? I believe the resolution before us today holds the real answer and is entirely consistent with the report of the Alberta government.

I believe the Government of Canada must acquire an interest in the tar sands along with the government of Alberta.

Some hon. Members: Hear, hear!

Mr. McRae: I do not exclude the private sector. As a matter of fact, I would welcome it provided it had a very high component of Canadian ownership. How would the Canadian government go about acquiring, say, a 50 per cent share of this invaluable resource? Once again, I think the document to which I have already referred points to the answer to such a question. It uses the phrase "for Albertans and for Canadians."

Mr. Speaker, there are no finer nor more devoted Canadians than in the province of Alberta, and it is their generosity and national spirit which will prevail in this issue. But there must be a quid pro quo. We cannot ask this single component in Canadian society to do all the giving. That quid pro quo cannot take the form just of cash. It must offer more than that. It must include real concern and real support for Alberta in facing the problem of conversion from a one-industry to a multi-industry base. It must include a transportation system and policy which will tend to reduce the industrial inequities that exist in the country. At a time when the mayor of the city of Toronto is saying we should move growth out of Toronto, it must include policies which will redistribute growth throughout Canada and bring diversification to Alberta. There may be a quarrel at present between the Premier of the province of Alberta and the federal government. There is no quarrel, however, between Albertans and other Canadians where the future well-being of Canada is concerned.

Time does not permit detailed analysis of ownership in the petroleum industry. It is sufficient to say that percentages of from 75 to 90 per cent are certainly reliable figures. As a self-respecting nation, this kind of ratio cannot continue, especially in an area so vital as natural resources. The place to start is with the 300 billion or more barrels of crude potentially recoverable from the tar sands, our most valuable energy resource. Similarly, time does not permit a detailed discussion regarding the establishment of a national petroleum corporation. Suffice it to say that I firmly support this proposition, although I am not sure I agree with the functions as set out in the motion. I would propose, for instance, that a petroleum marketing board, or even a marketing board covering all energy sources, should be established separate from a Canadian petroleum corporation. One of the roles of the corporation would be to monitor other members of the same sector. I believe it should also have a pace-setting role.

I have never felt easy about the way the pipelines were constructed in the fifties and sixties. I have always felt

that the oil line which went through Duluth should have gone through the lakehead. I expressed my extreme dissatisfaction that the second gas pipeline should have been constructed from Emerson through Minnesota and Wisconsin to Sarnia. I did so at the time the line was built. I feel that if members of the opposition party had supported these elements in the government who favoured the northern route, instead of maintaining their chastity on this issue, this gas line would have been an all-Canadian project. I was convinced then, and I am even more convinced now, that this was the proper course to take. However, we now have the benefit of hindsight and a new problem has arisen.

● (2020)

I should like to conclude my remarks with the plea that we give serious consideration to extending the pipeline, not just from Toronto or from Sault Ste. Marie to Montreal but that we build an all-Canadian pipeline extending from Manitoba to Thunder Bay, Sault Ste. Marie, Sudbury, North Bay, Ottawa and Montreal. As the building of a railway was the act that built the nation, so the building of an all-Canadian pipeline will be the act that will revive the spirit of a nation, Canada, because it will be the symbol that our resources are to be developed for this and future generations of Canadians.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, the hon. member for Fort William (Mr. McRae) has about as much knowledge of Alberta as the Liberals in Alberta, and this probably explains why there were 19 Conservative members elected in the province in the last election.

As for the motion introduced by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), I think it was dealt with quite effectively by my colleague, the hon. member for Regina East (Mr. Balfour). The NDP stated that immediate steps are required to change Canada's energy policy and proposed three steps which, at the earliest, will only take effect in two or three years. The effect that they will have in that time will only exacerbate any difficulties that we might be having at this stage.

With regard to the energy situation in Canada today, a lot of people would like to term it an energy crisis. Far from it. In fact, Dr. George Govier, chairman of the Energy Resources Conservation Board of Alberta, one of Canada's most knowledgeable individuals in the oil industry who certainly knows more about the industry than any spokesman I have heard on the other side of the House, termed today's situation as Canada's energy opportunity. In a paper delivered to the Canadian Institute of Mining and Metallurgy, he outlined the opportunities available to Canada in this situation. As the hon. member for Fort William mentioned, we are the only western industrialized member nation of OECD that is self-sufficient in energy, and barring any further mistakes by this government we will be self-sufficient for the next 600 years or so. He then adds a caveat in these words:

> I hope we will not see the development of irrational restraints on trade in energy resources. I believe Canada can benefit from imports where these are logical and there is no question that we may benefit from the export of energy resources surplus to our own requirements. We must, however, make sure that we only export resources surplus to our own needs and that the maximum practical processing be done in Canada before they are exported.

[Mr. McRae.]

That is good advice and I wish the government would follow it. Looking at the history of the oil industry, during the 1950s in Alberta there was a good deal of exploration and drilling for oil without markets. By the end of the 1950s most wells in Alberta were prorated near shut-down, producing at a fraction of their capacity. Fortunately, in 1961 the Diefenbaker government introduced a very progressive national oil policy under which the area west of the Ottawa River would be reserved for Canadian crude oil production, giving a tremendous spurt to the industry and resulting in its healthy state today.

However, during the decade from 1961 to 1971 repeated delegations from Alberta, from the industry, from government, from groups like the Independent Petroleum Association of Canada, the Canada Petroleum Association, and others, visited Ottawa and Quebec City requesting that a pipeline be built to Montreal so that western crude could supply this market as well. But they were told no, that although offshore sources were insecure, they were cheaper. Cheaper by two cents a gallon, but nevertheless cheaper. Therefore, this pipeline would not be built. We do not take much consolation from saying, "We told you so," but we are now in this situation today with the possibility, though I hope not much of a possibility, that some areas of Canada this winter will have difficulty finding heating fuel.

Do we have a policy now that will correct this situation? Do we have a policy that will prevent this situation developing in the future? Do we have a policy that will take advantage of the opportunities being presented to Canada as a result of this situation to which my colleague, the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), alluded earlier today? I am afraid we do not. I am afraid we have no policy. We have no policy to Canadianize the oil industry.

The Minister of Energy, Mines and Resources (Mr. Macdonald), in answer to repeated questions, stated last fall that the policy would come in the winter. Then he stated it would come in late winter, then it was early spring, then it was late spring. Finally in July, Brinks trucks and all, came forward this energy policy for Canada document, volume I. It is an analysis, not a policy. However, let us give credit where credit is due: it is a well written document and contains a lot of very useful and good information as well as good advice. There is one piece of advice in particular that I would bring to the attention of the minister. It is on page 9, and reads as follows:

> Federal and provincial responsibilities and interests in the energy field are intimately interrelated. No national policy can be contemplated without the fullest of intergovernmental consultations and consensus.

That was good advice in July. But on the Labour Day weekend, after labouring all weekend trying to find something to say on September 4 to demonstrate this government's apparent interest and concern about inflation, the government came forward with a freeze on the price of crude oil, applauded by the NDP.

Mr. Turner (Ottawa-Carleton): That is your policy.

Mr. Andre: That was their policy.

Mr. Turner (Ottawa-Carleton): It is your policy too.

Mr. Andre: However, it was apparent that the government did not look at its own legislation, the National Energy Board Act, section 83(b) of which provides that the board will not allow exports unless the price of the energy exported is just and reasonable in relation to the public interest. Therefore, the National Energy Board was not able to allow the nominations for October. This meant the government was forced to bring in a 40 cents surtax, again after the greatest of discussion—if I am correct, I think about ten minutes' worth. To this the premier of Alberta was forced to respond:

> This appears to be the most discriminatory action taken by a federal government against a particular province in the entire history of confederation.

This is the sort of National unity that this party of national unity, this party which thinks it is the only party for all of Canada, is promoting, to the applause of the NDP which thought this move was getting at the big, multinational corporations. In point of fact, the companies which were hurt the most by this move, the companies most affected by it, were the small Canadian independents who at long last were starting, in spite of the regressive taxation policies of this government, to become a significant element in Canada's oil industry.

Mr. Foster: Are you part of the Calgary oil lobby?

Mr. Andre: The Minister of Finance said that this is our policy.

Mr. Turner (Ottawa-Carleton): Talk about a freeze! We are listening to a frozen line.

Mr. Andre: Is the government concerned about inflation? During the last year the price of lumber has gone up by over 100 per cent. I have a letter from a Calgarian, an ordinary working citizen, not a member of the oil industry, who points out that in 1923 a gallon of gas cost 40 cents. At that time he built a house with lumber costing $26 per thousand board feet. It now costs $260 per thousand board feet. The cost has gone up ten times per thousand board feet. Has the government done anything in this regard? The ordinary workingman spends a far larger percentage of his income on housing than for gasoline for his car, but the government is not interested in that. Perhaps there are a lot of lumberjacks and lumber companies in the constituency of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas): that may be one of the reasons for this mood.

● (2030)

We did not see such a freeze in respect of other commodities. We did not see the type of freeze for which this party has been calling. We just saw the wrong type of freeze which was bound to create problems. Again referring to the minister's own document, at page 67 it is clearly indicated in the second paragraph that it is assumed throughout the document that the price of crude oil will reflect world prices because the market price will dictate to a considerable degree the quantity of new energy sources that can be developed in Canada. It states specifically:

> As later chapters will show if Canadian prices are held down the resources available are reduced and, at the same time, a greater domestic demand than projected may develop.

This is the government's own document. It contains good advice, and hon. members should read it. In addition to this short-term consumer protection we have the question of our long-term interest. The hon. member for Fort William (Mr. McRae) is correct in saying that today there are proven conventional resources which will last for approximately 15 years. If the policies of this government continue, we have the guarantee that in 15 years we will run out of our proven conventional resources. If, in fact, this government adopts progressive policies that take advantage of the opportunities available to us, developing the non-conventional resources off the east coast of the Maritimes, in the Northwest Territories and in the Arctic island, and more importantly the tar sands, I am sure we will avoid becoming a have-not country like so many others in the world so far as energy is concerned.

The NDP, evidently with the approval of the government, feels there should be a Crown corporation to develop the tar sands. Obviously, members of that party know nothing of the risks involved and nothing of the agreement worked out between Premier Lougheed and the Syncrude group. Under that agreement, 50 per cent of the profits would return to the province of Alberta. Under that agreement, the Alberta energy company, owned 50 per cent by the government of Alberta and 50 per cent by the people of Alberta, will own 80 per cent of the pipeline connecting this plant to Edmonton. I do not know of a pipeline that has ever lost money. Pipelines represent great investments. Under this agreement, the Alberta energy company would own 50 per cent of the power plant associated with this company, and this energy company would have the option to purchase 20 per cent of the tar sands plant if they prove to be economically viable. In other words, with no risk and very little money invested the government and people of Alberta will get upward of 56 per cent of the profits from this company.

The hon. member for Nipissing (Mr. Blais) said there was no risk associated with the tar sands plant, and evidently NDP members agree. They obviously know nothing of the Great Canadian Oil Sands plant which has yet to make a profit.

An hon. Member: You seem to know everything.

Mr. Andre: I am a chemical engineer and I think I know a little bit more about this subject than you do. The risks are enormous. A deal where you can get 56 per cent of the profits and take no risk is a sweet deal to me. More important than ownership is having these tar sands developed, the effect this will have on Canadian northern areas in the so-called mid-Canada corridor and the effect, as well, on western Canada. Of importance also is the effect this will have on diversification and carrying forward the promise of regional economic expansion. That makes this project, and subsequent tar sands projects, enormously important.

I plead with the minister to enter into negotiations at the earliest possible moment with the Premier of Alberta and the Syncrude group in order to clear up the obvious uncertainties that exist. The minister indicated to the House that the Syncrude principals were satisfied and

that the tax dollars were adequate to allow this group to carry on with this particular project. But the president of the company immediately issued a press release stating that no such agreement had been reached and that the discussions which had taken place had not been at all satisfactory.

An hon. Member: The consumers will bring Lougheed around.

Mr. Macdonald (Rosedale): Mr. Speaker, I rise on a question of privilege. At no time did I make that suggestion. I said there was agreement not with the president of Syncrude but with his principals only; but this was not on the subject of taxation but, rather, on the subject of pricing.

Mr. Andre: In answer to a question asked by the Leader of the Opposition (Mr. Stanfield), the Minister of Energy, Mines and Resources (Mr. Macdonald) indicated he had been able to satisfy the principals, yet the president of Syncrude said he was not satisfied. This project is still in jeopardy if that statement by the president of Syncrude is accurate. This matter is far too important to Canada to be playing around with. Let us settle it.

Mr. Macdonald (Rosedale): Are you talking about taxation, or pricing?

Mr. Andre: I am talking about the questions that remain in the air. In terms of prices the minister indicated last Friday that he would let the western crude of Syncrude float on the Montreal market; but the question of taxation has not been satisfactorily concluded, according to the president of Syncrude. He has indicated they will not be able to go ahead unless this point is cleared up. In the interest of Canada I plead with the minister to straighten it out in order that we may carry on with this very important project, important not only to Alberta but to the future of Canada.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker—

An hon. Member: Are you a chemical engineer, Max?

Mr. Saltsman: There seems to be some question about my credentials when speaking on the subject of oil. All I can say is that although I do not come from Calgary Centre as does the hon. member who preceded me, and I am not a chemical engineer, one can be born on top of an oil well and still know nothing about oil. I do not know whether the hon. member was born on top of one or just played with it when he was a kid, but it seems to me that the logic of the hon. member for Calgary Centre (Mr. Andre) leaves a lot to be desired. On one hand he tells us what a good idea the national oil policy was in 1961, and then turns around and condemns the government for not having built a pipeline to Montreal since that time.

Let me point out that one of the central features to that national oil policy was that a pipeline would not be built to Montreal. I do not see how the hon. member can praise two objectives which are contradictory to each other. This national oil policy was put forward as an alternative to a pipeline to Montreal. In fact, it was never a real policy; it was really the result of asking the oil companies what they could do for us and turning over the organization of the industry to them. They organized and have done a great job, and we are paying present-day prices as a result of that great job. The hon. member for Calgary Centre referred to prorated oil sales from Alberta. I suggest there was probably no greater criminal expenditure of capital in this country than that for the development of the oil industry in Alberta. You do not have to be born on top of an oil well to realize that.

The west has a legitimate grievance. I, for one, am not going to suggest that Alberta does not have things to grieve about, that Saskatchewan does not have things to grieve about or that other western provinces do not have grievances. However, it is often forgotten that Ontario, which gets its brains beaten out all the time by the west, has some pretty substantial grievances as well. From the 1961 national oil policy onward, the oil policy was based on providing Alberta with the opportunity of getting this oil out of the ground at a time when the United States would not take it, and when it was arranged to end the pipeline at the Ottawa valley and that west of the Borden line people would have to pay higher prices.

● (2040)

From 1961 until very recently, consumers in the province of Ontario have paid five cents more a gallon for gasoline than was necessary, because of the national oil policy. This represents $1½ billion a year in the form of a subsidy to the province of Alberta. That is in fact what the national energy policy was. It was a subsidy from the province of Ontario to the province of Alberta. Let us not forget that. I do not begrudge it. Alberta was entitled to that consideration. That was one of the principal industries which she had to develop around, and she was entitled to consideration from Ontario. After all, she put up with tariffs for a long time, so why should not Ontario put up with somewhat higher prices as well? I cannot quarrel with that. However, I am suggesting to Alberta members that they should not forget this.

Now that they are in the driver's seat and the shoe is on the other foot, it is as though they say that Ontario has always gouged them, that they have got nothing out of it and that Ontario does not give a damn. That just is not true. That kind of talk is destructive of national unity in this country. So they should just watch the stones when they are throwing them around.

An hon. Member: What about tariffs?

Mr. Saltsman: I mentioned tariffs. I said you have legitimate grievances. I do not deny that. All we want the horsemen from Alberta to do is not forget that Ontario is part of Canada also. Ontario has not been without some sympathy for the west and some understanding of its problems. So let us not start acting as if we are in countries which are foreign to each other and as if Alberta can do exactly what it pleases without any regard for what goes on in the rest of Canada. Some members of this House may speak that way, but I refuse to believe that really expresses the sentiments of the people of Alberta. I have spoken to too many people from Alberta who share my feelings about belonging to a national entity and who

are willing to share with the rest of Canada just as other Canadians are willing to share with them.

One starts off with a kind of organization of his speech only to find it must be put aside because someone has made statements prior to one's intervention which must be dealt with. It seems to me that the Liberal government, in spite of itself, is stumbling into semblances of a national energy policy—and we will help them. We do not mind at all if they pick up an item from us, or if a Liberal member supports our resolution, because what we suggest would work for the advantage of the country as a whole. Many things contribute to the establishment of a national energy policy. I say "national energy policy" because this goes beyond oil, gas and electricity. Forms of energy are largely interchangeable.

The Middle East crisis has forced us to go to Venezuela, which has always dealt fairly with us, to see what kind of arrangement can be made. I think arrangements can be made with Venezuela. The story is that Venezuela wants to deal directly with the Canadian government and bypass the multinational oil companies. It is difficult for them, because the multinationals in fact market the oil from Venezuela. It is difficult for them because we cannot provide any shipping for them.

But knowing that this is what the Venezuelan government has in mind, the Canadian government should move immediately to open negotiations with them. I would like to suggest that we already in fact possess an instrument for doing that. We do not have to set up a new corporation, although I think in the long run it probably would be necessary: we should use the Canadian Commercial Corporation, which does over a quarter of a million dollars' worth of business a year in buying and selling on behalf of the government of Canada, using people from various government departments. This corporation could be used immediately. I see in its brochure that it has purchased shipping interests in the amount of $124 million. It is already engaged in the business of hiring ships and arranging for shipping and transportation of goods. I think this corporation should be used immediately and that we should tell the Venezuelan government we are prepared to make a government to government agreement with them.

Under no circumstances should the tar sands of Canada be allowed to fall under private ownership. We have been strangled in this country by private ownership. It is a great little gag which the people going into the tar sands development are using. You know the kind of logic we hear from the people in the oil industry. We had a sample of it just prior to my speaking this evening. When you go to them and mention all the money they are making, and suggest they are not paying any taxes, they say they have not made any money. They say the amount of revenue they have received to this point is exactly equal to the expenditures they have laid out, and that their books do not show them as having made any money—except for one thing: they forget to tell us what they have in reserve in the ground, which is already paid for.

The reserves in the ground represent something in the neighbourhood of ten billion barrels. At roughly $5 a barrel, which the market price will soon be, that is not bad. It represents $50 billion worth in the ground, free for profit in the future except for one thing: they are just liable to have to pay some tax on it. If they get into the Syncrude operation, if they get into the tar sands, and start giving us the mumbo-jumbo about how much money they have sunk into it and how much money they have lost in these various installations, and start taking their depreciation and then take their depletion allowance because they are investing in exploration, then they do not have to pay tax.

So far as I am concerned and so far as my party is concerned, rather than giving the oil companies handouts to exploit us we should do our own exploiting. It is our money they are using, and it is our money they have been using largely up until now. They buy the expertise, and we can buy it too. There are many people who know how to build these plants, and they will work for the government just as well as for the oil companies. It is essential that the government start making some decisions along these lines. For instance, we must have a decision from Venezuela and know where we stand with that country in terms of security of supply.

It is becoming obvious that we must build a pipeline. I agree with the hon. member for Fort William (Mr. McRae) that it should be an all-Canadian route, and I believe C. D. Howe would applaud that. In order to build a pipeline to Montreal we must have some idea of the amount of offshore crude we can expect to come in at that point. Until we have some long-term assurance from governments, we do not know what size that pipeline should be and we do not know whether it should be a reversible pipeline or should go straight through. Therefore, it is essential that the government move rapidly on this question.

I think the government must go further and bring in controls on energy expenditures. This country has seen an example of the most wasteful use of capital that is imaginable. That must be prevented in the future. The projection into the seventies indicates that we will need something like $60 billion to meet our energy requirements. If we become involved in a wasteful process in respect of private enterprise as experienced in the thirties, forties and fifties, there will not be enough money around to meet our requirements.

I think any sizeable expenditure on energy operations should go through a national planning board and that the federal government should have a say in how this money is used. If there should be an expenditure of $2 billion or $3 billion in one part of the country, it is not only that part of the country which is affected: the supply situation of other industries is affected, the dollar situation is affected and other borrowers are affected. It is the federal government that must take the lead and do the planning; we cannot leave it to the generals in private industry. I hope the government's reply to the province of Alberta will be, "Thank you very much for your letter regarding your request that we release you from taxation on the development of the tar sands. We appreciate your desire to do that, but the answer is no."

● (2050)

Some hon. Members: Hear, hear!

Mr. Saltsman: There have been enough giveaways from this country without that. Those tar sands can be developed by a partnership between the provincial and the federal government, without gigantic giveaways and tax shelters granted to the oil industry. On item (c), where he requests that the federal government should not regulate, directly or indirectly, the price of synthetic crude, the answer should be that that is something which lies within the sovereign power of Canada, not of a province. The Canadian consumers are entitled to ask the Government of Canada to protect them from those who would gouge them because the market is riding high.

Mr. Judd Buchanan (London West): Mr. Speaker, I am grateful for the opportunity to speak on the subject of energy resources this evening. My comments will be a pot-pourri dealing with the reaction of the Alberta government to the export tax, the proposed pipeline to Montreal, the development of the tar sands and the unique position of Canada with respect to energy resources.

After the anouncement was made concerning the export tax, all of us heard vigorous and violent reaction from the Premier of Alberta, part of it relating to consultation and part relating to the substance of what had happened. As to the consultation aspect, I do not intend to comment. I was not involved and am not aware of exactly what transpired. As to the substance, Mr. Speaker, I would suggest to all Canadians, and to the citizens of Alberta in particular, that they take with a grain of salt the vigorous reaction of the premier. When the export taxes were announced, Premier Lougheed said:

> I don't feel we can be bound by the 1972 statement on oil royalties (that there would ne no change for five years) because of the federal government's statement on an export tax.

The situation in 1972 was that the Premier of Alberta had in fact given an undertaking to the oil companies, when the royalties were established, that they would not be changed during the ensuing five years. Thus, the province of Alberta, as the situation evolved, was locked into an extremely unattractive, extremely costly and bad situation for its own citizens. I suggest that instead of making unkind remarks about the Minister of Energy, Mines and Resources (Mr. Macdonald), the Premier of Alberta should be offering up a little prayer of thanks for that minister, on a regular basis, for having got him off the hook in what was an extremely costly and disadvantageous arrangement for Albertans.

In effect, Alberta was locked into a situation which over the next few years would have cost its citizens hundreds of millions of dollars. But the Premier of Alberta, because he was taken off the hook by the Minister of Energy, Mines and Resources, was able to say, "I am no longer locked in. I can now change the lousy arrangement that I made one year ago and use a posted wellhead price to determine the figure on which I am going to base my royalties." There is nothing strange about this, Mr. Speaker. The Venezuelans have been using that system for the past ten years and the Premier of Alberta intends to start using it next year.

It is interesting to look at some of the arithmetic. The price of oil has gone up 90 cents a barrel over the last ten months. On average, the province of Alberta realizes 18 cents per barrel in royalties on that increase—roughly 20 per cent. On some oil production it realizes 18 per cent and on others 22 per cent; but 20 per cent is a good average. As the world price increased rapidly, providing tremendous windfall gains to the oil companies in Alberta, it is easy to see why Alberta would want to get a more significant slice of the pie for its citizens. In that situation, and being able to get out of the locked-in system, thanks to the Minister of Energy, Mines and Resources, the province could arbitrarily set the posted wellhead price and assume an increase of $2 per barrel, rather than 90 cents, and base its royalties on that figure. By doing that the province would realize 40 cents a barrel in royalties, 22 cents more than would have been realized under the locked-in system during the previous period.

Mr. Nielsen: By George, we have another gas expert!

Mr. Buchanan: We grow in the trees out there.

Mr. Nielsen: I think you are out of your tree.

Mr. Buchanan: On the Alberta production of 1.8 million barrels a day, that works out roughly to $400,000 more per day that Alberta could be collecting; and now, thanks to the action of the federal government, it feels free to do that. That is what Alberta is going to start doing on the 1st of January. I am not condemning it. I think it is a wise move. I think it is a fine thing for the citizens of Alberta to be getting a significant part of those windfalls basically resulting from the actions of Mr. Gaddafi and King Feisal in the Middle East. That is what will happen when they start to use a posted wellhead price rather than the actual wellhead price that must be used now. The citizens of Alberta in particular will be the direct beneficiaries, and they and the citizens of Canada at large should take the objections of the Premier of Alberta with a grain of salt. I think he is extremely grateful for getting off the hook. Now he is able to break that commitment.

There are a couple of other aspects of this question that are rather interesting. An Albertan economist, Professor T. L. Powrie of the University of Alberta, has made certain calculations based on last year's production of oil. He estimates that the savings, as a result of the export tax, in lower prices to Canadian consumers will be $21.4 million for the citizens of Alberta, $32.8 million for the citizens of the balance of western Canada, and for the citizens of Ontario the savings will work out to roughly $55 million. The theme has been played by the Premier that the export tax is for the advantage of Ontario. From Professor Powrie's calculations it is interesting to see that the savings are split right down the middle, with $55 million for citizens of western Canada and $55 million for citizens of Ontario.

Professor Powrie also estimates that the export tax causes a net loss to Alberta of $22.8 million because of the $44.2 million loss of royalties, which is partly compensated for by a saving of $21.4 million to Alberta consumers. This net loss is equal to about 16 per cent of the proceeds of the federal export tax. If Alberta is paid over 16 per cent of the revenue from the export tax, it will share in the net gain to the over-all national income. He goes on to say that Alberta might as well try for 81 per cent, that figure being its percentage of total Canadian production.

I would like to move on and point out that Canada is unique in the world among the developed nations, with the exception of the U.S.S.R., in that we will be self-sufficient in energy—oil, gas, uranium, hydro and coal—for a very lengthy time into the future. This is a fact of which Canadians should not be oblivious. We should be aware of the benefits that can accrue to us as a direct result of the fact that we are in a position to power our industries, our manufacturing operations and our transportation with lower cost fuel. That is a significant factor that can go a long way to offsetting the disadvantages of our large land area and relatively small population.

● (2100)

Mr. Stanfield: And a lousy government!

Mr. Buchanan: In the area of manufacturing we are at a disadvantage compared to a great many of the countries with which we must compete and our uniquely advantageous position regarding energy should not be ignored.

To digress for a moment, Mr. Speaker, and to consider other resources, in the area of minerals I believe we should be looking very seriously at the benefits of stabilized costs to our manufacturing and processing industries based on our actual production costs rather than international costs caused by the various commodity shortages throughout the world. This would help us build a more economic industrial and manufacturing base and offset the disadvantages of a smaller market and higher transportation costs caused by the size of the country.

One of my colleagues made reference to the proposed development of the Athabasca tar sands. A report has been prepared by the civil service of the province of Alberta, I believe by some departmental people and by some who worked for agencies and boards. It is entitled "Fort McMurray-Athabasca tar sands development strategy" and was prepared in Edmonton in August of 1972. It is interesting to read some of the excerpts and then endeavour to square the advice given to the province with the action it has in fact taken. The report reads:

> Alberta is not under any pressure to develop synthetic crude oil from the bituminous tar sands for the purpose of meeting either Albertan or Canadian petroleum requirements. The pressure to develop synthetic crude from the tar sands emanates from markets external to Canada.

If my memory is correct, Mr. Speaker, Alberta's production is somewhere around 1,800,000 barrels of which 1,200,000 or 1,250,000 are for export. The report continues:

> It is also a basic premise that the demand for the synthetic crude oil will be sufficient to enable Alberta to control the basic terms and conditions for development.
>
> The basic feature of the development—should be—deliberate policy decisions by Albertans—to ensure that the development complements and supplements the over-all development requirements of Albertans and Canadians. The policy decisions should be guided primarily by the perceived benefits that will accrue to Albertans and Canadians.

This is the recurring theme—that we should be concerned with what is of benefit particularly to the province of Alberta and more generally to the citizens of Canada. To continue:

> Only after Albertan and Canadian policy parameters have been fulfilled should foreign constraints become operative. In short, Canadian policy parameters should take precedence over all other factors. Foreign energy demands should not be the only force influencing development.
>
> Axiomatic—is the desire that the envolvement of this "tar sand technology" should be led by Canadian technologists; that is, developed, shaped and influenced by Canadians for the benefit of Canadians.
>
> The tar sands offers a unique opportunity to change the historical trend of ever increasing foreign control of non-renewable resource development in Canada. Here is a reserve of the greatest magnitude . . .

This is in contradiction to the comment made a few moments ago by the hon. member for Calgary Centre (Mr. Andre).

> . . . which does not require highly speculative investment to find and prove.
>
> The essential characteristic of our suggestions is their pro-Canadian and pro-Albertan flavour. The basic premise that the demand for synthetic crude oil is from markets external to Canada, combined with the assumption that substantial net benefits will be derived only if the development is firmly controlled in a manner which complements and supplements the development requirements of Alberta and Canada, leads to the adoption of a pro-Canadian and pro-Albertan policy position.
>
> The attitude and expectations of the multi-national corporations will be the same in the development of the tar sands as has persisted in the conventional crude oil industry . . . Traditionally their concerns have been to win the resource and transport it to the market in its crude state. Technologically there is no reason . . .

I think Albertans feel very strongly about this, Mr. Speaker.

> . . . why the synthetic crude oil could not be upgraded for various energy forms or used as feedstock in the petro-chemical cycle, although this is not usually done in Alberta. The reason why this has not been done is that it is contrary to the corporate policy which does not consider questions such as Canadian economic sovereignty.
>
> Massive capital injections into the Fort McMurray region at the rate . . . estimated as the requirement of the American crude deficiency . . . would result . . . in . . . the dislocation and instability caused to the Canadian and especially Alberta economy and labour force (which) would be directly contradictory to the economic objective.

Later, the report reads:

> Alberta must stand firm in the conviction that the tar sands make up approximately one third of the known world petroleum reserves . . . Alberta should be able to utilize the tar sands as a lever in the socio-economic development of the province. Nuclear energy, geothermal energy, or the Colorado oil shales as a substitute for petroleum products will not be competitive economically or technologically with the tar sands for some time.

I could go on, Mr. Speaker, but basically the point that we as Canadians should be aware of and should give considerable thought to is that at various stages—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him by the order made earlier today has expired. He may, of course, continue with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Two minutes.

Mr. Deputy Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Buchanan: I was going to say that Canadians at various times in history have decided that for their own

national interest and well-being it is important to control and own certain of our national industries or operations. We decided it was in our interest to control and own the communications media, the transportation industry and the financial industry. I think that at this juncture in our history we should be looking very seriously at taking control of and owning our energy resources. I suggest that at this point we should not be using energy as a commodity for export but, instead, we should be using it as a catalyst for our industrial development.

Some hon. Members: Hear, hear!

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, the preceding speaker, the hon. member for London West (Mr. Buchanan) had me literally holding my breath as he told us of the benefits Canadians have received from the action taken by this government in their oil policy. As he worked his way from west to east, reciting the benefits province by province, I was waiting until he got to the Maritimes so that he could tell me what benefits we have received from the government's oil policy or any other policy. To my disappointment, he only came as far as Ontario and announced that eastern Canada had received benefits. I think he was referring to Ontario then; he did not get far north and he did not get far east.

I am a newcomer to this House, Mr. Speaker, but since my arrival I have noticed that the hon. gentleman sponsoring this resolution has been seeking to have enunciated the government's policy on energy. What has happened in the time that I have been here—a year now? The minister has issued a green paper or a white paper—a conversation piece. It has been very helpful in discussing some of the problems facing the Canadian oil industry and Canadians in general, with respect to energy, but the next stage of the procedure is unknown. The National Energy Board has initiated a review of export policies and they hope to be in a position to make some recommendations to the government some time in the next year.

● (2110)

I suggest, Mr. Speaker, through you to other members, that the export policies of this country involve the whole gamut of oil policy and energy policy generally. But it is late in the day, tragically late for British Columbia which is in an uncomfortable position. It is uncomfortably late for the rest of us, too. Where was the government's policy last year and the year before that? British Columbia is facing a crisis. What the policy of the government is in view of that crisis, we do not know. We face tight supply situations across this country with respect to gasoline and other fuels. What is the policy of the government in view of that situation? Again, we do not know.

The war in the Middle East has brought about unusual shortages which perhaps could not have been anticipated. Apparently the Department of External Affairs still does not know who to blame for the interruption in our oil supplies from the Middle East. No doubt we have come to an end in this country of the era of cheap oil and gas. Certainly the time of cheap hydro in this country has passed. We must plan how we are to use our resources, and plan very carefully. In view of the current energy crisis

[Mr. Buchanan.]

the world will need to come to terms with the idea that supplies from traditional sources of hydrocarbon fuels are limited. On this continent and in this country we use far more than our share of the world's reserves of energy. We cannot always expect to bring supplies of energy in from underdeveloped countries as many of those countries are developing and their consumption of traditional energy fuels will increase.

We must plan to meet higher costs. Further, we must plan to use our energy resources efficiently and not waste them. In this country almost as much energy is wasted as is utilized. Let me illustrate what I mean. The President of the United States has asked the people to turn down their thermostats. If Canadians were to turn down their thermostats a bit, they would make a worth-while contribution to the cause of energy conservation. We could design cars which use less gasoline and thus help to conserve our energy sources. As well, the government could insist on installing switching apparatus in government buildings which would turn the lights off at the appropriate time. It costs more to install such gear, but the saving in energy would be useful.

I wish to refer to a newspaper article. The report in my hand says that a University of Toronto professor has predicted substantial changes in Canadian life styles as the cost of energy rises in the next 20 to 30 years. He says we are likely to see smaller cities and a check on urban sprawl, that there could be a demand for more efficient appliances, and that "Energy such as oil, gas and electricity will continue to be used for the same purposes but people will adopt attitudes and substitutes that use less or little energy." Those words deserve consideration.

Speaking as a maritimer—and those to my left, as well as those across the floor, have advocated this—I say that big pipelines are not the panacea for my area. I suggest the only hope for the maritime provinces lies in cheaper oil from our traditional offshore supplies or, possibly, in our own oilfields. The construction of mammoth pipelines across the country is not likely to help us much.

What has the lack of policy on the part of government in this field meant? It has meant, first, that a crisis has come about in British Columbia. Tight supply conditions are forecast for other parts of the country as well. Further, it has meant that there is no integrated oil supply system in Canada. If one part of the country runs out of oil or gas, as has happened in British Columbia, there is no way to replace that fuel. Substitutes are not available. We cannot make available other types of energy to meet the shortage.

Another result has been the distinct loss of confidence on the part of the industry. Speaking as an easterner, some of the niceties of the industry may escape me but one thing is apparent. Although I can speak with better authority about our electricity system than about oil, it is apparent that very substantial lead times are needed to get pipelines approved, built and operating. Similarly, a great deal of lead time is needed to develop oilfields, that is, oil wells, and the proving of new reserves. There has been a lag in exploration and development because of the uncertainty existing in the industry. Although Canada has vast potential reserves, we still do not know their extent. Discoveries of energy are being slowed down because of the uncertainty on the part of the oil industry.

I suggest the motion outlines the government's responsibility clearly in that part which says that it must "ensure a continuity of supply at fair and just prices to all Canadian consumers". How can one say that the government is fulfilling its responsibilities in view of the crisis in the British Columbia supply situation? Speaking as a layman and as an eastener, I was shocked to learn that there was an inadequate scheduling of fuel deliveries to British Columbia and that as a consequence fuel supplies in B.C. are tight.

In view of our winters and the dependence of our industries on regular oil supplies, that situation is intolerable. The daily volume of supplies delivered to British Columbia is, if I understand correctly, very close to the total capacity of the pipeline. If the velocity of the fuel going through the pipeline is cut, if water enters the pipeline or if there is some disruption in flow, great difficulties are the result. There is no reserve capacity in the pipeline which might be used to rectify any breach. Alternative sources of supply are not available in an emergency. That situation is totally intolerable.

What can the government do? First, it can encourage, by taxation measures and other means, oil and gas-producing companies to provide for reserves at the wellhead over and above expected demand. More should be available at the wellhead than is necessary to meet contracts. Companies should be encouraged to build facilities which will beef up pipeline capacity and pipelines should not operate at maximum capacity all the time. Obviously, this will cost money. The extra cost would be included in the increased price of gas and oil which is supplied through any particular system.

The government, as well, could insist on the establishment of some sort of grid system similar to electrical grids which could be used to transport oil and gas. The volume to be moved perhaps would not meet the total requirements of any particular market in the country but might meet, say, 20 per cent of total requirements. If there were a shortage on the east coast or on the west coast we should have the capability of supplying limited amounts of gas or oil via an alternate route, via the grid system. The cost of this could be borne by the general revenues of the companies and perhaps by the government. Certainly the government has a role to play in this field. Perhaps it could look at this idea. It is intolerable that our natural gas and oil supply systems are entities unto themselves which are closed off from the rest of the country.

In addition to providing for alternative means of supply, we should provide some storage capacity. That brings me to my next recommendation. I suggest that the government should take it upon itself to provide storage facilities for fuel at strategic points throughout the country. As an easterner, I perhaps know a little more about fish than I know about gas. I submit that the salt mines of Nova Scotia could be used as storage areas for vast quantities of gas and oil. In the event of an emergency, these reserves could be put back into production. They could replace offshore resources the supply of which is temporarily interrupted, or oil coming from other areas. Reserves like that would be useful in meeting an emergency. Just imagine the situation of this country if, in time of war, Trans-Canada Pipelines happened to be put out of commission for any length of time.

• (2120)

This government has not seen fit to provide any sort of reserve: there is no cushion whatever. We should have a substantial cushion. This could be provided by a storage system. We do not anticipate that oil and gas companies could sustain the cost of additional inventories, having once produced the oil and gas. However, this would be in the national interest and something the government could afford to do.

In conclusion, I want to paraphrase something said this afternoon by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). He said we can no longer leave our future in the hands of foreign oil companies. I suggest we can no longer leave our future in the hands of a government that has no oil policy.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, if one puts together the interesting and thoughtful speeches made by the hon. member for South Western Nova (Mr. Haliburton) and the hon. member for London West (Mr. Buchanan), one would see there is slowly but surely emerging in this House some degree of consensus that Canada, in relation to energy supplies and resources, should move in the direction that those in my party have been asking for over quite a period of time. Certainly one or two of us at least recall the kind of crescendo our advocacy of that kind of approach reached during what is often referred to as the pipeline debate of 1957.

Mr. Knowles (Winnipeg North Centre): 1956.

Mr. Barnett: I am being corrected by the hon. member for Winnipeg North Centre (Mr. Knowles). I was thinking of the aftermath in 1957. At this stage of the debate it is temping to follow through with the sort of observations that have been made by other speakers, but I wish to take a few minutes to draw to the attention of the House somewhat different considerations.

All members realize that, complex though the consideration of an oil policy may be in the energy policy as a whole, it cannot be considered in a vacuum. The main thrust of the debate has centred around the resolution introduced by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) which calls for government action to provide a continuity of petroleum supplies at fair and just prices to all Canadian consumers. It goes on to make three specific suggestions as to how we might move in that direction. I am sure all my colleagues would agree that, while that is an important objective we must move toward and is very important and necessary to our economy, the matter of continuity of petroleum supplies at reasonable prices to Canadian consumers, both domestic and industrial, is not of itself the whole concern when discussing the question of petroleum.

We want fair prices, but we do not want to move to have continuity of supply at any price. When talking about importing oil or moving it from coast to coast we must not do so in terms of such urgency that we forget all other considerations. When thinking of the world situation and obtaining part of our supply by transportation across the

oceans because of what appears to be an emergency at the moment, we should not agree that this is necessary at the price of turning the oceans of the world into deserts.

The hon. member for Nanaimo-Cowichan-The Islands stated it would be very difficult to grow grain across the prairie provinces if we had to use horse power as did the pioneer farmers. I suggest it would be even more disastrous if there were to be a film of oil out of the Alberta oilfields covering the plains of the Prairies to a depth of one-quarter or one-eighth of an inch. We would no longer be regarded in any part of the world as being the breadbasket for the production of wheat and other grains.

In our desire to secure supplies of oil from Venezuela, the Middle East or anywhere else, it is equally important that we consider the possible exploitation of oil that may exist in our offshore banks. We must not do this at the expense of eliminating the potential productive resources of the oceans of the world, their resources of oxygen and other requisites for our existence as human beings on this planet. In light of recent claims of a world shortage, which have perhaps been accentuated by the disturbances in the Middle East—which we hope will not continue much further into the future—I have been fearful about being stampeded into throwing to the winds what has become a genuine and growing concern for environmental matters, particularly with regard to the oceans of the world.

Prior to events in the Middle East, many Canadians were extremely suspicious that much of the so-called oil shortage may have been artificially created by the multinational oil firms. This immediately brings to mind, especially to those of us from British Columbia, actions being taken by oil interests in the United States with regard to the development and transportation of Alaskan oil to the southern states. Those suspicions are not without some foundation. The Middle East situation has certainly revealed that many nations are really vulnerable. The one that is cited most frequently and in this context is Japan. Nevertheless, such nations as the United States and Canada should not cast aside the concern that certain multinational corporations are going to attempt to take advantage of current prices to stampede us into throwing aside what should be our legitimate concern in the field of protecting the environment.

I read a recent report in the New York *Times* arising out of the International Marine Consultation Organization meetings which have been going on in London. It stated that every year several million tons of oil are dumped into the oceans of the world. This is largely due to the fact that shipping companies interchange oil tanks for ballast, and so on. This is a contributor to the shortage. I do not profess to be an expert, but according to that article much of the oil that is being dumped could be salvaged and utilized to help meet the current oil crisis if the so-called shipping states, their lines and the interests that operate under their flags were not so careless and unconcerned about the wasteful practices in the shipping field that have been followed helter-skelter for many years.

● (2130)

All the reports coming out of that conference are discouraging. I recently spent a week at the United Nations, and my main interest was following the proceedings in connection with the planning for the Law of the Sea conference. Many of the coastal states and developing nations with which we normally align ourselves are concerned that there should be a sensible law of the sea, one which would introduce a new world order. Unfortunately, the so-called shipping states were still maintaining an inflexible position and insisting that no progress ought to be made to bring in new shipping practices, particularly those which might extend to the transport of oil by tanker.

We should not lose sight of these considerations when we discuss our own immediate energy requirements and what can best be done to ensure a continuous supply of oil to the various regions of Canada. They are very much to the fore in the province in which I reside, principally because of the dangers inherent in the proposed tanker route from Alaska to the refinery complex at Cherry Point. When we asked the Secretary of State for External Affairs (Mr. Sharp) the other day when Canada intended to get its teeth into this matter, we were expressing a legitimate concern. It is a concern which is still genuinely felt in British Columbia even though there may be preoccupation at the moment with the oil export situation and the possible shortage of fuel.

I am sure the Secretary of State for External Affairs understood that my hon. friend from New Westminster (Mr. Leggatt) was not thinking in terms of a shooting war with the United States in a literal sense. But we do have a feeling that the hon. gentleman, as our spokesman in dealing with the other nations of the world, has soft-pedalled the issue a good deal. We recognize that it has been a fast-changing situation. Though we did put forward some half-hearted proposals about moving oil through Canada, they were rejected by the United States and it does appear now that a pipeline will be built across Alaska. The other day we were told by the Minister of Energy, Mines and Resources (Mr. Macdonald) that the United States did not react to a proposal that we offset the supply to the Cherry Point refinery from Canadian sources against a withdrawal of the idea of moving supplies in by tanker. And so it goes!

In the few minutes left to me I shall try to recognize my responsibility by suggesting to the Secretary of State for External Affairs the kind of "bullets" he might use. One proposal which has been put forward by members of my party is that a pollution control zone be established. This is one of the subjects to be considered by the conference on the Law of the Sea; it may or may not be written into an international code when the conference completes its discussion.

The other day I heard Canada's representative talking about the theory that international law is sometimes made by what he called state practice. This is, in effect, what we have been doing. We suggest to the government that one of our strongest weapons in dealing with the United States would be to take the same action off the Atlantic and Pacific coasts as we have taken off the Arctic where the exercise has been largely academic. We might not be able to enforce it but, as I have said before, at least we could enforce it with respect to any ships using a Canadian port. We could say; "Unless you comply with certain standards, you do not come in." If we were to take action of this kind, the United States would know we meant business and I

think they would be shamed into observing the appropriate standards in waters close to our coast.

Second, I believe, it would be a strong point in our favour if we were to take strict action in respect of tanker ports on our own eastern seaboard. There are certain very questionable projects under development there at the present time; no proper environmental assessment has been made in connection with the proposed tanker landings in the gulf or in the lower St. Lawrence. We must attend to matters of this kind if we wish to convince the United States that Canada means what it says when we express concern about the tanker route into Cherry Point.

There is a third consideration which relates particularly to the situation in the Strait of Juan de Fuca, Puget Sound and Georgia Strait. As far as I know, the suggestion I am putting forward now is being made for the first time. It is that we should say to the United States "If you insist on moving Alaskan oil to a refinery—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him under the special order made earlier today has expired. I would ask the House to give unanimous consent so that he may continue, but I would point out that two hon. members, the hon. member for Labelle (Mr. Dupras) and the hon. member for Red Deer (Mr. Towers) have indicated to the Chair that they wish to make a contribution to the debate.

Mr. Knowles (Winnipeg North Centre): Two minutes.

Mr. Deputy Speaker: Is it agreed that the hon. member have further time in which to continue his remarks?

An hon. Member: Five minutes.

Mr. Barnett: I will try to be brief. My hon. friend from Winnipeg North Centre (Mr. Knowles) says he will time me. I was about to say that the government might suggest to the United States that they look into the possibility of establishing a tanker port at the entrance to the Strait of Juan de Fuca between Port Angeles and Cape Flattery. There is a shipping terminal of sorts already. I believe an examination would show that if this were done, the environmental risks would be infinitely less than if tankers were moved through the inner waters, in which case, as oceanographers have well established, virtually all the pollution which might result from any spill would flow into Canadian waters. Perhaps I could find an opportunity of expanding on this subject at some future time.

When we talk about fighting the United States we are saying, basically, that Canada should take constructive and positive action to prove that we are not prepared to shut up until they are prepared to follow the example and the lead we have given.

● (2140)

[*Translation*]

Mr. Maurice Dupras (Labelle): Mr. Speaker, I wanted to take advantage of the consideration of the motion moved by the hon. member for Nanaïmo-Cowichan-The Islands (Mr. Douglas) who proposes an exchange of views on the crisis now experienced throughout the world concerning the supply of oil and, not unlike my colleague, the hon. member for Fort William (Mr. McRae), I regret that this motion—an excellent one—does not have greater scope.

I would have liked to see a supplementary measure included in it, one which would have, for instance, advocated establishing a research program to save the oil that we use now and also to develop new techniques for the recovery of oil from the tar sands of Athabasca Mr. Speaker, we might say that the energy crisis affects almost all industrialized nations. Because, as Canadians, we have been told every Saturday night over a great many years to put a tiger in our tank, we are somewhat under the impression that our natural resources in Canada are inexhaustible and, as the hon. member for Comox-Alberni (Mr. Barnett) stated a moment ago, we are inclined to take them for granted and believe that we shall forever be able to obtain these commodities easily and cheaply.

We have indeed the reputation of being the granary of the world and we certainly fulfil this function well. We have accepted the responsibilities which this function imparts; thus, we are under the obligation to keep important supplies of wheat and grain in order to live up to our reputation as the granary of the world.

Nevertheless, we realize that those great resources, those non-renewable natural resources can run out and we have a rather hard proof of that to accept in the new policy adopted by OPEC oil-producing member countries as well as the conflict in the Middle East that is partly responsible for the difficulties we know.

It was said this afternoon that Canada lacked an energy policy and that this government or others before are partly to blame if we are now faced with such a situation. I say that as early as 1961 our country adopted an energy policy that ensured at least that western production would be sold on an interesting market in western United States and the east, that is east of the Borden line, would be supplied by the Middle East as well as Venezuela.

There is no doubt, Mr. Speaker, that it was a policy that suited us because, as was indicated by the Minister of Energy, Mines and Resources (M. Macdonald) this afternoon, we get top price for our oil from the United States, and we had a more viable market east of the Borden line which was more economical than bringing in western oil. On the other hand, as I indicated earlier, there were changes because of that new policy on the part of OPEC member countries as well as the conflict going on in the Middle East.

Surely there will be ways of levelling out those difficulties that we will meet and there is already talk about eventually rationing oil and gas although Canada produces enough petroleum and oil to meet domestic needs.

Before I enter the core of the subject I want to discuss, Mr. Speaker, I would like to talk about the production in the different provinces. Of course, the biggest producers of that natural resource is Alberta. I hope people of Alberta will not be offended when I talk about our natural resources; I think they accept the fact that those resources belong to the whole nation. Alberta produces 1,493,000 barrels of oil a day; Saskatchewan, 239,000; British Columbia, 61,000; Manitoba, 14,000; the Northwest Territories, 3,200, and eastern Canada, that is the region east of

the Borden line, which includes the province of Quebec and the Atlantic provinces, 2,223.

What I want to point out, Mr. Speaker, is the lack of oil products in eastern Canada. As you know, there will soon be a provincial election in the province of Quebec, which I represent and from which I come, and a political party which is as marginal as they come has chosen for its mission to separate Quebec from the rest of the Confederation. I would like to draw your attention to the vulnerability of Quebec if one day—and I wish that this will not happen—it opted for separation. I would like my compatriots to be conscious of this danger and of the difficulties which Quebec would have to obtain supplies, particularly oil, especially in view of the climate which we have in Quebec, as in the rest of eastern Canada.

At this time, the province of Quebec needs at least 500,000 barrels of oil a day. These 500,000 barrels come from the Middle East and 25 per cent come from Venezuela.

What would happen if the province were isolated as a few of my compatriots wish and had to negotiate agreements with Middle East countries or Venezuela without the support of the natural resources which we have in Canada and which can be useful in such negotiations. Mr. Speaker, there is only one point that has me worried when I see the irresponsibility of those who want to lead the people of the province of Quebec down this dead-end avenue which would be a policy of independence. This will not happen fortunately, and we have found means to solve difficulties brought about by an oil shortage.

The minister told me this afternoon that during November, 10 per cent of supplies to the province of Quebec will be assured by tankers on the St. Lawrence Seaway.

I think, Mr. Speaker, that I do not have to insist further on the problems facing the government of a poor country with six million people, an island in an industrial sea, if it were told: Now that you have taken the chance and went the way of separation, find your own oil and leave us in peace. I think that our population is sensible enough not to fall for it. I will not press the point, Mr. Speaker, but I wish to bring out the stupidity—and I restrain myself with difficulty—the stupidity, as I was saying, of some of my fellow countrymen who discuss the chances of survival of a country with six million people that must, for example, import 80 per cent of its food and 100 percent of its fuel oil.

These are some of the points that I wanted to emphasize during the few minutes I have contributed to this debate which has enabled us to study the motion presented by my good friend, the hon. member for Nanaimo-Cowichan-The Islands, and which it gives me pleasure to support.

● (2150)

[*English*]

Mr. Gordon Towers (Red Deer): Mr. Speaker, I am indeed honoured to have the opportunity of closing this debate, a debate of fundamental importance to all Canadians. There have been charges made today and politics has been played, but the time has now come when Canada can no longer afford to have politics involved in an issue as vitally important to Canadians as the issue before us at this time.

A minister of this government has fouled up Albertans twice within the last three or four months. I suggest you will find no better Canadians in Canada than you will find in Alberta, but they will not be fouled up continuously. As soon as the Minister of Energy, Mines and Resources (Mr. Macdonald) and this federal government recognize this fact, the better off Canada and Canadians will be.

A series of meetings are scheduled to commence at the beginning of next week at which provincial representatives will meet with the minister. This minister should realize that the Premier of Alberta is an ex football player. He has the ball, he is running and he does not intend to lose it. This does not mean he will not play ball with the federal government if it will play ball with him.

An hon. Member: He has been playing without his helmet for too long.

Mr. Towers: In spite of all the charges made here today, there has been no recognition of the fact that the government of the province of Alberta has increased royalties from the base of 16 per cent when it took office to 22 per cent at the present time. These royalties will continue to increase, and this is one of the things this government must recognize. The government of Alberta has a responsibility to the people living there, and it will look after its residents. The federal government had better realize that fact. I encourage the minister to be honest and straightforward. When we are talking about Syncrude we are talking about 4 per cent of the potential of the Athabasca oil sands.

When the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) was premier of the province of Saskatchewan, he had an opportunity to do something about the development of these resources. Successive NDP governments have had the same opportunity, but little have they done. Now when there is a movement taking place which will be of importance to Canada, everybody is crying "foul". I suggest that the smartest thing this government of Canada could do at the moment is allow Syncrude to go ahead in developing this 4 per cent potential of the Athabasca oil sands, allowing the industry to do something to counteract the effects of Mid-East oil cutbacks.

It has been suggested that present Alberta oil reserves will be depleted in a number of years. I suggest this is true unless new development takes place. We must recognize this fact and develop the alternatives. If we are left to the discretion of Mid-East countries, I say "God help us all" because we will certainly be paying much more for the oil used in this great dominion. That is why it is so fundamental for the minister at the present time to make no further mistakes when engaged in discussions with members of the Alberta government.

Syncrude is not to be a foreign company. Some 98 per cent of the personnel of Syncrude will be Canadian. The president and the vice-president of the organization are Canadians. One vital fact—this is something that the NDP have forgotten—is the technology required to develop this potential resource. We now have to go to England and

Germany in order to obtain the expertise to carry forward the Syncrude project with the maximum benefit to Canadians. We must be very careful and use a great deal of discretion in developing this industry in Alberta.

There is no reason in the world for the hon. member for Waterloo-Cambridge (Mr. Saltsman) to suggest that Albertans are against Ontario or any other province in this great Dominion of Canada. They are good and compassionate people, but they certainly will not be shoved around. I entreat the minister to use every means at his disposal to deal in a compatible way with members of the Alberta government when he meets with them in the forthcoming week, in order that Canada and Canadians will be the benefactors.

Mr. Speaker: It being ten o'clock, it is my duty to inform the House that, pursuant to section 11 of Standing Order 58, the proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

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

VETERANS AFFAIRS—REQUEST THAT PAY AWARD TO NURSES BE REVIEWED

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, in looking across the chamber I miss the Minister of Veterans Affairs (Mr. MacDonald). However, I rise to express dissatisfaction with the answers I received from him on questioning him in the House this week about the serious problem which has arisen as the result of the slowdown by nurses in federal employ during their protest against a recent arbitration award.

My question had to do with the specific problems of nurses in veterans affairs' hospitals across the country and the fact that this particularly dedicated group, as are their colleagues in the over-all federal employ, is receiving less pay than their provincial counterparts. As a matter of fact, the variation in pay runs from around $500 in some provinces to over $1,400 in others.

I do not want to be presumptuous by varying from the particular question I am debating tonight, but the protest does take in a wide range of federal nurse employees. I was really surprised when, on questioning the minister as to the effects of the slowdown on the care of veterans, he replied that from information he had received the patients were receiving good care, morale is good and the nurses are doing a good job. I agree with some parts of that statement. Of course the nurses are doing a good job, and will continue to be so because of the needs of veterans, particularly those under chronic and domicillary care. But when he says that morale is high, he is not aware of the facts—although he should be.

Surely the minister gets more representation than members of parliament, certainly more than opposition members. Surely that section of his department which has responsibility for treatment services must keep him advised of what is going on in veterans' hospitals. I know for a fact that the minister is dedicated to the cause of veterans, but he is being less than sincere when he tries to tell this House that morale is high in veterans' hospitals.

I suggest this problem will get worse and worse and that if his government insists on discriminating against various regions of the country and against federal employees in respect of federal pay, the morale will get so bad it will be impossible to recruit new staff. Surely this government, which pledges equality for all Canadians wherever they may live, should realize that nurses in every province are doing the same type of work and should be considered equal. Surely, too, the patients in hospitals are as sick in one part of the country as they are in another, and deserve equal professional nursing care.

Evidently the minister is not being told the facts, as there is no doubt he is telling the story which he is being told by his department, unless the fact is that he is not being told the facts as they exist. If this is the case, I suggest to the minister that he should call in some groups of nurses similar to the group with which I met just a few hours ago. I further suggest that he get his officials from treatment services, who sit as advisers on the Treasury Board committee on pay matters, to get off their butts and visit the veterans' hospitals and talk to the nurses about their problems.

● (2200)

Is he not aware of the fact that in one province, Nova Scotia, one of the poorest provinces, the discrepancy in pay is over $500, and that that province is paying its provincial nurses more than their federal counterparts? Is he not aware, Mr. Speaker, either that the treatment requirement per 50 patients is one head nurse, four regular nurses, three registered nursing assistants and six orderlies per shift, and in at least two of the hospitals from which I have had representation the same shift for 50 patients is being handled by one regular nurse, one assistant and one orderly? Does this fact and the overburden when three do the work of 18 and have to care for 50 patients not prove that morale must be low? I have two examples to prove that morale must be low. The first is a telegram from the nursing subgroup, Victoria veterans hospital, to the nursing group of the professional institute. It reads:

> Unanimous decision by nursing subgroup Victoria veterans hospital that we ask immediate 10 per cent cost of living bonus for years 1972, 1973 and 1974. We strongly urge that all groups support this decision please reply.

Next I should like to quote a couple of paragraphs of a representation sent to the Minister of National Defence (Mr. Richardson) from the provincial staff nurses' council. This points out the situation. It reads as follows:

> The arbitration award will only serve to perpetuate and worsen the present problems encountered at Deer Lodge regarding maintaining a safe level of professional nursing care. Only the new graduates or the nurse who has worked at Deer Lodge for one year will receive a salary that compares favourably with that which can be earned elsewhere.
>
> The problem is the application of the salary scale as much, if not more than, the actual amount of the salary. The hospital cannot now attract experienced registered nurses because of salary rates

that are well below that paid by other hospitals in the same city. The registered nurses with anything less than six years of previous experience will be starting at an annual rate of $7,303 at Deer Lodge. At other city hospitals a nurse with one year's experience starts at $7,500; with two or two and one-half year's experience at $7,800; with three or four year's experience at $8,100. Many hospitals also grant additional increments on the basis of performance. Deer Lodge does not.

The few new graduates that are attracted at Deer Lodge do not remain long because of the lack of experienced nurses making it necessary for these nurses to have to assume too great a responsibility too soon.

Nurses actually lose money by remaining at Deer Lodge. The amount of annual increments is less than $20 per month—so much below what other hospitals pay that nurses are not inclined to remain long at Deer Lodge.

I think the matter may be summed up in this way. In the motto of that particular nursing group it is said that to care for nurses is to care for patients. I ask the minister, or whoever replies, not to say that morale is high. He should not mislead the House. I respectfully request a proper answer to this problem.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, under the terms of the Staff Relations Act under which the nurses bargain for their terms and conditions of employment, they have a right to choose which method of dispute settlement they wish to use from either of two alternatives: first, conciliation or, second, binding arbitration. In this instance the nursing group chose binding arbitration.

The arbitration award was rendered by the arbitration tribunal under the chairmanship of Justice René Lippé on October 16. It was apparent that the award of the tribunal was not satisfactory to the nurses, many of whom refused to come to work on October 22 through October 25. The largest number of nurses who withdrew their services was 219, on October 24, but the majority have returned to work and as of today only 24 are still absent. We can assure the House that no major inconvenience has been experienced by the patients under the care of the federal nurses.

The officers of Treasury Board are already making arrangements for the nurses to receive the retroactive pay cheques, and we hope that these will be issued shortly.

EXTERNAL AFFAIRS—CHILE—POSSIBLE EXTENSION OF CREDIT TO MILITARY GOVERNMENT—ALLEGED DENIAL TO ALLENDE GOVERNMENT

Mr. John Harney (Scarborough West): Mr. Speaker, a few days ago in this House I rose to ask a question of the Secretary of State for External Affairs (Mr. Sharp) with regard to Canada's credits to Chile. I asked what had affected Canada's policy, with the result that it had effectively cut off credits to Chile. I was answered with the very short, terse and rather testy reply to the effect that Canada had not cut off its loans to Chile but had approved as late as April, 1973, a $5 million loan for the purchase of aircraft and telecommunications equipment. My further question was to the effect that the House would appreciate having a very thorough accounting of Canada's performance in terms of credits to Chile over the past three years. I rise tonight to pursue this question and to give an

[Mr. Marshall.]

indication of what kind of accounting the House should have.

We all know the extremely tragic events that occurred in that country in September of this year. Many Canadians, many of whom do not support the socialist conviction, felt very bitter about those events because the duly elected democratic government of Chile was overthrown in a bloody coup. Of course, we in Canada can take some satisfaction that we were not involved in any way, and I am suggesting that we did nothing to bring the coup about. But sometimes in international events it is not simply what we do but what we fail to do that counts.

If we go back over the record of Canada's loans to Chile in the 1960s we find a very good performance indeed. Through the Export Development Corporation, Canada advanced some $24.6 million, a not inconsiderable sum. And through the Canadian International Development Agency, Canada advanced loans, here through the agency of the Bank for International Development, amounting to $8.6 million. These loans date back to 1968.

But in the 1970s our performance was minimal. For example, the only new CIDA money was an agreement to advance some $87,000 in 1972. It is important to realize that Chile's performance in repaying these loans had been excellent over the years. We had lent them, through the EDC, some $24.6 million and they returned $12.3 million over the years, an excellent performance by any standard and a performance which should have assured us of Chile's continuing intention to honour its obligations.

At the end of the 1960s and the beginning of the seventies we found our loan pattern shifting to other countries that we perhaps considered safer bets. As our performance vis-à-vis Chile went down practically to zero, we began to lend substantial sums of money to such countries as Brazil, countries which have governments that, without doing injustice to the term, are right-wing.

It is fine to be told in this House that we did advance a loan in 1973 of $5 million, but the fact is that this loan has not been made. What happened in April, 1973, was that the board of the development corporation approved continuing negotiations on that loan. That loan has never been signed. But it is not what happened then that is so important as what failed to happen before that. In effect, in the year 1972 Canada participated in the international credit squeeze on Chile. There is no doubt that there was an international credit squeeze. Let me read for a few moments from a speech made by Dr. Allende to the United Nations on December 4, 1972. He said:

● (2210)

It should be stressed that in the years immediately preceding nationalization the large copper companies initiated expansion plans. However, those plans—which were unsuccessful for the most part—were not financed from their own resources, despite their huge profits, but by means of external credits. In accordance with legislative provisions, Chile has had to take over responsibility for those debts, which amount to the enormous sum of more than $727 million. We have begun to pay those debts, including one which one of those enterprises had contracted with Kennecott, its own parent company in the United States.

The international community turned on Chile, Mr. Speaker, and we went along with them. We put our credits to Chile under review. That is to say, we forwarded no

new credits—and Chile absolutely needed these to survive. It is not good enough to say that we did not do anything; it was the very fact that we did not do anything which hurt the economy of Chile. Of course, the EDC took part through its own chief officer in the Canadian delegation that went to the Paris Club meeting in the fall of 1972 at which time the credits to Chile were reviewed and Canada agreed to roll back some of these credits.

In concluding, Mr. Speaker, I would like to know, as well, what Canada's role was in the Latin American Development Bank and the World Bank during that period.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I am pleased to have the opportunity of setting the record straight on the Export Development Corporation in Chile, especially in view of the unworthy suggestion made by the hon. member for Scarborough West (Mr. Harney) that Canada participated in the international credit squeeze on Chile. Just as the Export Development Corporation has performed its function of facilitating trade with capitalist countries and with eastern European countries and China, it continued to do so in Chile. The only change in pattern which occurred, arose because the election of the Allende party in Chile and the subsequent election of the late Dr. Allende as president in 1970, coincided with grave domestic and external financial problems for that country.

Hon. members will appreciate that EDC is not a giveaway corporation. It exists to facilitate trade—and trade means getting paid on the due date. Bad debts and slow payments do not help the balance of trade. Nevertheless, during this period of difficulty for Chile, applications for insurance were reviewed on a case by case basis. Where there was a reasonable prospect of payment, the EDC insured. Such prospects existed for sales made on short-term credit, that is, credit up to 180 days. The case by case review of applications for support for sales to that country resulted in continued approvals of insurance for such supplier credits.

In the Paris Club talks for rescheduling of Chilean debts, the EDC and Canada played a leading role in helping to solve Chile's problems. It promoted the 1972 rescheduling of 70 per cent of the debt. In its financing to buyers of capital goods normally sold on credit terms longer than five years, EDC took advantage of the trade opportunity. It approved on April 11, 1973, the $5 million loan to which the Secretary of State for External Affairs (Mr. Sharp) alluded in the House. In July, 1973, it agreed to guarantee a $2 million loan to Chile proposed by a consortium of Canadian banks. This was at a time when only one or two other countries in the world were prepared to grant credits to Chile.

Negotiations to settle with the Allende government the details of the loan, such as agreement on the documents, continued through the months that followed. These arrangements were largely complete when the coup of September, 1973, occurred. During the uncertain days that followed, EDC had no one to deal with. When the junta was recognized and when it expressed itself as bound by existing and future debt obligations, the case by case review policy for insurance approvals was resumed by EDC. Presumably, the junta will soon ask to have the Allende government's loan arrangements implemented.

URBAN AFFAIRS—POSITION OF MINISTER AT TRILEVEL CONFERENCE ON POSSIBILITY OF MUNICIPALITIES RECEIVING SHARE OF FEDERAL REVENUES

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I wish to thank the Minister of State for Urban Affairs (Mr. Basford) for making it possible for parliamentary observers to attend the national trilevel intergovernmental meeting this week in Edmonton. I ask the government to maintain the principle of having parliamentary observers at all important meetings which are not strictly closed.

The Edmonton conference dealt with the super problem of urbanization and how to manage our urban growth. The rate of urbanization is nothing short of phenomenal. Before the end of this century, 94 per cent of Canadians will be urbanized and three-quarters will live in 12 major centres. The special problems of urbanization—public assistance, transportation, environmental management, leisure, recreation and housing—interact on one another and demand more money which municipalities have no way of raising.

Municipalities are becoming more and more dependent upon provincial and federal government grants. The quality of life issues are faced most directly by the municipalities because the problems are right on their doorstep. Yet the municipalities have little or no influence on provincial or federal decision-making. Complexity and fragmentation of government has resulted as we live within the confines of a constitution written at a time when the social problems of urbanization were never dreamed of. The joint Senate-Commons Committee on the Constitution found a possible solution to meet the municipalities' demands for restructuring of revenue-generating capacity. Recommendation No. 67 of the joint committee's report reads:

> In the light of the injustice done municipalities by their having to rely on the property tax for the bulk of their revenue, there should be a sharing of tax fields between governments that would allow municipalities direct access to other sources or revenue.

The key to the trilevel conference in Edmonton was the attempt by the 4,500 municipalities represented to have a task force set up that would consolidate all information about public finance and "develop feasible options for implementation of the concept of local revenue-sharing in Canada." That proposal was strongly supported by the governments of Ontario and Alberta. But it was blocked by the intransigence of the Minister of State for Urban Affairs who was clearly expressing the refusal of the federal government to even study this difficult and crucial question. The minister even threatened the municipalities that if they persisted with their request for a task force to study tax-sharing, it would wreck the trilevel process. Because trilevel meetings are still in their early stages, and because such hope is held out for them as a way to clear a path for modern, urbanized society through the jungle of government in this country, the municipalities accepted a compromise.

This compromise was foisted on them by the minister who proposed a task force to study public finance, period. If ever there was a "big daddy" slapping down an adolescent son, it was the Minister of State for Urban Affairs. He gave the municipalities a lecture about how generous the federal government is in grants for land assembly, sewage treatment and rail relocation. But this was a diversionary tactic because he refused to consider the possibility that the municipalities know best their own needs and should have a way of meeting those needs without having to come to Ottawa with their hand out.

The municipalities, Mr. Speaker, are not proposing higher taxes for Canadians. What they are proposing is better value from the tax revenues now available. The urban governments want to share in the management of growth in Canada. All they can do now is react to and cope with problems. The federal government maintains that its programs should have a higher priority than local needs. Is this actually justified in the national interest?

Last Sunday I went through the new Mill Woods development in Edmonton, a typical example of urbanized Canada. I saw the need for physical and social services. The school board has a sign warning prospective home buyers that no school will be built in the foreseeable future. Are the hundreds of millions of dollars Ottawa spends on unemployment insurance, Information Canada, LIP and OFY projects really more necessary in the national interest than better services in Mill Woods? These are the problems the federal government will not even study, and in this refusal shows its continuing arrogance.

By 1976, Mr. Speaker, government at all levels will be spending more than 50 per cent of the gross national product. This is too much government. They must get together to manage growth. Mayor Ivor Dent of Edmonton has expressed the reason cogently in these words:

> Senior levels of government must accept the principle that funds can be transferred unconditionally to municipalities and in so doing they can transfer responsibility as well and make municipalities accountable to the people of this nation for its use. The time for revenue sharing is now. Municipalities must be given a greater share in the resources of this nation by way of an allocation of the personal and corporate income tax. It is only reasonable that municipalities should share in a revenue directly related to the economic growth of Canada and one that properly reflects the taxpayers' "ability to pay."

The federal government used the tri-level meeting as a showcase for announcements of new programs. It did the same thing at the Western Economic Opportunities conference in Calgary last July. It is time Ottawa started cooperating with the rest of the country, instead of dominating it. A study of tax-sharing would at least be a start.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the Edmonton tri-level conference, on the recommendation of the co-chairmen, reached a consensus in favour of the following proposal, on the understanding that delegations would submit it to their governments for consideration and report back to the co-chairmen by December 31 of this year. The proposal of the co-chairmen was to appoint an independent task force under their direction to carry out an in-depth analysis of the present state of public finance in Canada, with special reference to local government finance.

Its primary focus is to include, first, the development of a common data base with respect to the comparative revenue and expenditure flows at each level of government and recent and emerging trends, including such geographic and functional breakdowns as are found to be relevant and necessary for the analysis; secondly, detailed fiscal relationships, interdependencies and financial flows between the three levels of government; and finally, specific revenue and expenditure data for selected units of local government as are considered relevant and necessary in each province. The task force will report to the 1974 tri-level conference.

● (2220)

The Minister of State for Urban Affairs (Mr. Basford), who I think it is fair to say was interested in making progress and preserving the tri-level process rather than in long and frustrating debate, took a position of leadership, and was instrumental in the development of a consensus position which will allow for a sensible solution to the matter.

I was pleased to note that the hon. member for Edmonton-Strathcona (Mr. Roche) referred to the report of the Special Joint Committee on the Constitution of Canada. As the former joint chairman of that committee, I was pleased he referred to our recommendation No. 67. He might also have referred to our discussion on page 59 in which we said that on balance we did not favour the approach of a specific and guaranteed percentage of income tax.

What the committee actually had in mind was that the provinces should declare themselves willing to allocate on a more or less permanent basis to their municipalities a specified share of tax, especially the income tax. In other words, the federal government would pay to the municipalities directly but only on the agreement of the province that part of its share should be so allocated.

Motion agreed to and the House adjourned at 10.24 p.m.

HOUSE OF COMMONS

Friday, October 26, 1973

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Sixth report of Standing Committee on Indian Affairs and Northern Development—Mr. Buchanan.

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

* * *

GRAIN

ANNOUNCEMENT OF CRITERIA FOR CONDUCTING RAPESEED MARKETING POLL

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it has already been indicated in the House on several occasions that it is the intention of the government to conduct a poll of rapeseed growers in western Canada before the end of the year to determine the system they prefer for the marketing of their product. On June 1, I announced the appointment of a supervisor for the poll, Mr. George S. Turner, to take charge of the task of consulting with rapeseed growers and overseeing the conduct of the poll itself. On the basis of Mr. Turner's consultations with growers and their organizations the following criteria for the conduct of the poll were recommended and accepted by government:

1. A producer eligible to vote in the poll will be defined as a Canadian Wheat Board regular permit holder whose permit indicates acreage seeded to rapeseed in any two out of the three crop years, 1971-72, 1972-73 and 1973-74. Also eligible to vote will be new permit holders who grew grain for the first time in 1972 or 1973 and whose permit books indicate acreage seeded to rapeseed in at least one year.

2. The ballot will be worded so that the rapeseed grower may indicate his preference for one of two options for the marketing of his rapeseed, that is, the present system or the Canadian Wheat Board, plus the opportunity to register an undecided vote.

3. A majority of at least 60 per cent of the ballots returned must be in favour of the Canadian Wheat Board alternative before such a change could be made.

4. Ballots will be mailed to producers in early December, 1973.

Information concerning alternative marketing systems for rapeseed will be distributed to growers prior to the poll to assist them in deciding on the system they prefer for the marketing of their product. Manitoba Pool Elevators, Saskatchewan Wheat Pool and Alberta Wheat Pool, at our request, have jointly prepared an information brochure stating the case for including the marketing of rapeseed under the Canadian Wheat Board. The Rapeseed Association of Canada, again at our invitation, has prepared a brochure stating the case for the open market method of rapeseed marketing. The pools and the rapeseed association have borne the cost of preparing the material for their respective brochures while the government is bearing the cost of printing and distributing the material. The brochures will be jointly mailed on November 16 to those rapeseed growers who are eligible to vote in the poll. The ballots will be mailed on December 3 and voters will have until December 14 to return their ballots to the supervisor of the poll, Mr. George S. Turner. The results of the poll will be made known to the House immediately following the conclusion of the poll.

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to begin by thanking the minister responsible for the Wheat Board for sending us a copy of his statement a few minutes before he rose to make the statement in the House. It is a good idea for the government and various organizations to keep farmers well informed, and it was a good idea for the minister to make the kind of statement he made today well in advance of the intended rapeseed plebiscite.

The vote that will take place in the first part of December will be most important. A great many people see it as possibly a turning point for agriculture in Canada in relation to the Wheat Board form of marketing, which is basically negotiation and the pooling of prices, as against the concept of futures marketing in which prices are determined by supply and demand in the marketplace at any given time. There have been requests by organizations to postpone the plebiscite because of the complexity of the task of explaining the differences between open or futures marketing method and the Wheat Board selling method. The minister did not allude to this, but I understand they have been turned down and the vote will be taking place in the first part of December.

• (1110)

I am glad to see that in the plebiscite there will be an opportunity to register undecided votes. I take it from the minister's remarks that undecided votes will be counted as votes for retention of the present futures marketing system for rapeseed and flax.

When one looks at the whole situation concerning rapeseed and the tremendous growth of this crop over the past few years under the futures or open marketing system it is obvious that the growth has been phenomenal. I believe that for a good many producers across western Canada it has been a very satisfactory way of selling their product.

While it might be improper for us as politicians to get involved at this time on one side or the other inasmuch as this is a good opportunity to let the issue be decided by the growers associations and the people directly involved in the plebiscite, I hasten to say that when one looks at the whole situation at the present time it seems that the present method of marketing rapeseed is quite satisfactory.

Mr. Bill Knight (Assiniboia): Mr. Speaker, when one looks at the statement made by the minister on the question of the rapeseed marketing poll one wonders how far the government is going in the direction of government by plebiscite. It seems strange that when there is an issue whether this commodity should be sold on the open market or marketed by the Canadian Wheat Board we suddenly have a plebiscite. Where is the plebiscite on the action taken with regard to feed grains? There is none.

If 51 per cent of the producers who return the forms say they want the Canadian Wheat Board to market their rapeseed, it will not be done. If 59 per cent say that is what they want, it will not be done. The plebiscite requires 60 per cent. That must be what is called Liberal democracy. The question should be decided on the basis of a simple majority one way or the other. If a 60 per cent majority were required to form a government in this country, we would not have a government at this time.

An hon. Member: Maybe we don't have one now.

Mr. Knight: Maybe we don't.

Some hon. Members: Oh, oh!

Mr. Knight: The Conservative critic stated, as the Tories have done with regard to every major policy that has come before the House, that they want a hands off policy. They do not want to take a stand. Not taking a stand in the debate that will take place on rapeseed simply means one thing, a stand for an open market. All members of the House should take a stand. In fact, the minister should take a stand. Where do the politicians stand in regard to marketing rapeseed? This party stands for putting flax, rye and rapeseed under the jursidiction of the Canadian Wheat Board.

Some hon. Members: Hear, hear!

Mr. Knight: Under the open market system farmers sign contracts for $3 a bushel and the brokers and shysters resell the rapeseed at $6 to $7 a bushel. I say it is time we moved into a position of orderly marketing through the Canadian Wheat Board.

The leaders of the farm organizations and the members of the government should state where they stand. It is nonsensical to hold a poll now when last year the government brought in amendments to the Canadian Wheat Board Act which raised the question of the marketing of these commodities outside that board. The New Democratic Party moved an amendment in committee to the Wheat Board Act to provide for the marketing of flax, rye and rapeseed under the jurisdiction of the board. The government party and the Official Opposition defeated that amendment. Now there is to be a plebiscite and the law does not even allow the Wheat Board to market these grains even if the farmers vote in favour of the proposition.

Does the minister in charge of the Wheat Board give western farmers the assurance that if they vote for Wheat Board marketing his colleagues will allow him to bring such an amendment before the House? Will the Conservative party allow the government to give the Wheat Board jurisdiction over rapeseed? I think the manner in which the plebiscite has been set up, and the manner in which the government is carrying it out, amounts to an attempt to weigh the procedure in favour of the open market system.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I think that the minister's statement that a consultation of producers would be held in late November or early December is an undertaking to enable an important area of our economy to express itself and choose a process for the marketing of its production.

As stated in paragraph (2) of the minister's statement, the ballot will be worded so that the rapeseed grower may indicate his preference for one of two options for the marketing of his rapeseed, that is, the present system or the Canadian Wheat Board, plus the opportunity to register an undecided vote.

Mr. Speaker, this process seems to me altogether democratic and enables producers to choose their own marketing system for their products. I understand that in other fields of production, they do not operate this way and I would suggest that the Department apply that consultation policy not merely to rapeseed growers but also to all other Canadian farmers.

* * *

[*English*]

NATIONAL DEFENCE

AIR SEARCH AND RESCUE OPERATIONS ON WEST COAST—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise pursuant to Standing Order 43 to seek permission of the House to move a motion on a matter of urgent and pressing necessity, namely, the deteriorating situation of the search and rescue activities or operations of the Department of National Defence on the west coast and the inability of that group properly to fulfil its functions. I move, seconded by the hon. member for Comox-Alberni (Mr. Barnett):

That the Standing Committee on External Affairs and National Defence be authorized to conduct an immediate inquiry into the search and rescue operations of the Department of National Defence on the west coast with instructions to report its findings and recommendations back to the House not later than November 30 of this year in order that whatever corrective measures are deemed necessary may be put into effect as quickly as possible.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

• (1120)

EXTERNAL AFFAIRS

IMPRISONMENT OF RONALD PATRICK LIPPERT IN CUBA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to seek the unanimous consent of the House to move a motion under the provisions of Standing Order 43 arising from the fact that there is justifiable reason to believe that acceptance and passage of this motion would result in the release of Ronald Patrick Lippert imprisoned in Cuba. I ask unanimous consent to move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That on the occasion of the tenth anniversary this week of the imprisonment in Cuba of Ronald Patrick Lippert, this House requests the government of Cuba to give consideration to permitting him to return to his family in Canada on humanitarian grounds.

Mr. Speaker: The House has heard the motion proposed by the hon. member under Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: I have the impression that there is consent but I will inquire again. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: There is agreement. Therefore the motion will be put.

Motion agreed to.

* * *

GRAIN

WHEAT BOARD MARKETING AND PRICING—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise pursuant to the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that Mr. G. N. Vogel, Chief Commissioner of the Canadian Wheat Board, points out that wheat available for export to a hungry world will be 100 million bushels short of last year's export sales, and western farmers will not enjoy this greater percentage of the new world prices as has been initially stated by the minister in charge of the Canadian Wheat Board, I move, seconded by the hon. member for Meadow Lake (Mr. Nesdoly):

That the House instruct the government to refer the latest report of the Canadian Wheat Board to the Standing Committee on Agriculture in order to call before that committee the minister in charge of the Canadian Wheat Board to examine the present marketing and pricing activities of the Canadian Wheat Board.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

NATIONAL DEFENCE

ALLEGED USE OF AIRCRAFT BY PERSONNEL FOR HUNTING, FISHING AND RECREATIONAL PURPOSES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise on another matter of urgent and pressing necessity. Perhaps if we can curtail waste in one direction we may be able to expand the search and rescue operations of the Department of National Defence. Therefore, I move, seconded by the hon. member for Timiskaming (Mr. Peters):

That the Standing Committee on External Affairs and National Defence be authorized to conduct an inquiry into the use of armed forces aircraft to transport hunting, fishing and recreational purpose parties comprised of armed forces personnel (officers in particular).

Mr. Speaker: The hon. member will appreciate that the Chair has reservations about this kind of motion, but I will inquire whether there is unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

POSSIBLE BANNING BY SAUDI ARABIA OF OIL SHIPMENTS TO CANADA—REQUEST FOR CLARIFICATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Secretary of State for External Affairs arising out of the admission by the Minister of Energy, Mines and Resources in the course of yesterday afternoon's debate that his department had received a report that Aramco, the producing company in Saudi Arabia, had been instructed by the government of Saudi Arabia not to ship any more oil to Canada and the minister's further statement that there had been other reports in conflict with that report. Has the government of Canada now clarified whether the government of Saudi Arabia has instructed the producing company there, Aramco, to ban shipments of oil to Canada?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker, we have had no confirmation of that report. As my colleague said, we have had contradictory reports. We are trying to establish the facts but have not yet been able to do so.

Mr. Stanfield: Mr. Speaker, what steps has the minister taken to clarify this important question? Yesterday he said the government was making representations to all Arab countries in respect of oil shipments. Has the government of Canada been in direct contact with Saudi Arabia on this question? Has this question relating to these instructions to Aramco been put to the government of

Saudi Arabia and, even more important, has the Canada case been put to the government of Saudi Arabia?

Mr. Sharp: As I said yesterday in the House, Mr. Speaker, and I think the day before, as referred to by the Leader of the Opposition, I called in the ambassadors who are the representatives here in Canada of Arab countries and put the Canadian case to them. The same case was put in cables which have been sent to all our ambassadors abroad, including the ambassador who is accredited to Saudi Arabia, instructing them to make these views known to the governments of the countries to which they are accredited. The latest information I have is that our ambassador has not yet been able to make an appointment with the governments of these countries, but an effort is being made at the present time.

Mr. Stanfield: I have one further supplementary question, Mr. Speaker. In view of the difficulty the Department of External Affairs has in presenting the Canadian case, will the Secretary of State for External Affairs ask the Prime Minister whether he will consider sending Mr. Ivan Head to Saudi Arabia?

Mr. Sharp: Mr. Speaker, Mr. Ivan Head is a very good officer in the Prime Minister's office. We also have excellent ambassadors abroad.

OIL SUPPLIES FROM MIDDLE EAST—SUGGESTED REPRESENTATIONS TO MULTINATIONAL CORPORATIONS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In view of the statement he made to the House a couple of days ago that he might consider direct contact with the head offices of the multinational corporations since basically they are responsible for the shipment of oil, and in view of the incident regarding Abu Dhabi and possibly Saudi Arabia, would he now consider direct contacts with the multinational corporation heads and their marketing agencies?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker. On a question of principle, I think it will be agreed that it is better international practice for governments to deal with their own companies and not deal with companies that are located in other countries. This can be done informally from time to time, but I believe we in this country resent it when foreign countries come in and deal directly with Canadian companies.

SUGGESTED ESTABLISHMENT OF NATIONAL PETROLEUM CORPORATION TO DEAL DIRECTLY WITH MIDDLE EAST COUNTRIES AND VENEZUELA

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in view of the fact there are no Canadian oil companies but just subsidiaries of American companies, will the Minister of Energy, Mines and Resources now consider the immediate establishment of a petroleum energy corporation in this country so that we can deal directly with the Middle East countries or Venezuela?

[Mr. Stanfield.]

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I must say that the debate yesterday was not totally decisive in that regard. I would just point out to the hon. member again that, with regard to at least the companies he has referred to, the ordering and shipping of oil are the responsibility of the Canadian company, not the responsibility of the parent.

* * *

PUBLIC SERVICE

REQUEST FOR REVIEW OF BASIC RATE OF CLERKS' WAGES AND ARBITRAL AWARD TO NURSES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Treasury Board. In view of the fact that percentage increases in low wages and salaries really mean nothing, will the government undertake a review of the basic rate of wages to its clerks in the employee of the federal public service, and can he say whether a review has been undertaken of the arbitral award in the case of the nurses?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the hon. gentleman suggests that we make a basic review of all pay rates in the public service. I do not think any such general review is contemplated. In respect of the recent arbitral award to nurses, representatives of the association have been seeing a number of ministers as well as members of parliament in Ottawa. I have not yet met with them, although I would be glad to do so to hear their problems.

• (1130)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, with regard to the first part of the question may I ask it again and remind the minister that it related not to a review of all basic rates in the public service but a review of the lower rates just as the government has had an outside report on the rates in the upper echelon, namely, those of deputy ministers.

Mr. Drury: Mr. Speaker, I think the relationship between the low rates and the high rates in respect of those employees who come under the Public Service Staff Relations Act is determined through the collective bargaining process. I do not think the hon. gentleman would suggest it would be appropriate for the government unilaterally to bypass the collective bargaining process.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

ALLEGED DICTATION TO MEMBER FOR TÉMISCAMINGUE CONCERNING REMARKS TO BE MADE BY HIM ON CERTAIN PROGRAMS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to ask a question of the minister responsible for CBC telecommunications and I am making it a question of privilege also.

Everybody is aware of the program called "Les Affaires de l'État" in French and "Nation's Business" in English,

which is broadcast every week or so. Now, I am scheduled to make videotape recordings this afternoon as part of "Les Affaires de l'État" in French for tomorrow night, and for "Nation's Business" tonight at 11.15, a program which is usually aired on Sundays but which will be seen earlier this time on account of the Quebec general elections. Mr. Speaker, I received a phone call from the CBC a while ago. Here is the question I want to ask the Secretary of State: people call me up to tell me what to say and what not to say. And I am quite sure that all the political parties which send members to this telecast do not let the officials of this public corporation dictate what they must do.

Mr. Speaker, I told them that I could decide by myself what to say on the CBC network. But I should like to ask the minister if the CBC has a right to dictate what I must say on a program, or if it should respect my freedom.

Some hon. Members: Hear, hear!

Hon. Gérard Pelletier (Minister of Communications): Since the Secretary of State is not here, I should like to ensure the hon. member that I shall bring this matter to the attention of the Canadian Radio-Television Commission. As for giving an opinion as he asks me to do, I believe that this would be out of order.

* * *

[*English*]

ENERGY

CAPACITY OF PRESENT PIPELINE AT SARNIA TO DELIVER ADDITIONAL OIL FOR TRANSFER TO MONTREAL MARKET

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Can the minister now confirm whether the interprovincial pipeline at Sarnia, without any additional construction west of Sarnia and without having to cut back the supply to Ontario or current exports to the United States, has a sufficient capacity and capability to deliver additional oil for transfer to the Montreal market should normal supplies to that region be cut off or diverted?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I could confirm that but I would have to double check on the figures the hon. gentleman used. I will do so and will be glad to report to him.

Mr. Stevens: Mr. Speaker, I would point out to the minister that I did not use any figures in my question.

INQUIRY AS TO DECISION ON PRICE INCREASES FOR GASOLINE AND HOME HEATING OIL IN EASTERN CANADA

Mr. Sinclair Stevens (York-Simcoe): On October 22, as recorded on page 7082 of *Hansard*, the minister indicated that a decision on price increases for gasoline and home heating oil in eastern Canada might be taken in this current week. Can the minister now indicate if such a decision has been taken and what the decision is or, if the government is still indecisive on this subject, can he tell the House why the government has found it so difficult to determine this important issue?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I anticipate a decision of that kind might be taken next week.

OIL—SECURITY OF SUPPLY FOR SOAP PROJECT IN SARNIA

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I should like to direct my supplementary to the minister and ask him whether he has received any communication from the sponsors of the SOAP project in Sarnia regarding security and assurance of supply? If he has received such a request from them, would he inform the House what his answer was?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I met with the principals of the SOAP project who expressed concern on a number of points, one of them being security of supply. I pointed out to them that under the provisions of our law supplies to Canadian firms, whether refineries or petrochemical firms, were a priority for Canadian feedstock and that on that basis they could rely on the fact that they would have feedstock for their proposal. There are some further aspects of the proposal which would involve the export of certain refined products. At the moment, export is under the jurisdiction of the National Energy Board. I indicated to them they would have to consult with the board and possibly consider an application in order to get board approval for exports which might be integral to the project.

Mr. Saltsman: Mr. Speaker, in view of the conversations the minister has had with the people involved in the SOAP project and since the supply of petrochemicals to Canadian manufacturers is becoming very critical, did the minister receive assurances from the sponsors of the SOAP project that they intend to go ahead with the building of their petrochemical complex?

Mr. Macdonald (Rosedale): Mr. Speaker, it was clear to me it would be critical to the economics of the process that they should have export access for some at least of the products, and I pointed out to them that this, of course, was covered by the jurisdiction of the board. So far as we are concerned, certainly we support very much the concept of additional petrochemical facilities at both Sarnia and Edmonton.

* * *

EXTERNAL AFFAIRS

INQUIRY AS TO REQUEST TO CANADA TO CONTRIBUTE TO MIDDLE EAST PEACEKEEPING FORCE, INCREASE CYPRUS UNIT OR PARTICIPATION IN UNTSO

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Has Canada in fact been requested by the Secretary General of the United Nations to contribute to the peacekeeping force being sent to the Middle East war zone as a consequence of yesterday's Security Council resolution and, if so, what is the response of the government?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The answer to the question is no. The Secretary General has not as yet asked Canada to contribute any forces. It is my understanding he is calling upon the traditional neutral countries, Sweden, Finland and Austria, which have troops ready and available in Cyprus, to make the initial contribution.

Mr. Macquarrie: Mr. Speaker, may I ask the minister if the transfer of Austrian, Finnish and Swedish troops to the Middle East zone has caused a consequent request to Canada for alteration or augmentation of our force in that peacekeeping group?

Mr. Sharp: Mr. Speaker, we have not yet received such a request. If it were made we would, I think, look at it sympathetically if this were a way to help establish a peacekeeping force in the Middle East. We would want to be sure, however, that the peacekeeping force in Cyprus would remain a truly international force. It would not be our wish to change the character of that peacekeeping force in any way.

Mr. Macquarrie: I have one final supplementary, Mr. Speaker, with reference to a statement by the minister yesterday, I believe. Have we been asked to supplement or augment our UNTSO contribution?

Mr. Sharp: Not yet. We can expect that we may be, although it is not clear yet until we know the terms of reference of the new peacekeeping force that will be established pursuant to the Security Council resolution. It is my understanding that the Secretary General will be announcing the terms of reference of that peacekeeping force at three o'clock this afternoon, at which time the situation may be a little clearer.

REPORTED OBJECTION BY EGYPT TO CANADIAN PARTICIPATION IN MIDDLE EAST PEACEKEEPING FORCE

Mr. Doug Rowland (Selkirk): Mr. Speaker, I have a supplementary for the Secretary of State for External Affairs. Has the minister any information which would either confirm or deny reports that Egypt has registered specific objections to the idea of Canada participating in a truce supervisory force in the Middle East?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker. We have had no information of that kind. I can, if I may, add that I can understand the desire of the Secretary General in the first instance to rely particularly upon the traditionally neutral countries, and I think that if I had been in his position I would have taken the same view.

● (1140)

Mr. Speaker: The Chair will recognize the hon. member for Selkirk on a second supplementary and then the hon. member for Vegreville.

[Mr. Macquarrie.]

POSSIBILITY OF SOVIET UNION INTERVENING UNILATERALLY IN MIDDLE EAST CONFLICT

Mr. Doug Rowland (Selkirk): With respect to the Middle East situation, has the Secretary of State for External Affairs received any information which would either confirm or deny reports that the Soviet Union was or is prepared to act unilaterally in the Middle East with respect to the landing of troops and, if the reports confirm such an intention on the part of the Soviet Union, have we made representations expressing our disapproval of any such action?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I think that question was settled by the support that the Soviet Union gave to the resolution of the Security Council in which the idea was quite clearly established that in this peacekeeping force none of the forces of the permanent members of the Security Council should participate. I believe that originally Egypt had suggested that the forces of the Soviet Union and the United States might engage in some peace enforcing role, but this seems now to have been changed. Therefore the answer must be that whether or not they had the intention of supplying troops unilaterally that no longer is the case.

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TRANSPORT

SHORTAGE OF BOXCARS FOR LUMBER AND GRAIN—SHORT AND LONG-TERM MEASURES TO BE TAKEN BY GOVERNMENT OR RAILWAYS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is directed to the Minister of Transport. On Monday he indicated that he would be meeting with the railway companies yesterday. Did this meeting take place, and can he indicate to the House what measures will be taken by the government or by the railway companies to relieve the immediate shortage of boxcars which has detrimentally affected the grain and lumber industries. Also, can he advise the House what steps will be taken of a longer term nature to alleviate the chronic shortage of boxcars which has been experienced over the past years and which has detrimentally affected these two major industries?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, as I indicated in the House, yesterday afternoon I met representatives of both railways CNR and CPR. We discussed the situation in Newfoundland, the situation of the Digby-Saint John ferry, the situation at Thunder Bay, and the situation in British Columbia. I received commitments regarding a few of those subjects, and on others I am likely to receive reports early next week. For example, CN told me that they would meet their commitment so far as grain movement is concerned, and CP agreed to postpone any changes in the ferry service between Digby and Saint John. So far as Vancouver is concerned, they will report to me next week, and I hope I can complete then what I am saying today.

Mr. Mazankowski: Since a very large part of the problem stems from the undue delays in boxcars coming back

from the United States, in other words, boxcars are being held there for unduly lengthy periods of time—I am informed that in the case of shipments of lumber it is approximately 45 days—has the minister discussed this subject, and what action does he propose to take to correct the situation?

Mr. Marchand (Langelier): I do not think that the United States is responsible for the delays in this case. It is the lumber shippers who are responsible because they use the boxcars as warehouses in the United States. This is something, I think, that we will have to try to correct because it is a distinct abuse.

INQUIRY AS TO COMMITMENT BY CANADIAN NATIONAL RAILWAYS TO REDUCE BACKLOG OF FREIGHT AT NORTH SYDNEY DESTINED TO NEWFOUNDLAND

Mr. James A. McGrath (St. John's East): Mr. Speaker, the minister indicated that he discussed the Newfoundland situation with CNR. Did CNR make any commitment to alleviate the backlog still remaining at North Sydney? I understand there are still 500 freight cars backed up at North Sydney and this is still causing some shortages and a great deal of difficulty in Newfoundland.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, it is true there is still a backlog of 500 boxcars in North Sydney. Right now, however, neither the CNR nor Mr. O'Brien representing the Newfoundland government have complained about anything. I think all the needs are met. I believe they have done a tremendous job because in the last month the decrease in the number of backlogged cars is almost 500 on top of what they regularly do. So I think this is a good job and nobody is short right now. All I hear is that by the end of November we might have to use Hercules aircraft in Labrador because there might be a shortage there.

Mr. Speaker: The Chair will recognize the hon. member for St. John's East on a supplementary, but we have to try to get on. The Chair will then recognize the hon. member for Skeena, the hon. member for Portneuf, and then we will return to the hon. member for Vegreville.

Mr. McGrath: It is evident that the minister is only hearing what he wants to hear because that is not the way I hear it at all. May I ask the minister if the CNR gave any undertaking it would have this backlog cleared up and the situation back to normal before the end of the year, because at the rate we are going the backlog will be there for some considerable time?

Mr. Marchand (Langelier): It all depends on the increase in the movement of goods to Newfoundland. On boxcars alone in relation to last year there has been an increase of 35 per cent. I think that the DREE programs are working very well.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): With regard to taking care of the backlog due to the strike, this has been done. Now what we are fighting against is the backlog created by the increase in freight movement to Newfoundland brought about by a prosperity that has never been known there in the past.

Some hon. Members: Hear, hear!

Mr. Speaker: We will suspend the debate for a moment on this matter and I will recognize the hon. member for Skeena, as I said a moment ago, followed by the hon. member for Portneuf. If hon. members want to continue the debate on this point, we will return to it.

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NATIONAL DEFENCE

WEST COAST SEARCH AND RESCUE OPERATIONS—REQUEST FOR INVESTIGATION BY STANDING COMMITTEE—ALLEGED USE OF PLANES FOR RECREATIONAL PURPOSES

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct my question to the Minister of National Defence. In view of the fact the three Buffalo and three Labrador helicopters that are assigned to search and rescue operations on the west coast are inoperable 40 per cent of the time—and this limits their activities—

Some hon. Members: Oh, oh!

Mr. Howard: —would the minister be agreeable to authorize, by presenting a motion to the House, the Standing Committee on External Affairs and National Defence to conduct specifically an inquiry into search and rescue operations on the west coast so that we can see just what is taking place?

Hon. James Richardson (Minister of National Defence): No, Mr. Speaker.

Mr. Howard: Since the minister intends to let the situation continue to deteriorate, I wonder if he is aware that with respect to the operations of the Department of National Defence at the Comox airport base on October 1, 5, 8, 12, 14, 18, 19 and 22, and the month is not over yet—

Mr. Speaker: Order, please. Perhaps the hon. member might like to ask a question. He knows that the purpose of questions is not to convey information but rather to seek information.

Mr. Howard: The minister certainly needs information, Mr. Speaker. On those dates in question the recreational parties comprised mostly of top military brass were flown to Sandspit. Will the minister put a stop to this waste and extravagance in the hope that perhaps the saving in money can be used to develop the search and rescue squadron?

Mr. Richardson: I have seen reports in the press of the flights that are referred to. They were pilot training flights.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Portneuf.

Oral Questions

[*Translation*]

UNEMPLOYMENT INSURANCE

QUEBEC—ALLEGED DELAY IN PAYMENT OF BENEFITS

Mr. Roland Godin (Portneuf): Mr. Speaker, I would like to put a question to the Minister of Manpower and Immigration.

Since some unemployed must wait between three and four months before getting their unemployment payments and those delays are apparently caused by the malfunctioning of a computer in the Montreal regional office, does the minister intend to have the equipment repaired or the rental contract cancelled so that the computer may be replaced by one that works?

● (1150)

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, having checked as recently as last night on this general situation, I really cannot agree with the premise of the hon. member's question. I would ask him, as I have repeatedly, to give me specific cases and not generalize because I think it is not accurate.

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TRANSPORT

SHORTAGE OF BOXCARS FOR LUMBER AND GRAIN—ACTION TO ACHIEVE FASTER RETURN OF CARS FROM UNITED STATES

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a supplementary to my previous question. The response of the minister indicated that the undue delay in the return of boxcars from the United States was specifically the responsibility of the lumber companies themselves. May I ask the minister if he recommended any specific action to the railways to overcome this situation, such as increased demurrage charges, so that the boxcars could be returned sooner to Canada and used for further shipments of lumber and grain?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I specifically asked the railways to see about that and to determine what steps they are going to take to reduce this delay cycle which is now 45 days. It could be 20 days very easily. They are going to look into that and report to me some time next week.

Mr. Speaker: Order, please. Again I seek the co-operation of all hon. members. As I have often suggested, if there are two, three or four supplementaries by each member we get into difficulty and the 40 minutes goes rather quickly. Perhaps the hon. member for St. John's East might be recognized for a supplementary.

MOVEMENT OF FREIGHT TO NEWFOUNDLAND—FUTURE PLANS

Mr. James A. McGrath (St. John's East): Mr. Speaker, since it is evident that the planning and forecasting done by this government are inept, may I ask the Minister of Transport whether his department plans to make any long-range forecast to take into account growth in the province of Newfoundland? It is obvious that the 35 per cent growth in freight was not foreseen by the department and has resulted in the backlog at North Sydney today. What is the minister doing about future plans to carry freight across the gulf?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I hope the hon. gentleman knows how those forecasts are arrived at. As far as lumber is concerned, in British Columbia the railways go and ask the people in the lumber industry what they think their business will be in the following year. They themselves said there would be a 6 per cent increase but it was 18 per cent. This is where there are mistakes.

Mr. Speaker: Order, please. I will recognize the hon. member for Annapolis Valley for a last supplementary but I suggest to hon. members that this is much more debate than a series of questions and answers. The hon. member for Annapolis Valley, after which I will recognize the hon. Leader of the Opposition.

DIGBY-SAINT JOHN FERRY SERVICE—POSTPONEMENT OF REDUCTION—STUDY OF POSSIBLE SUBSIDY OR TAKEOVER

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I was going to direct my question to the Minister of Communications but in view of the response of the Minister of Transport in that part of the answer dealing with the Digby-Saint John ferry I want to ask him for clarification. The curtailment that was going to take place on Sunday is not to take place. Is that correct? Secondly, has there now been a decision within the government that a cabinet committee or a committee within the Department of Transport will work with officers of the CPR to see how to cover the losses and/or take over the ferry?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, what I said or wanted to say was that the curtailment is not going to take place on Monday as foreseen and I think announced by the CPR. I asked them to postpone it for a few weeks. In that period I think we will have time to make a decision in cabinet.

Mr. Speaker: The hon. member for Annapolis Valley on a further supplementary.

Mr. Nowlan: I appreciate your generosity, Mr. Speaker. As I understand it, for several months the CPR did not know whom to talk to and did not have a set committee within the cabinet or the Department of Transport—

Some hon. Members: Order!

Mr. Nowlan: —with which to discuss proposals. Has there been an agreement with the Minister of Transport or his officials and are meetings to be held in the next two or three weeks to discuss the question of a subsidy or a takeover?

Mr. Marchand (Langelier): Mr. Speaker, the CPR knew very well what to do. They came here a few months ago

and met with me and discussed the matter. I said I have to discuss it with cabinet, and this is the way the decision should be taken.

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EXTERNAL AFFAIRS

POSSIBLE BANNING BY SAUDI ARABIA OF OIL SHIPMENTS TO CANADA—SUGGESTED SEEKING OF INFORMATION FROM CANADIAN COMPANIES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would put my question to the Acting Prime Minister since the Secretary of State for External Affairs seems to be unable to make contact with Saudi Arabia to get an answer. Has the government of Canada received any information from the Canadian companies which are normally supplied by Aramco indicating that Aramco has received instructions from the government of Saudi Arabia to cut off oil supplies to Canada? If not, has the government of Canada taken the very simple procedure of asking these Canadian companies whether they have received any word from Aramco about supplies from Saudi Arabia being cut off?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it seems to me that the direct way of dealing with this matter is to have consultations now between the government of Canada and the governments of the countries concerned. This is the procedure we have taken and intend to follow. I do not believe that we had any reason to have done this in advance. As I said yesterday, we had no reason to think that Canada would be included in any restrictions. We have had the one instance which we are trying to get explained. I am sure the hon. gentleman would believe that the best way of getting answers is by direct contacts now with the governments concerned.

Mr. Stanfield: If the Secretary of State for External Affairs really desires the members of this House to believe that the government of Canada wishes to get an answer to this question rather than avoid getting an answer, why will he not follow the very simple procedure of making inquiries in Canada where the information is surely readily available?

Mr. Sharp: Mr. Speaker, I would think that it is very desirable, and I would hope the Leader of the Opposition would agree, that we should make our case very forcefully to the governments of these countries before any decisions are made.

An hon. Member: Start fighting.

OIL SUPPLIES FROM MIDDLE EAST—GROUNDS FOR BELIEVING CANADA WILL BE EXCLUDED FROM EMBARGO

Mr. John Harney (Scarborough West): My question is for the Secretary of State for External Affairs. In view of the fact that the 5 per cent, now 10 per cent, reduction in oil production on the part of the organization of Arab oil producing and exporting countries was intended to apply to all importing countries except for such countries which, and here I quote from a document, "have or will come to the aid of the Arab cause in a concrete and effective manner", has the minister any concrete grounds for believing, or was he given such grounds in his meeting with the Arab representatives yesterday, that Canada is excluded from this general embargo?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the case I made to the ambassadors here and that is being made by our ambassadors abroad is that we do not allow politics to interfere in our commercial policy or our aid policy and that we hoped the Arab countries would follow the same rule in dealing with us. Surely this is a position the hon. member would support. He would not want us to invite the Arab countries to apply restrictions to Canada.

Mr. Harney: Mr. Speaker, my question was very specific. I asked whether the minister had any grounds for believing that Canada would be excluded from the general embargo applied by the Arab oil producing and exporting countries some time this month in a document which has been published around the world but is rarely seen in the newspapers of Canada? Has he any grounds for believing that Canada will be excluded?

Mr. Sharp: Mr. Speaker, the information we have is very contradictory on all of these points. I think it is very desirable that we should get the explanation from the governments themselves. I can assure the hon. gentleman that I have seen these reports and I have seen other reports that are quite different.

Mr. Speaker: The Chair recognizes the hon. member for Scarborough West for a third question or a second supplementary to his original question. Then I will see the hon. member for Hastings.

Mr. Harney: Mr. Speaker, considering that we all have difficulty in obtaining adequate information and that this difficulty applies particularly to the government benches, and considering the fact that we have very little direct representation in the Arab countries that export oil to Canada, will the minister consider increasing our representation in this area in the very near future?

Mr. Sharp: Mr. Speaker, this has been under discussion. It was under discussion before this present situation arose. We have been gradually increasing our representation in various parts of the world and the Middle East is one we have under consideration.

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AIR TRANSPORT

WALK-OUT BY TRAFFIC CONTROL ASSISTANTS—THREATENED STRIKE BY FLIGHT ATTENDANTS

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is for the Minister of Transport. In view of the fact air traffic control assistants walked off the job today in Moncton, Gander, Toronto and Montreal, and in view of the fact Canadian airline flight attendants are threatening to

strike, has the minister looked into this and what action has he taken?

Hon. Jean Marchand (Minister of Transport): Yes, Mr. Speaker, I have looked into this. I am told they are supposed to go back after 24 hours so that means tonight or tomorrow. This group has chosen to fall under the arbitration part of the act, which means they do not have the right to strike. They are supposed to settle their grievances through arbitration.

● (1200)

Mr. Ellis: Can the minister assure the House that there will be no cancellation of commercial flights due to these disruptions?

Mr. Marchand (Langelier): Mr. Speaker, I cannot give any such assurance.

Mr. Paproski: Why not?

Mr. Marchand (Langelier): Because I am not a pilot.

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TRANSPORT

STUDY SUGGESTING RAILWAYS OBSOLESCENT BECAUSE OF EXISTING REGULATORY LEGISLATION—REQUEST FOR INQUIRY

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, if the Minister of Transport is listening, my question is for him also. Perhaps the minister would come down to earth for a minute. Since a recent study suggests that the obsolescence of Canadian railways is mainly the consequence of existing regulatory legislation and its implementation by the Canadian Transport Commission, the CNR and CPR, will the minister conduct an inquiry into this matter?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is something that is constantly under review.

* * *

GRAIN

INTENTION OF WHEAT BOARD RESPECTING RESTORATION OF 250 MILLION BUSHEL INVENTORY

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is for the minister responsible for the Canadian Wheat Board. Has the Canadian Wheat Board informed the minister of its intention in the present crop year with regard to allocating enough grain to put its inventory back to the normal amount of 250 million bushels?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, there have been discussions with the Canadian Wheat Board about their intentions. After exporting three years in a row more grain than the country has produced over consumption needs, it is anticipated that we will be able to do so once again this year. The Canadian Wheat Board will be expecting to sell more wheat than was produced this year by drawing down stocks still further, as it would also do in the case of barley. The exact extent of the draw-down to August 1 will be determined as that date approaches.

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EXTERNAL AFFAIRS

POSSIBLE CONSTRUCTION OF ICEBREAKERS BY WEST GERMANY FOR USE IN CANADIAN ARCTIC—GOVERNMENT POSITION

Mr. Rod Blaker (Lachine): Mr. Speaker, my question is for the Secretary of State for External Affairs. Would the minister comment on and clear up stories indicating that a West German firm, Weser A.G., intends to construct—

Mr. Speaker: Order, please. I wonder if the question might not be asked in other terms. The hon. member might start by resuming his seat. I suggest to the hon. member that a member cannot ask a minister to comment on a news story. I know that members very often ask a minister to confirm or deny a story. That is out of order. Perhaps the question might be asked directly without too obvious a reference to the story.

Mr. Blaker: Mr. Speaker, may I rephrase my question to the Secretary of State for External Affairs. Can he advise the House if it is the case that the West German firm, Weser, A.G., intends to construct icebreakers for use in the Canadian north, and whether or not the West German ambassador has had communications in that regard?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, when the foreign minister of West Germany was here a few weeks ago, I had discussions with him about this subject and I told him that the Canadian government would be willing to have Canadian officials meet with their German counterparts for initial, exploratory talks on potential areas of co-operation regarding aspects of technology and research concerned with the development of multicargo ocean carriers with icebreaking capability, and if such areas of co-operation can be identified we will carry on these discussions. I want to make it quite clear—

Some hon. Members: Oh, oh!

Mr. Sharp: —that there are no adverse implications for Canadian sovereignty.

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TRANSPORT

REDUCTION IN SERVICE BY DIGBY-SAINT JOHN FERRY—DATE OF GOVERNMENT DECISION

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Minister of Transport. As we are still confused about his reply regarding the Digby-Saint John ferry, and because we will be receiving protests this weekend, may I ask the minister if we are right in assuming, regardless of what the CPR is doing, that the cabinet now has this matter under study and that there will be an

announcement by the government within three weeks. Are we correct in assuming that?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think the hon. gentleman understood very well what I said, although I did not mention three weeks. I asked the CPR not to change the service for a couple of weeks because I think that during that period we can reach a decision on the different proposals we have submitted.

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INCOME TAX

REQUEST FOR DEFERMENT OF LIVESTOCK PRODUCERS' INCOME FROM 1973 CATTLE SALES TO 1974

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Finance. As many livestock producers in the southwestern part of Saskatchewan and the southeastern part of Alberta will find it necessary to dispose of a large percentage of their herds due to the shortage of feed caused by drought, and as this will increase their incomes for the current taxation year and bring about large increases in their taxes, has the minister considered introducing legislation, even of a temporary nature, to permit livestock producers to defer cattle sales until 1974 in the same manner as grain producers will be able to do?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will take that as a representation by the hon. member.

GOVERNMENT ORDERS

[*English*]

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed, from Tuesday, October 23, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-164, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973 to the 30th day of June, 1974 , and securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I suspect that it will come as no surprise to the members of this House when I say that I intend to devote my remarks in this second reading debate on Bill C-164, having to do with the financing of Canadian National Railways and Air Canada, to one subject, pensions. Towards the end of my remarks, I shall make a few

comments about the pension package that has been agreed on in the collective bargaining process. That has now gone to arbitration. In the main, however, I want to concentrate on the position of retired railway workers; in other words, those out of service, those now on their pensions.

When we raise questions about retired railway workers, Canadian National and Canadian Pacific, we get certain stock answers. One of those answers is that the whole question of pensions has at long last been put on the collective bargaining table and that we should not, therefore, be discussing it on the floor of the House of Commons. I remind the Minister of Transport (Mr. Marchand), who is one of those who gives us this stock answer, that the retired railway workers were not represented at the collective bargaining table and that the arrangements arrived at in the process of collective bargaining relating to pensions did not provide anything at all for those already retired.

There is nothing new about this situation. A few years ago, when the question of Canadian National pensions was before the appropriate standing committee, many witnesses appeared before the committee. Some of them were retired railways workers who, in their working days, had been general chairmen of their unions. They admitted to us that when they were general chairmen and giving leadership to and working on behalf of their unions their main interest centered on those who were working. In those days they did not express any great concern, if, indeed, they expressed any concern at all, about those already retired.

When those same general chairmen joined the group of workers who are retired and tried to live on their pensions, their viewpoint was quite different. Clearly, the situation is not a new one. It is one that this House ought to face. The position of retired railway workers, those already on pension, does not get adequate consideration in the normal collective bargaining process, and thus it is our responsibility to speak on their behalf on the floor of the House of Commons.

• (1210)

I wish to point out also that the few times when we have secured something for the retired employees of Canadian National Railways, and in an ancillary way for employees of other railways, it has come about because of debate in parliament, either on the floor of the House or in the standing committee. Each time something has been done to improve the pensions of retired railway workers, the announcement has been made by the president of Canadian National Railways or in the case of Canadian Pacific, by the president of that organization, but the activity that brought about those changes took place on the floor of this House of Commons or in the Standing Committee on Transport and Communications. I feel it is our duty as members of parliament, and most of us in this House represent railway workers or retired railway workers, some a few and some of us many, to speak for those for whom the case is not made when the collective bargaining process takes place.

I know that in the revised setup of the board that administers Canadian National pensions, there is one representative of those who have retired, but that does not

seem to be the place where policy is made. That seems to be a place where administration is supervised. The fact is that in terms of the policy for those now working, it is a matter that is dealt with at the collective bargaining table. For those already retired, the only way their voice can be heard is by forming their own organizations, issuing press releases, writing members of parliament and so on, or by our stating their case on the floor of parliament. That is the reason I choose in this debate on Bill C-164 to direct all of my remarks to the question of pensions and, as I say, mainly to the position of those already retired.

It is sometimes suggested to us that one reason we should leave this subject alone is that the question of railway pensions has been given to Dr. John Deutsch, who was recently appointed as a commissioner by the Minister of Labour (Mr. Munro). May I remind hon. members of the limitations imposed on Dr. Deutsch. He has not been given a commission to study the whole question of railway pensions. His commission is only to assess the monetary value of the pension package agreed to at the bargaining table. The railway companies put a certain value on it in percentage terms. The unions put a lower percentage value on it. All that Dr. Deutsch is commissioned to do is arrive at a fair evaluation of the pension package and if it is different from what has been submitted by the companies, Mr. Justice Emmett Hall is to take that into consideration in the final award arising out of the rail dispute of last summer.

When the appointment of Dr. Deutsch was announced in this House by the Minister of Labour, some of us pleaded for his terms of reference to be enlarged to include an examination of the railway pension plans in their entirety or, alternatively, for another commissioner to be appointed to look into that broader question. The Minister of Labour expressed some interest. In fact, I think it is fair to say he agreed this should be done, but he pleaded that now was not the time to do it,—

Mr. Douglas: It never is.

Mr. Knowles (Winnipeg North Centre): —that we should first wait for the job to be done by Dr. Deutsch. As my colleague, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), interjected a moment ago, the time never is right to do something like this.

A commission similar to that given to Dr. Deutsch should be given to him or some other competent or impartial person to go into the whole question of the fairness of railway pension plans. In my view, such a commission should not only include the fairness or otherwise of the plan to which working railway employees are now contributing, but the fairness of the plan in the way it treats retired employees. In any event, I submit these two answers that are given to us, first that pensions are the subject of collective bargaining and, second, that Dr. Deutsch has been appointed as a commissioner, do not touch at all on the problem and the plight of retired railway workers who are already on pension, for whom there is nothing in the new pension package and whose case is not to be considered under Dr. Deutsch's commission.

With regard to railway workers already retired, the first thing that must be done, and frankly I think that any delay on this is completely unforgiveable, is that the escalation of railway pensions should be put on a basis equal to that which has now been accorded to old age security, the guaranteed income supplement, the pensions of retired public servants and of armed forces and RCMP personnel, pensions and allowances awarded to veterans and soon, because the appropriate bill is now before the House, on pensions paid under the Canada Pension Plan. The day of a 2 per cent ceiling on the annual escalation of pensions should end. It is over for all those groups I have just named. It should be ended completely.

I submit the government does have responsibility for the Canadian National Railways. It should say right now that just as there is no longer a 2 per cent ceiling on the escalation of pensions for federal public employees and a whole host of other persons whose pensions come under the responsibility of the federal government, there should no longer be imposed a 2 per cent ceiling on the annual escalation of railway pensions, either Canadian National or Canadian Pacific.

One of the arguments the railways have advanced against an escalation of higher than 2 per cent is and has been for some time that they were not allowed to do so by the law. Unfortunately, that statement is correct. There was a section in the income tax regulations which denied registration for the purpose of income tax deductibility to any company whose private pension plan provided for an escalation greater than 2 per cent per year. However, that has been changed. Only a few days ago the Minister of National Revenue (Mr. Stanbury) circulated an information bulletin in which it is made clear that this ceiling no longer applies. The new regulation says a pension plan can be registered and can qualify for tax deductibility provided any escalation is not greater than the actual percentage increase in the cost of living. The door has been opened wide. Canadian National now faces no barrier whatever against escalating the pensions of its retired employees on the same basis as all government pensions. I urge and insist that this be done. I do not intend to be put down by the Minister of Transport (Mr. Marchand) or the Minister of Labour (Mr. Munro) saying this is not the place in which to discuss this matter. It does not get discussed anywhere else. In the past, efforts of ours in the House of Commons or in the standing committee have produced an effect. Our purpose in pressing this issue now is to make the government realize it must tell the CNR to match what the federal government has done in this area. I would point out that the escalation of all the pensions I listed a few moments ago, from old age security right down to the Canada Pensions Plan bill that is now on the order paper, whether annual or quarterly as in the case of the guaranteed income supplement and old age security payments, is provided for by law. It is automatic. It takes place without any question. Not so in the case of CNR pensions. The CNR has on three or four occasions made escalation benefits available at the rate of 2 per cent a year. But this was done out of the goodness of the company's heart. I suggest it should be automatic—it should be made part of the pension rules, part of the regulations, so that retired employees can count on an escalation every year without question. They ought not have to depend on a meeting of the pension board or of the directors of CN reaching a decision that this should be done. It should be automatic,

and the escalation should be made equal to the actual increase in the cost of living. I want to see this provision put into the plan for the future, for those who are presently working. They are pressing for it, and I support them in that effort. But as far as those who are already retired are concerned, nobody speaks for them unless we do so here. I am doing so today, as I have done so often, because I want to see action taken.

● (1220)

I argue, too, on behalf of those workers who are already retired, that they have a case for the recalculation of the basis of their pensions. It is certainly better to calculate the escalation on the basis of the actual cost of living increase rather than on a basis of 2 per cent but when one is dealing with pensions which start at very low levels, percentage increases often mean very little. Some change in the formula is coming about. The package worked out at the bargaining table includes a new formula but nothing in that formula applies to those already retired. A recalculation of the basis of the pension paid to all retired employees should underpin the amount of the escalation for which I have been arguing.

A third point I press is the unfairness of a pension system under which a widow's pension is only 50 per cent of what her husband would have received. I know this situation arises out of a deep, dark, mythological past when it seemed right to retire a man on a pension of 100 per cent even though his wife had predeceased him, but expect the widow to get by on 50 per cent. I think pensions should be paid on an equal basis across the board, though at the moment I am concentrating on the case of retired railway workers. I think the time has come to increase that figure of 50 per cent. In my view the pension should be the same for either spouse. I do not see why, when the man is the one who survives, he should get 100 per cent though the woman, if she survives, gets only 50 per cent. After all, they each helped to do the work and provide the pension. It is, really, their pension, not just his. This is a concept I have raised a number of times and I intend to continue to do so. The least we should insist on is that just as our widows, the widows of Members of Parliament, will get 60 per cent of our pensions the widows of railway workers should also get 60 per cent. I think it should be more than this. I think it should be at least 75 per cent. In any case, this is one of the things which in my view should be adjusted, and, to begin with it should be adjusted in the case of widows of those who have already retired.

Because Bill C-164 refers to Canadian National Railways I have, of course, talked mainly about CN pensions, as is necessary if I am to stay in order. But I have made the odd reference to the Canadian Pacific pension plan and I should like to point out now that if there are deficiencies in the Canadian National plan there are far worse deficiencies in the CP plan. I emphasize in particular that its escalation provisions do nothing at all for the old-timers who retired before 1956. Indeed, even for many of those who retired after 1956, no credit is given for escalation purposes for service prior to 1956, the result being that the escalation benefits some of these old-time employees get is in terms of dimes or quarters, not in dollars. I think it is scandalous that a company which has received so much from the government and the people of Canada should be able to get away with this sort of thing.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I said I would concentrate on the case of those who have already retired, and I have done so, partly, as I say, because there is no one to speak for them unless we do so, and partly because this is the place where we can put pressure on the government to put pressure on the railways. To summarize, I believe we should press for action on three main points: first, an escalation formula equal to the rise in the cost of living as is the case with federal pensions; second, that this should be provided in the rules or regulations instead of leaving it at the mercy of management; third, the percentage paid to the widows of retired railway employees should be increased.

I should now like to say a few words about the package which has been agreed to by management and the unions. I suppose I should choose my words carefully because these terms have been agreed upon at the collective bargaining table as part of the total deal which will come out of the arbitration being conducted by Mr. Justice Emmett Hall. However, I must say I hope this agreement is not the end of the story as far as railway pensions are concerned. I am talking, now, about those in the service. There is an improvement. They are to get a 2 per cent formula for some years of their service and a somewhat better deal in case of early retirement; in other words, workers can retire early without a severe penalty; those who have served for a time beyond what the new package allows for will be permitted to enjoy that extra credit. But it seems to me there are very real deficiencies in the plan which has been accepted.

For one thing, there is nothing at all in this package to benefit anyone who retired prior to January 1, 1973. Even those who retire after January 1, 1973, will find that that new pension package does not change by one cent the credit they get for their service prior to 1956. The idea was that the time had come for a 2 per cent pension, a 2 per cent credit for every year of service in the way the public service pension plan operates and also Air Canada's. Instead, we have a one per cent, a 1.5 or 2 per cent pension for a few years, or a 1.3 per cent scheme integrated with the Canada Pension Plan, and so on. But we do not have an across the board 2 per cent per year of service formula which I think must yet be incorporated into the pension plans of railway workers.

● (1230)

I do not like the way in which the integration between the railway pensions and the Canada Pension Plan has been built up. As a matter of act, I think it was a mistake right from the start that the Canada Pension Plan was not stacked or decked in the case of railway workers, and many railway workers feel that out of this deal they are not getting the kind of terms of benefits that they ought to get.

I said that there is nothing in the package to cover any service prior to 1956. That means that older workers in our railway systems who are still working and had a fair amount of service prior to 1956 will not get a pension that

is much better under this package than if the package had not been agreed to at all.

I am deliberately keeping my remarks with respect to that part of the deal brief because it is the subject of collective bargaining, as I say, and it is up to the parties to fight it out. But I make the suggestion that they should press hard for a 2 per cent formula across the board. I think they should press for absolutely no penalties on early retirement, they should press for the Canada Pension Plan to be stacked instead of integrated, and they should press for an equal pension for the widow as for the employee when either one of them is bereaved.

I feel very strongly that those who are still in service and are represented through their unions should press for improvements of that kind in their pension plan; and of course they should press for the full escalation of their pensions after they retire in accordance with the actual rise in the cost of living. I offer this advice to those in service who are still trying to build up their pensions to what they ought to be, and they know they have my full support.

I close by pleading with the House to tell this government to instruct the Canadian National Railways—and it can talk to the CPR too; after all, that railway owes a great deal to this place—that the time has come, so far as railway workers already retired are concerned, for their pensions to be escalated by the actual increase in the cost of living; that it is time for recalculation of their basic pensions in line with an improved formula; and that it is time for widows of these workers to get a much better deal than the 50 per cent pension now provided. I hope that our keeping this debate going a bit longer to press these points will have its effect and that the government will realize that members of all sides of the House want a fair deal for our retired railway workers, including those who worked for the Canadian National, the Canadian Pacific and all the rest of this country's railways.

Mr. David MacDonald (Egmont): Mr. Speaker, I rise to make two or three, what I hope will be, relevant and pertinent remarks with respect to the current operations of Canadian National Railways. While I realize that this discussion has gone for some days, even for some months now, commencing as it did on Friday, April 13 of this year—I do not know whether there is any significance in its commencement on that date—one of the things that has made the debate not as useful as it might have been is the almost total lack of involvement of the government in the numerous questions, comments and criticisms that have been put forth about our national railroad system.

Mr. Turner (Ottawa-Carleton): We can deal with all of that in the committee.

Mr. MacDonald (Egmont): I am a little surprised that the minister has so little regard for the usefulness of debate in this place, Mr. Speaker. As the mover of the bill, I would have expected him to speak to it, but he did not even take the trouble to address the House at the opening of the debate on April 13. His parliamentary secretary was supposed to be piloting the bill through at that time and he made a few remarks, but he has since vanished. The Minister of Transport (Mr. Marchand) has told us that he is not piloting the bill through. Perhaps both of them have gone out together to learn to be pilots, and hopefully they will be able to land something in the right spot. Certainly, it would be a mark in favour of the government if it were to take seriously the many legitimate comments that have been made in respect of this bill. Quite frankly, I think it is a bit of an affront to the House that during the time the debate has continued no minister has spoken, neither the Minister of Finance (Mr. Turner) who is in charge of piloting the bill through the House, nor the Minister of Transport, who perhaps has a more direct responsibility in relation to the CNR.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Turner (Ottawa-Carleton): A point of order, Mr. Speaker.

The Acting Speaker (Mr. Laniel): Order. The Minister of Finance is rising on a point of order.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, this bill has been before the House for a year or so now. When it was first introduced, ministers did address themselves to it. I would hope that hon. members, all of whose points have been very carefully noted by the government, would find the committee a very useful procedure not only for calling ministers to answer questions but also the executives of the railway.

Mr. MacDonald (Egmont): Mr. Speaker, I had hoped that the minister would indicate on his point of order that he was in fact prepared to participate, but it seems he is not. I would remind him that, while there have been other bills relating to CNR financing in other years which were not completed, this particular bill was introduced in March and, as I say, was moved and debated on April 13.

The specific issues to which I want to address myself have relation to the recent railway strike which took place in the latter part of August of this year which had a very detrimental impact on two Canadian provinces in particular and, of course, on all provinces in general. During the course of the debate on the special legislation that was enacted to put the railroads back into service, namely on August 31, I raised the question of the increasing frequency of ferry tie-ups as a direct result of a national rail strike, the first in 1950, the second in 1966 and the third this year, 1973.

Tragically for the provinces of Prince Edward Island and Newfoundland, all of these strikes occurred at the peak travel and tourist time,—I think tourism in both provinces is now the second or third largest industry—tying up ferries for a considerable number of days during the month of August. I would, therefore, be remiss in my duty as one representative from Prince Edward Island if I did not continue to press, immediately following the resolution of the work stoppage that occurred in August, for a procedure that would be implemented by CNR, in concert with the government, that would insure against, or at least would give the strongest possible assurance against, such disruption in the future.

As I said during the debate on August 31 and in subsequent correspondence both with the Minister of Labour (Mr. Munro) and the Minister of Transport, ferry service to Prince Edward Island and Newfoundland can only be regarded as essential. Indeed, it has been regarded as

essential since confederation, both the confederation of a century ago in the case of Prince Edward Island and the confederation of one quarter of a century ago in the case of Newfoundland. Written into the terms of confederation in both instances is the iron-clad guarantee by the federal government that there shall be no interruption, no break whatsoever, in the kind of communication and transportation that is necessary for a province to function effectively within the Canadian framework. I think it is regrettable that this party presently in power, having experienced in three successive instances such a major dislocation of transportation facilities to and from our island provinces, should not have acted effectively to introduce measures either following the 1950 strike, the 1966 strike or the 1973 strike to insure the people of our island provinces against any further disastrous disruptions.

● (1240)

At the time of the debate on the legislation to end the rail strike, I asked the Minister of Labour (Mr. Munro), particularly because he was at that time piloting the special legislation, whether he would take firm action following the immediate crisis to convene a meeting at the highest level. Perhaps I may read again the comment I made on August 31 to be found at page 6143 of *Hansard:*

> All I am saying to the Minister of Labour at this point is that now we have to realize, having gone through this situation three times since 1950, that we must not put these two provinces in the same jeopardy again. In order to achieve that purpose I think the minister must give an undertaking that in the course of the next few months we will work out a new structure which will prevent the same situation from occurring again, not in total terms because we know we cannot prevent it in total terms, but to go a good deal beyond the present situation which is merely a bandaid approach.

The Minister of Labour, if I may quote him, responded to me at that point and is recorded here as having said:

> I hope to achieve that.

Following that verbal commitment in the House on that date, I wrote a more detailed letter to the Minister of Labour, copies of which I sent to a number of people mentioned in the letter, particularly those directly responsible such as the Minister of Transport (Mr. Marchand), the premiers of both Newfoundland and Prince Edward Island, the executive of the Canadian National Railways and the representatives of the various union brotherhoods directly affected. I asked the Minister of Labour, again because he had taken the primary role in piloting the legislation related to the immediate strike difficulties, whether he would convene a meeting to be held with the Minister of Labour, the Minister of Transport, the Hon. Jean Marchand, Premier Frank Moores of Newfoundland, Premier Alexander Campbell of Prince Edward Island, plus representatives of the appropriate unions and the Canadian National Railway.

As I said in the letter:

> I believe that you are amenable to this suggestion. I am hopeful, therefore, that plans for such a meeting are going ahead.

I received an acknowledgment of that letter some weeks following indicating that the minister felt that primarily it was not his reponsibility but that of his colleague the Minister of Transport. I sent a copy of that letter to the Minister of Transport, and subsequently wrote the Minister of Transport directly, as well as the Premier of my own province of Prince Edward Island in which letter I again advanced the importance of a high-level meeting to resolve this recurring difficulty. In addition, I put on the table one specific proposal whereby the situation might be resolved. I am going to mention that proposal in a moment so it can be on the record of this House and, hopefully, so there can be some comment not only from the Minister of Transport but perhaps from other members either in this House or on the committee in respect of some workable formula.

We are in a difficult situation. We have increasingly enacted legislation in this country to provide free collective bargaining for almost every employee in every industry, except those in the very few services thought to be so essential to the public interest it is not considered wise or fair to the general public to grant such rights. In the course of developing our transportation system, certain collective bargaining arrangements which have been achieved by railway employees have affected directly the operations of our car-ferry system, and this has resulted in the loss of an essential service three times in the last two decades.

We are now faced with having to try to reconcile what, at the outset, seems irreconcilable: How can we operate a modern essential car-ferry link between the two island provinces, assuring that service through all kinds of various labour disputes and disruptions, without either taking some chance with the general public welfare and interest or adopting restrictive measures in respect of the car-ferry employees? This is not an easy problem to resolve and if anyone suggests it is he would, I think, be extremely superficial about the nature of the difficulties.

In recent days the premier of Prince Edward Island has advanced the proposition that what we now need is a Crown corporation. He has been somewhat unclear as to whether this would simply be a provincial Crown corporation or a federal one, but he suggests that such a Crown corporation would be mandated to operate the car-ferry services and its employees would essentially be prohibited from having the right to strike. This would be for many a reversal of the current development of labour relations within governmental departments, agencies and Crown corporations. While such action may be popularly received by a large segment of the general public, it would not be considered to be a very progressive approach toward those who would be employed by such a Crown corporation.

If such legislation came before us in the House of Commons, we would certainly be faced with passing legislation that would, in a sense, be a backward step from the direction in which we have been moving, in addition to which it is not entirely clear that in establishing a separate entity we would in fact be providing better or improved transportation services to the island provinces. Nor is it clear that to those directly employed we would be providing them with the most fair and just employee framework possible. Until we know a great deal more about this proposal, I think at the outset it would seem to have a considerable number of difficulties related to it. Other questions have been raised about the possibility of the ministry of transport directly operating a car-ferry

system, but until we solve these rights of the employees we really have not in any way escaped the essential issues.

On March 9 I wrote a letter both to the Minister of Transport and to the Premier of Prince Edward Island, again suggesting that a meeting should be convened at the earliest possible moment in respect of this problem, but more than that suggesting that I should like to put on the table for serious consideration one possibility of overcoming the increasing frequency of these disastrous car-ferry tie-ups.

What I suggested, and I will quote largely from the correspondence, is that a contingency plan be prepared within the next few months jointly by the Canadian National Railways, the Department of Transport and the Department of National Defence, and that this contingency plan would provide for a special operation procedure to be instituted by the Canadian armed forces in the event of a labour walkout that would tie up the car-ferry system. I suggested that this plan should be capable of being instituted in a very short time period, within 24 to 48 hours, that the obvious seafaring capabilities within the armed forces be made use of and that the men and other resources necessary to effect this alternate operation would be adjacent to the ferry system so that problems of transportation and the allocating of a number of employees would not be all that difficult.

This would satisfy the first and perhaps most major concern, that is of providing continuous ferry service. It would also allow employees to use their full rights in a bargaining sense and, if the whole process of negotiation broke down, to in fact have a walkout. They would, of course, in any walkout be penalized in the sense they would no longer be drawing their regular rates of pay. Such strike pay as would be available to them would be of some assistance, but they would suffer the usual penalties on a personal basis from going out on strike.

The essential difficulty in this proposal would be the fact that with car-ferries continuing in operation there would be no great direct pressure on the railway company itself to achieve a speedy settlement to the dispute. Therefore, I also suggested that when a work stoppage occurred, and the Canadian armed forces were called in, the Canadian National Railways would experience two direct penalties. The first would be that the normal day-to-day revenues they would receive during the period that the ferries would be operated by this alternate manpower would not go to the CNR but would return to the federal treasury. This would mean a deprivation to the extent of some thousands of dollars, depending on the length of time the strike was in effect.

● (1250)

Second, and perhaps most importantly in terms of the economic pressure on the CNR, I suggested that the annual subsidy which now runs into millions of dollars would be pro-rated during the strike period, and that that amount of money would be withdrawn as an additional penalty thus providing a stronger economic pressure on the railway to effect a speedy settlement of the dispute. I realize that this is a somewhat different approach to the problem and one which requires the assistance of other departments. It would set in play a different kind of operation. However, I have been intrigued to note to date that there has been no extensive criticism, no suggestion that there is a fundamental weakness in the proposition, although I am quite prepared to consider such fundamental objections and, indeed, would not want such a plan to be implemented until it had the most thorough kind of scrutiny.

It would seem to me this, at least, is one possibility for ensuring the continuation of service between the province of Prince Edward Island and the mainland, as well as continuing basic employee rights within the framework of the present car-ferry operation as operated by the Canadian National Railways. If we are to have some proposal in which all interested parties are included, the employer, the employees and the two levels of government, I believe now is the time for the officials in the railway company, along with governmental representatives, to get together in an effort to directly face some of these problems.

We have been told there has been some form of communication between some of the people directly involved, but it is quite obvious to us that there has been no serious meeting of minds between the federal officials responsible and the government of the province of Prince Edward Island. I would say, and I hope this is not an indication of the current state of the CNR, that the Canadian National is about the only interested party which has not yet replied to either of my two letters concerning this major difficulty. Since this company has a basic responsibility to operate the ferry service on a day-to-day basis it would seem that this should be a fundamental concern to it. Certainly, the suggestions I have advanced, with the penalty which would be involved should another car-ferry tie-up occur in the near future, could involve an amount of some tens of hundreds or thousands of dollars. If the Canadian National should have a modification of the proposal I have produced, I would hope they would place it on the table fairly quickly.

I believe the citizens of our country in the two island provinces will not accept again the kind of difficulties from which they have not yet even now, two months after the strike, fully recovered. It is not possible to say either in economic or human terms the difficulty created for those two provinces. There is a responsibility upon the CN and the two levels of government to work out an acceptable procedure to prevent this happening again.

I wish to make one or two further comments because I think they are important in respect of the transportation problems of Prince Edward Island. In particular, I wish to speak about the ferry system that is operating there which resumed operation following this recent strike. I think we are rapidly approaching another time of great difficulty in respect of the continuous transportation of both passengers, goods and heavy equipment to and from the province. It is a well known fact that since roughly the Second World War we have had only two car ferries capable of handling the freight and traffic to and from the province, the *Abegweit*, which is now 25 years of age, and until recently the *John Hamilton Gray*.

We know that the *Abegweit*, which has been a very efficient railway car ferry, is coming to the point of needing a major refit in the very near future. We have been told for the past two or three years that it has been

operating at slower than normal speed. We know it would not take too much to put it out of service for a considerable length of time. For the total kind of refit and overhaul required, it would need to be out of service for at least a year. That would be an impossible situation because the other car ferry, while built originally for Prince Edward Island, has operated on a half-year basis serving the province of Newfoundland.

We islanders are patient and understanding people, and know that our fellow islanders in Newfoundland have similar and sometimes greater transportation difficulties. However, we think it inconceivable that we should be faced in the next year or so with a situation in which our basic ferry should finally go out of service, and that the other car ferry might be off some hundred miles away serving the province of Newfoundland. This government must make a commitment now with the Canadian National Railways and with the Department of Transport to provide a car-rail carrying ferry service that can, in effect, ensure that the basic goods, particularly the most basic commodity of all in terms of the agricultural industry, potatoes, are transported on a regular basis.

I was impressed by a recent report of the Canadian Chamber of Commerce which met in Prince Edward Island this past June. It recommended that the Maritime Provinces Chamber of Commerce continue to prevail upon the Government of Canada the urgent need for a new, modern ice-breaking ferry to serve between Prince Edward Island and New Brunswick as soon as possible. I shall not read the preamble because of the shortness of time, but I think it is incumbent on the government with the CNR to make, within the next few months, a definite commitment so that Prince Edward Island will not find itself again in a situation of totally inadequate transportation facilities for the movement of its basic goods and services.

The Acting Speaker (Mr. Laniel): Order, please. It might be important for the Chair to know whether the hon. member is calling it one o'clock or whether another member is to take the floor.

It being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, in rising to participate in this endless debate on the CNR-Air Canada financing bill C-164, I would like to speak in a very general way about something that is obviously basic to a country such as Canada. The paradox in the development of Canada was that, in spite of the problem which transportation presented, it was transportation through the CPR which finally welded us together from coast to coast. In that very paradox, we are brought face to face with the problems of present day Canada for it is the lack of transportation in this modern day of technology, of computers and of science which we have at our disposal, that is creating some of the fundamental problems in this country. I wonder, as we deliberate on the CNR-Air Canada financing bill which gives hon. members a chance to speak in both a general and a specific way about transportation and about Air Canada and CNR in particular, whether anyone in positions of authority in CNR, Air Canada or the CTC will be listening and, I hope, reacting to some of the concrete proposals that have been put forward during this debate.

I, personally, believe that what the western premiers tried to do last July at the western economic conference, which now is more or less forgotten because of the other problems that have flowed swiftly thereafter—as my friend, the hon. member for Vancouver South (Mr. Fraser) says, there has been much flowing but there have been a few bumps along the way and in the result we are all shaken up a little—was to convince Ottawa that transportation should become an instrument of the national development policy for the regions of Canada. This would seem to me to be almost axiomatic in a place like Canada and something with which a federal government exercising federal leadership should agree. To put it in another way, a provision should be included in the National Transportation Act that transportation should become the instrument for development for the regions. Of course, if you develop the regions and give them strength, you will have a stronger country.

I really could not understand the reluctance of the Minister of Transport (Mr. Marchand)—who unfortunately is away this afternoon, but I gather he has been absent for the greater part of this debate—to accept this fundamental principle. After all, it was a man called Macdonald, who is popularly called the father of this country, who developed the national policy on various tariffs and rates which helped in building the central core of this country and helped to define the boundaries of the country above the 49th parallel. We had a policy that developed this country, and now all that the west and the east, and I think even some people in the central part of Canada, are asking for is that an attempt be made to redress the balance that is somewhat out of kilter because of the over concentration and development of the industry in the central core of Canada, by including the principle in the National Transportation Act that transportation should be a tool of national development. The fact that the federal government could not go along with that very basic premise concerns me.

The National Transportation Act was only passed in 1967 and it is based on compensatory rates. You are supposed to get from the shipper only what he is willing to pay, or in other words, you are supposed to do away with subsidies over a long period of time. I will have more to say about subsidies in a minute. Can you have transportation as a tool for regional or national economic development, and on the other hand, as is presently written in the National Transportation Act, agree with the principle that transportation should be based on compensatory rates? I think that in many parts of this country, in so far as the passenger service is concerned but even more with regard to the freight service, rail transportation is fundamental to the growth of the region. It may be that the compensatory rate that the railway would like to charge is going to be too high, and almost too confiscatory for that industry or

that part of the country to grow. I think there has to be a review of the Transportation Act to try to balance transportation as a tool of economic development against the present section in the act which provides that transportation must only flow on the basis of compensatory rates.

● (1410)

Here, we have the irony of debating the CN financing bill with all the mythology of rates that was built into the infrastructure of CN financing, especially in the forties and fifties, and the refinancing of their capitalization which was supposed to do away with subsidies or grants from the government. We have this paradox. There was a great teacher around the Sea of Galilee many, many years ago who taught in parables. I think the political scene in Canada can almost be taught in paradoxes. You can see the political fabric of our country and coming to transportation there is a paradox that we all know. The strike last summer brought it home again. It is that although rail may not be the most popular mode of transportation for passengers service, railroads are fundamental to growth. Balanced against that is the compensatory rate structure that is built into the national transportation system, and which I say is not helping to develop the economy of the country.

In trying to revise the principle of the Transportation Act to make it a tool of economic development, I do not suggest that the taxpayer of Canada should be asked to subsidize inefficient forms of transportation. As members of parliament and the transportation committee, whether the CN, the CP or any other group came before the Transport and Communications Committee, we should be looking for ways to make the railway system more efficient rather than doing what is so easily done, and that is letting the taxpayer pay because in the end the money comes out of the Consolidated Revenue Fund. This is what other governments have done, and it is just subsidizing the inefficiencies of the system. We should be looking at transportation as a tool of economic development, and not using the criteria that the railways can charge what the shipper can bear. Let us change the system and make it more efficient rather than perpetuating its distortions, inadequacies and inefficiencies.

I will give some precise example of the inadequacies of the present system, Mr. Speaker. On the east coast, as Your Honour and other members from the east coast and central Canada are aware, we have a container port where the ships of the world bring their container traffic. There they are supposed to be loaded on to unit trains which, in theory and to a degree in practice, flow through the heartland of the United States and Canada. You would think that this would have brought unremitting loud hosannas from all Canadians, let alone those in Atlantic Canada.

But, Mr. Speaker, while the container facilities have been of value to the export shipper or the import shipper and of some benefit to Atlantic Canada, they have not necessarily been of benefit to the domestic shipper. For instance, the shipper in the Annapolis Valley who uses the Canadian National to send goods to Toronto finds that it costs him more to do that than it costs his competitor to ship from Hamburg, Germany to Toronto. That is a fact, Mr. Speaker. As my poor frustrated shipper says, "Mr. member, we are supposed to be the wharf for the Atlantic." We are told that we are lucky to live by the sea, smell the fresh air and watch Johnathon Livingstone Seagull go up and down and philosophize about his rhapsody as he soars down to try to catch a fish. Yes, it is a great place to live, but when it comes to hard economic facts there is geographic discrimination; we are far from the markets of the world and of central Canada. We understand that and we like to live there, but we cannot understand why the discrimination of geographic distance has to be compounded by the rate structure of the national railway system. It is strange that a Hamburg shipper can land his goods in Toronto cheaper than a producer in Atlantic Canada. We have the largest wharf in the world, Mr. Speaker; it stretches from Toronto to Halifax.

[Mr. Nowlan.]

I will give another illustration of why we are frustrated with this system of transportation, and why members take the opportunity during the debate on the CN financing bill to try to point out that something has to be done. Let us talk about rates and not just the anomaly of Hamburg versus the Annapolis Valley. You can turn that around. My shipper cannot ship cheaper from the Annapolis Valley to Hamburg than the shipper in Toronto. I can prove that point by bills of lading.

I should like to read from the newsletter put out by the Atlantic Provinces Economic Council, a non-government agency of interested businessmen and, boards of trade with support from the four Atlantic provinces which deals with Atlantic problems. I do not think I could do it justice by paraphrasing, so I will read it as I want to give a little more detail than that of the Annapolis Valley-Hamburg situation to show what confronts us in Atlantic Canada when we talk about rates.

I might say that we are glad that at least the west had a conference about transportation. We are as convinced as they that provincial governments will finally have to look at the cost structure of railway operations. During the debates on the transportation bill in this House, many members spoke of the problems the bill was going to create unless we could see what the variable costs were. What does the railway charge against fixed or variable costs? This type of information is difficult for members of parliament or provincial governments to obtain, but I believe that in future provincial governments will be able to get some insight into the costing structure of the railways on a confidential basis. Of course, the CTC is going to study freight rate anomalies which prejudice the west; perhaps it could also study the freight rate anomalies that prejudice us in the east.

I should like to read from the APEC newsletter of August, 1973, which, among other things, says this:

> As an example of the lack of alternatives and competition in the Atlantic region, due to the lack of volume there is no pool car service for less-than-car load traffic from Halifax to central Canada. But daily pool cars operate from Toronto to the Maritimes.

We are small down there. We cannot get the railways to get together to collect small shipments from small shippers into a pool car so that we can get a preferred charge for sending goods to central Canada. Every day pool cars come to the east under preferred charges, because the volume of traffic that can be picked up from central Canada warrants that arrangement. So, we cannot get pool

cars going west, but they do come east, and we must compete in that situation.

● (1420)

I do not blame this government for this state of affairs. All governments are to blame. Let me say that there is much talk about alienation, dissatisfaction and frustration in my part of Canada. Do not think that we, who come from the east, the cradle of this land, are all that happy about our transportation system. I well remember, when I was just knee-high to a grasshopper, that two places close to my home—and this was not Quebec—used to raise the black flag on July 1. I am not speaking of 1867, 1907 or 1927. I am talking about 1947 and 1957. The black flag ran up because some people thought that their prosperity had gone when we entered confederation. They have reason to wonder. I continue quoting:

The pool car alternative would introduce additional and desirable competition. Government should therefore consider partial sponsorship for the initial operation of a consolidation warehouse—

Could not the railways or the government consider establishing consolidation warehouses, so that we could have the benefit of the sort of pool car service that is available to central Canada for shipments to eastern Canada? I continue quoting:

—and regular pool car service from the Atlantic region to Central Canada.

Other anomalies and problems abound in the Atlantic region. In Eastern Canada the railways are capable of profitably shipping a minimum of twenty 20-foot containers a week, in any one direction, carrying exports or imports between Halifax and Toronto for $207 each. For a minimum annual contract of 18,000 export and import containers shipped between Central Canada and the Maritimes the rate falls to $132 each.

Let me make clear those figures. If you do not handle any great volume of containers, you will pay $207 for each one, but if you are a large conglomerate, or tied in with the trans-Atlantic shippers, or with CN at Halifax, you are going to pay only $132 for the same container. I continue quoting:

Present volume rates for import-export containers cover variable costs and make a net contribution to railway fixed costs; otherwise there would be no point in the railways offering special rates designed to attract container traffic carrying exports or imports which might otherwise be shipped through Montreal, the Seaway or an American port. In any case, as CTC President E. J. Benson stated on July 19:

'Section 23 of the National Transportation Act refers to Section 276, 277 and 278 of the Railway Act, and those sections require that the fixing of freight rates have regard to minimum and maximum levels:

(a) No rate can be below the compensatory level—it must exceed the variable cost of the movement of the traffic concerned as determined by the Commission; and

(b) A captive shipper who qualifies for a fixed rate is entitled to a rate which does not exceed variable cost by more than one hundred and fifty per cent.'

Thus it becomes difficult to understand why it costs $335 to send a domestically originated 20-foot container carrying only one-quarter of its maximum load, when it costs only $132 to send a comparable import container, carrying the maximum load, from Halifax to Toronto. It is even more difficult to accept a charge of $1,340 for a maximum load domestic container. That is a rate ten times as high as the minimum import container rate—import containers average about three-quarters of maximum load—despite the assistance received by the railway under the Maritimes Freight Rates Act.

For a fully loaded 20-foot container carrying 40,000 lbs. of domestic dry goods, the rail charge may rise to $1,656. This exceeds the minimum rate for a comparable loaded export container by 1,155 per cent.

I know that when you quote figures you can become completely bulldozed, so to speak, and lose the attention of the audience. But we are not speaking for the audience; we are speaking for the record, in the hope that some of those who read these debates will wonder, as we wonder, why the east cannot compete with central Canada. We are far removed from the markets of central Canada and our container volume is not high. Our containers start their journey in Halifax, Annapolis Valley, Pictou and other regions. The rates given to our shippers are higher than the preferred export rates given to larger shippers who ship in large volume.

That brings me to my second point. I can understand that the railways will give preferential treatment to exporters who may export something like 18,000 containers per year. Obviously, the greater your volume is, the better is the rate you can command. Once that volume of traffic has been established flowing east and west, once you have containers going from Halifax to Toronto, why could you not give the Atlantic shipper a rate that is not the same, perhaps, but very close to that given to the importer or shipper who ships in large volume? That is the question we are asking, and we want some answers. The volume of traffic is there; large shippers are given preferred rates, but domestic shippers are discriminated against. That is not fair. Certainly, in view of the volume of traffic that the railways handle, there should be no discrimination against domestic shippers. They ought not to be discriminated against by an unreasonable rate.

On or about October 11, there was a transportation seminar in the Maritimes, when the Roads and Transportation Association of Canada met in Halifax. An interesting speech was made at that association meeting by a fellow called Robert Manuge who is executive vice-president and general manager of Anil Canada Ltd. of East River. He said, among other things:

The facts indicated that the railways may be deliberately discouraging the use of containers by domestic shippers in order to bolster box car traffic and rail revenues and prevent the circumvention of high commodity rail rates by captive Atlantic region rail shippers, . . .

He went on to say:

It costs Anil, for example, $468 to send 40,000 pounds of its products from Nova Scotia to Toronto by rail. It costs $132 to send a comparable import container, carrying the maximum load, from Halifax to Toronto.

'Why must a local firm accept a charge that is 164 per cent to 255 per cent higher than the rate available to imported containers, perhaps carrying the same products from an overseas competitor, despite the assistance under the Maritime Freight Rates Act?' . . .

Earlier, he had said that the east coast is really the gateway to Canada. I suggest that we are just a pipeline. Goods are piped from Halifax to Toronto and, under present rate structures, the benefit does not accrue to us.

The next question is this. Why should we continue the present rate structure which encourages the development of the inner core of the country and the development of secondary industries which do the processing and develop-

ing in central Canada. Again, with a little imagination, effort—

An hon. Member: And common sense.

Mr. Nowlan: —and common sense, it should be possible to help the Maritimes in this regard. We do not want big cities like Toronto springing up on the east coast; on the other hand, we would not mind a few little Oakvilles, Port Credits or similar areas. We do not want the megalopolises and metropolises which are causing so many problems in other parts of Canada. I do not want to overstress that. I know other hon. members want to speak and will limit my remarks.

The point is that the federal government should consider a transportation policy of the kind that was envisaged in 1867 when all parts of the country were considered equal. That is how they should be now. Transportation policy is a tool for national economic development of the regions. If the regions are strong, the whole country will be strong. This applies to apples, to life, and to transportation.

Further, the system should be changed so that it is more efficient than the one we have now. Now, we take the taxpayers' money to subsidize inefficiency.

My third point is that the domestic shipper should not be discriminated against merely because he does not send out the volume of container traffic that the importer or exporter sends. He should be given a fair rate, so that he can compete with that type of shipper. There are many other areas one could mention and about which one could ask questions. When talking about efficiency, why does it take 35 hours for the so-called unit train out of Halifax to reach Montreal? It is only 780 miles, so that must be one of the slowest rates of progress anywhere in Canada.

● (1430)

Mr. Baker: Almost as slow as the government.

Mr. Nowlan: I do not know whether you can say that. You cannot compare doughnuts with zeros. Sometimes there is a real difficulty in seeing any forward motion in this government. It is more of a backward motion. However, I do not want to get political. I am trying to be objective. Some day the Minister of Transport will face members on this side of the House who are a little more enraged. We are getting short of fuse because we are not getting answers to the questions we are asking.

As I already mentioned, the transportation act set up compensatory rates between competing modes of transport. Why in this bill are CNR and Air Canada lumped together, let alone the fleet of trucks CN uses to carry its goods? Where do you have the competing mode of transport between the hierarchy running Air Canada and CNR, which has as many trucks on the road as Smith Transport, the trucking firm of CP. Where is the competing mode? Perhaps one of the reasons the railways are not interested in passenger service between Halifax and Montreal is that they do not feel they should build up the service. Anyone who does not want the service can fly CN or Air Canada.

Some hon. Members: Oh, oh!

An hon. Member: Fly CN?

[Mr. Nowlan.]

Mr. Nowlan: Air Canada service is definitely much better than when I first came to this House. It used to take between six and eight hours to travel from Ottawa to Halifax. You had to transfer in Montreal and there was a wait of from two to four hours. Fortunately, there is now one plane a day that flies directly to Halifax from Ottawa. It takes one and a quarter hours or one hour and 20 minutes. My point is, how can there be competition between different modes of transportation that are owned by the same company. Nevertheless, we still work under this mythology of compensatory rates when it helps others, but forget about it when it hurts us.

I know there are other members who want to speak on this bill. I just want to mention that the railways are as much a part of this country as the tides in the Bay of Fundy. Those tides are the highest in the world. We on the shores of the Bay of Fundy wonder which will change first, the tides that flow in and out or the transportation system. If we can be assured that when this bill is referred to the committee, officials of CNR, CPR and Air Canada will appear before the committee to give more detailed answers to some of the questions we have been asking, this might help the Minister of Transport in trying to work out some of the fundamental problems of this country.

We talk about regional disparity, the problems of bilingualism and the sincere efforts of the Department of Regional Economic Expansion to develop those areas in Canada which do not receive the benefits of other areas. However, I say in all seriousness there will never be an effective policy of regional economic expansion in the hinterland and periphery of this country until we have a transportation system that will develop in a more meaningful way the very areas that DREE is supposed to help. I can give examples of this in my own constituency. Companies are receiving DREE grants to cover customers west of the Lakehead. Because of the successive freight rate increases in the past two or three years, they received DREE grants to expand their facilities to serve the market west of the Lakehead. However, because of the seven, eight or nine freight rate increases in the past year and a half or two years, they can hardly service the customers they have east of the Lakehead.

I plead with the Minister of Transport to accept what was requested by the western premiers. I know the Atlantic premiers would ask for the same. Frankly, any Canadian would ask that transportation be a fundamental tool of economic development, no matter where he lives. In this way, all Canadians would benefit.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I want to use this opportunity to reiterate a plea I made ever since coming here. That is that the government of Canada, the Department of Transport and other agencies which deal with the various aspects of transportation should begin to look at the whole question of transportation needs in this country in its entirety rather than in separate compartments, as has been done over the years. It seems that at present the one objective of each agency and department is to not let the other know what it is doing. In no other country can that kind of attitude have such a detrimental effect as it does in Canada. There are 22 million people in this country who inhabit some three

million or four million square miles of land, yet we use our transportation facilities on the most illogical wasteful manner that can be imagined. I wish to give an illustration of what I mean.

When I was first elected to this House 12 years ago, there were six or seven trains a day between Ottawa and Montreal, and the same number between Montreal and Ottawa. They departed at various times during the day. They moved quickly and provided an easy and comfortable method of travelling between Ottawa and Montreal and return. What has been done? We, the government of Canada—

Mr. Baker: You are right this time; we, the government of Canada.

Mr. Orlikow: We, the parliament of Canada, allowed the railways, with the blessings of the Canadian Transport Commission and before that the Board of Transport Commissioners, to cut back on the number of trains per day and the meal service. We allowed them to change the times to the point where it now seems they do not want people to travel on their trains. What we found, of course, was that more people used their cars. There was an expansion of bus service—buses left every hour on the hour. What could be more stupid at a time when we are concerned about the fuel shortage and the befouling of the environment than to cut back on railways which can carry people in large numbers quickly and relatively cheaply?

• (1440)

But that was not enough. Though we apparently have no money to subsidize rail transport from Ottawa to Montreal, another branch of the government is proposing to invest $200 million or $300 million in a STOL aircraft system which instead of taking two hours from downtown Ottawa as the train does to downtown Montreal will take half an hour by air, but passengers will have to spend half an hour getting to the airport and another half an hour getting from the airport at the other end to downtown Montreal.

An hon. Member: And for double the price.

Mr. Orlikow: That is just one instance of the failure of the government, and of the Department of Transport in particular, to provide the kind of overall efficient service which the people need.

I want to talk for a few minutes about Air Canada and the CN. I do not think I need explain to members of parliament that I am a supporter of Air Canada and of the principle that air transport should be operated mainly, if not exclusively, by a publicly-owned corporation or under its jurisdiction. If I express criticism of Air Canada, as I intend to do, I do so with a great deal of regret; I wish I could spend my time complimenting Air Canada on the work it is doing. It did a magnificent job for many years. The decline began during the period when a Conservative government was in power, and the so-called regional carriers were given the short runs while Canadian Pacific was permitted and encouraged to get into the trans-Canadian and international air transport business in competition with Air Canada. Air Canada is not performing well at the present time.

Some hon. Members: Hear, hear!

Mr. Orlikow: The relationship between the company and its employees is poor. The morale of the employees at all levels is bad. Air Canada's relationship with its customers leaves a great deal to be desired. I want to document what I say because I think the Minister of Transport (Mr. Marchand) has the responsibility to take whatever steps may be necessary to change this situation. I intend to put forward one or two suggestions as to ways in which this ought to be done.

A few years ago, Air Canada, or Air Canada in consultation with the government, arranged for a study of its organization to be carried out in depth. This study was undertaken by a United States company—why a United States company was chosen, I do not know. But as a result of that study, and the recommendations forthcoming from it, a large number of changes were made in senior personnel. Many of the senior staff from Vice-Presidents down were retired. I know that many of them really did not want to retire. New people were brought in to take over their jobs. The number of vice-presidents was increased; today, I understand, there are some 19 vice-presidents.

I can see no improvement, Mr. Speaker, as a result of the wholesale changes which were made. It is fairly obvious there is a great deal of discontent among those who have remained and evidence of this is the fact that Mr. Baldwin, who was the number two man in Air Canada, has announced his retirement before reaching the retirement age. Then again, there have been a whole series of disputes between the management of Air Canada and its employees. There was the strike of machinists which tied up operations completely some time ago and, more recently, there was a strike of employees working in the finance department in Winnipeg.

The issues which led to the strike, and which made it necessary for the employees to withdraw their labour for a long period, were not particularly difficult to solve had there been understanding and goodwill on the part of management. The employees were afraid that following the development of a computer centre in Montreal the work they were doing in Winnipeg would be transferred to Montreal. They were afraid they would be obliged to move to Montreal if they wished to keep their jobs. It is true that the management of Air Canada assured them this would not happen. But we in Manitoba, regardless of whether we live in Winnipeg or in rural areas, regardless of whether we are members of a chamber of commerce or of a labour union, and regardless of the political party to which we may belong, cannot help but remember what happened a number of years ago when, despite denials by Air Canada management that the overhaul base in Winnipeg would be, first cut back, and then eliminated altogether and moved to Montreal, such a move did, in fact, take place. The overhaul base in Winnipeg, which at one time employed 2,000 workers is now a thing of the past and all that work is being done in Montreal, despite denials by the company, denials persisting for years, that such a step would be taken. It is not surprising, in these circumstances, that the workers to whom I have referred, along with others, are suspicious of Air Canada management, and this atmosphere of suspicion does not lend itself

to efficient work and the provision of satisfactory service to customers.

As one who travels frequently on Air Canada I want to say that I consider the food which is served to passengers to be, on occasion, of a very inferior nature. In fact, on occasion it is a disaster. I have discussed this matter both publicly and privately with representatives of Air Canada with absolutely no success. When I raise the matter I am told I am the only person who does so. But when I asked certain questions in parliament about that aspect of the matter, the answer I received was framed in such a way that it was virtually impossible to know how many people had complained. I am sure I did not get this indirect, roundabout answer by accident. I am sure they did not want to tell me how frequently complaints are made. I wonder how much monitoring of the quality of the food provided is carried out by Air Canada personnel. I wonder whether Air Canada has looked into the advisability of preparing its own meals. I am told that CP Air prepares its own meals. I do not like giving a private carrier credit, but on the few occasions I have travelled CP Air I found the food superior to that served by Air Canada.

● (1450)

I should like to give a third illustration—and these illustrations come to mind without my doing an in-depth study of Air Canada. Let me talk about timetabling. Ordinarily, I go to Winnipeg on Friday, leaving Ottawa at five o'clock. During the supper hour, which I suppose is a period lasting about an hour and a half, the situation at the Winnipeg airport is such that the following Air Canada planes arrive. There is one 1011 which has a capacity of about 300 passengers; there is one DC-8 stretched which has a capacity of about 200 passengers; there are two DC-9's each with a capacity of about 100 passengers. At this time of year those planes are travelling almost at capacity, if they are not overbooked. At the same time one plane arrives in Winnipeg from the United States, a Northwest Airlines plane, and so does one CP Air plane.

Air Canada says that this is not their responsibility, that they did not build the airport facilities. However, they are responsible for their own timetabling. They could stretch their air arrivals at this time so that four aircraft did not arrive at virtually the same time. At the present time you wait for your Air Canada baggage for up to an hour or more at this particular period of the day. I wish the Minister of Transport would go to Winnipeg and examine this situation, because it means there are literally hundreds of cars which have to park in areas where no parking is allowed. You cannot blame people who come to meet their friends or relatives, because there just is no other place to park; parking areas are fully occupied. Then when someone gets a ticket and pays a fine for over-parking because the person he met had to wait for his baggage, his thoughts about Air Canada are not very complimentary.

Let me now mention a situation which does not affect me personally all that much since I am one of those fortunate people who fly from Ottawa to Winnipeg direct, which accounts for about 95 per cent of the flights that I make during the course of a year. I do not have to travel via Toronto, but if there ever was a monstrosity which seems to be have been designed with the express purpose of making things difficult, uncomfortable and unpleasant for passengers, it is terminal 2 in Toronto. I realize this is not Air Canada's fault either. I know this because on one occasion when I did have to spend a little time at Toronto airport I wrote to Mr. Baldwin, and he told me the truth in his reply that it was not Air Canada's fault. The Department of Transport had designed terminal 2 and had it constructed. But, as I say, if there ever was a monstrosity, an abortion, a total disaster area, it is that terminal.

An hon. Member: Constructed by a Liberal government.

Mr. Orlikow: Somebody interjects that it was built under a Liberal government. It was completed under a Liberal government, but it may well have been planned in the days when we had a Conservative government.

Mr. Dick: That is speculation.

Mr. Orlikow: It is speculation, but whoever was responsible should certainly have his head examined by a psychiatrist. One has to walk miles at terminal two. In the Montreal *Star* for yesterday or the day before, I noticed a short letter, which I should have clipped and read to the House today, written by someone who was reporting that his sister needed a wheelchair when she arrived at the Toronto airport. However, even though notification had been given in advance, no wheelchair was waiting and she had to walk miles on her crutches to get from where she deplaned to the taxi or bus. I hear there are motorized carts, but the number of times I have seen passengers riding from one part of the terminal to another are few and far between. There are no comfortable chairs or couches on which to sit if one has to wait. I could go on and on, but I am sure hon. members who use Toronto airport more frequently than I can wax much more eloquent about the terminal's shortcomings.

I should like to give another illustration before leaving the Toronto airport terminal. The department seems to feel that the present situation is not bad enough and it is going to extend the terminal, doubling its size so people have to walk five miles instead of two. I suggest that the minister make sure that his department knows what it is doing and uses some common sense before he permits any extension of that facility.

Let me make one further personal observation. Several years ago, supposedly because it was more efficient and would save money to do so, the reservations office in the Ottawa area, which used to be reached by dialing the phone and speaking to someone in Ottawa, was moved to Montreal. I am not criticizing Montreal for this; we were told it would be more efficient to make this move. Last Thursday, at about 11.30 in the evening, I wanted to check whether the flight I was taking on Friday morning had in fact been confirmed. I dialed the reservations number for Air Canada repeatedly for two hours, and each time my call was answered I heard a recording which told me that the lines were busy and I should hold. I held the line on a number of occasions for up to ten minutes but no one came on the line to answer my call. Eventually I gave up. Fortunately for me the next morning I was able to confirm my flight and I was able to travel. This kind of service is

intolerable and inexcusable. If this is what efficiency means, then I think Air Canada should return to its old system which it said was less efficient. It was probably a little more costly, but at least you could find out whether or not you would get a seat.

One last word about air travel. I suppose I shall be told this is not Air Canada's fault either but the fault of the Department of Transport. People in Winnipeg and Manitoba have been making a case for a number of years that they are entitled to a Canadian route from Winnipeg to Minneapolis and Chicago. At present we are served by only one carrier, a United States carrier, Northwest Airlines. This carrier has a record of poor relationships with its employees. Several strikes have shut down its operations over the past number of years, strikes lasting, in one case at least, for substantially more than one month. So in fact there was no direct service from Winnipeg to the midwestern United States. Winnipeg has been pleading for a Canadian line and I should have hoped it would be operated by Air Canada, but I would settle for one of the other airlines.

● (1500)

A few weeks ago the minister announced they were close to an agreement after long negotiation with representatives of the United States on the extension of air routes to the United States by Canadian carriers and to Canada by United States carriers. The minister announced there would be 18 new routes for Canadian carriers. That announcement was welcomed by all Canadians. Let me tell the minister that western Canadians, Manitobans in particular, were unhappy, to say the least, to find out that the agreement negotiated on behalf of all Canadians did not provide for a direct Canadian route from Manitoba to the midwestern United States until at least 1978. If I were to use the language I have heard about this, Mr. Speaker, you would immediately suggest that I was using unparliamentary language.

This means we will have to wait five more years before we have a direct Canadian route. This is the kind of treatment western Canadians have been receiving for generations. This is the kind of treatment that has led to the alienation, which is increasing, I am sorry to say, in western Canada and the kind of treatment that leads to a situation in which the Liberal Party has been almost eliminated in terms of members of parliament from the three prairie provinces. Let me say to the Minister of Transport and to the Prime Minister (Mr. Trudeau) that if they wish to change what has happened during recent elections in western Canada, they should take another look at the kind of treatment they have permitted—I do not use the word "encouraged"—to take place in western Canada.

I think I have said as much as I want to on this occasion about Air Canada and I hope some of the people who have responsibility in this airline will pay attention to my criticisms. I do not want to be only critical of Air Canada, because criticism alone does not help to improve conditions which have led to the kind of problems I have illustrated. Let me say to the Minister of Transport and to the government that the situation which has developed in respect of Air Canada will continue at least until the government does several things.

First of all, the government ought to take a very hard look at the membership of the board of directors who supposedly run Air Canada. The situation in respect of Air Canada is so serious that the time has long passed when people should be appointed to the board of directors simply because they belong to the right political party or because they come from a geographic area that should have representation. If Air Canada is to be drastically changed, as I believe I have illustrated it must be changed, it needs a new, vigorous and competent board of directors. I would not presume to suggest who should replace those now on the board but I urge the minister to completely change the composition of the present board.

Second, I suggest to the minister that the performance of the senior management of Air Canada must be examined thoroughly. I do not believe they are doing the job that ought to be done, and a great deal needs to be done. I think the illustrations I have given of the incompetence of Air Canada bear that out. I was not the greatest admirer of Mr. Baldwin when he was deputy minister of transport, but when I read that he was retiring several years early I could not help asking myself—I hope the minister will give this some thought—whether in fact the wrong man was retiring. To put it mildly, I would say I am disillusioned with the job being done by Mr. Pratte, president of Air Canada, and the kind of people who have been appointed, I presume on his recommendation, as vice-presidents.

I urge the minister to give serious consideration to the kind of people leading Air Canada, particularly those in the upper echelons. Until the employees of Air Canada have the feeling that the company is operating efficiently and in a way which gives them fair treatment, and that the company cares about what is happening to its customers and its services, nothing will improve.

Let me say one more thing about terminal 2 to demonstrate that what I have suggested is not exaggerated. The management of Air Canada arranged for a survey of customer services and customer feelings about Air Canada particularly in relation to the proposed movement to the new terminal in Toronto. That survey was carried out by a Miss Farnen. I will not take the time to put on the record what she said, although I can and will do so probably at a future meeting of the transport committee. A more damning indictment of Air Canada and its operations could not be found.

As things now exist, it is as though that report prepared at the request of Air Canada management was never made. The report has disappeared, and as far as I can tell very few employees at the senior, middle or lower levels of Air Canada have ever seen it. From my reading of the report and its recommendations, it would seem that virtually none of the problems have been corrected and none of the recommendations have been implemented. I suggest that not all of the recommendations would be difficult to implement and many would not have cost much money. One recommendation in the report was for the employment of more staff. This recommendation was ignored until the management of Air Canada saw how bad the situation was and decided a move had to be made. This is being carried out to at least a partial degree. I would urge

the minister to take a serious look at the operations of Air Canada.

Let me say a few words about the entire operations of our railways. I do not fault the CNR exclusively, although I do fault what seems to be the attitude of CNR management. That attitude seems to be that the CN can only do those things the CPR is prepared to do. It seems they feel they cannot compete with the CPR in order to give cheaper, better and faster service, but that they should do everything possible along with the CPR to provide worse service than was provided before.

● (1510)

I give a small illustration of what I mean. If a person in Ottawa wished to take a train to Toronto, Montreal, Winnipeg or somewhere else and wanted to know the time of arrival or departure of a train, he would pick up the Ottawa telephone book and look under the listing for CPR or CNR. Until a year or two ago the first number listed under the CPR or the CNR heading was "train information." Now one would have to have a better pair of glasses than I have in order to look down the page about a column and a half in order to find the "train information" listing.

In my view, this has not occurred as a result of an accident; I suggest it is a deliberate attempt to discourage people asking questions and indeed to travel as passengers on either railway. This has been done jointly, rather than separately. I could not begin to make the case for improvements in rail service as a whole and particularly for improvements in rail service in respect of freight as well as was done by the four western premiers at the Western Economic Opportunities conference in July of this year. I think it is significant that the proposals on what should be done, and the criticism of existing practices that was made at that conference were made by the four premiers, three of whom lead NDP governments and the fourth of whom is the Conservative Premier of Alberta.

It was interesting and important to me as a westerner to read the report which appeared in all the newspapers. They all reported the same fact, to the effect that the spokesman on the question of transportation for the four premiers was the Conservative Premier of Alberta. It is not my intention to place on the record everything they said, but what they said was so convincing that I am certain no one in western Canada, regardless of political affiliation or social or economic background—and, indeed, no fair-minded thinking person in central Canada or in the maritime provinces—could disagree, because they said essentially that the railway systems of this country were established primarily because without them there would have been no country.

They were established at a time when the manufactured goods which were being produced or processed in central Canada had to be shipped to the Maritimes and to western Canada, and the raw materials, the products of our forests, the minerals, the fish and everything else which was produced in western Canada and in the maritime provinces, had to be moved by rail to central Canada. The whole system of freight rates was established with that in mind.

One hundred years have now gone by. Situations have changed, and now we have resources in the prairie provinces, in British Columbia and in the maritime provinces which can be processed and manufactured as cheaply and as efficiently near the source of growth, near the source from which they are brought out of the ground, as they can in central Canada. This was not the case until now, to large extent because the whole system of freight rates is designed to guarantee the situation we had in the first 75 years of the history of this country.

[Mr. Orlikow.]

The people of western Canada and the maritime provinces are not content to let that situation continue. They are not content to see the job-creating manufacturing industries, to a large extent because of discriminatory freight rates, be expanded in central Canada so that people from the Maritimes, the Prairies and British Columbia are virtually forced to move to Ontario or to the Montreal area of Quebec. They want, and are entitled to have, their fair share. We are not asking that the manufacturing industries or the processing of our minerals, our forests or our fisheries, be carried out in our own areas regardless of cost. We are asking, as indeed the prairie premiers were demanding on behalf of the people of their regions, that the discrimination which has existed should be eliminated and that a new system of transportation with a new system of calculating freight rates be established.

I shall give a few illustrations of the type of discrimination which exists. My colleague, the hon. member for Yorkton-Melville (Mr. Nystrom) listed some of them in an article he wrote in the Toronto *Globe and Mail*. I could do the same thing by quoting from the briefs which the prairie premiers presented to the Prime Minister (Mr. Trudeau) at that conference. It costs $2.90 a hundredweight to ship livestock from Prince Albert, Saskatchewan, to Toronto. If the livestock were slaughtered and dressed in Prince Albert, thus providing jobs to the people of Saskatchewan, it would cost $3.37 a hundredweight to ship the meat to Toronto.

Unprocessed rapeseed shipped from Saskatchewan to Vancouver costs 35 cents per 100 pounds, but if it were processed into oil before shipment it would cost $1.21 per 100 pounds to ship it from Saskatchewan to Vancouver. It costs $38 to ship a ton of Manitoba nickel to eastern factories, but $138 a ton to ship the product of the processed nickel from eastern factories back to Manitoba. It costs $2.01 per 100 pounds to ship a 60,000 pound minimum carload of canned foodstuff from Portage la Prairie, Manitoba, to Vancouver, while the rate to ship the same item from Toronto to Vancouver is $2.08; yet the distance from Toronto to Vancouver is about twice that from Portage la Prairie to Vancouver. Why does this type of situation develop?

Mr. Speaker: Order, please. I regret to interrupt the hon. member for Winnipeg North (Mr. Orlikow), but this time has expired. The hon. member may continue with the unanimous consent of the House.

Some hon. Members: Continue.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, may I say, first of all, that I shall be as brief as possible. I recognize that many members wish to speak in this important debate. First I should like to pay tribute to the hon. member for Winnipeg North Centre (Mr. Knowles) for once again having raised in this chamber a matter which I think is of very great importance, the pension question in respect of retired railway workers. Of course, this is not the first time the matter has been raised, but I think it is time it was raised again and I am grateful to my hon. friend for having raised it in the debate earlier today.

● (1520)

During the unhappy debate on the "back to work" bill of nearly two months ago, the hon. member for Winnipeg North Centre, myself and the hon. member for Saskatoon-Biggar (Mr. Gleave) touched on this problem. Since that time, despite the fact that the Minister of Labour (Mr. Munro) suggested that some action would be taken to study the situation of the railway pensioners, nothing has happened. I am not directing my remarks especially to colleagues on the government side but to other members in the chamber and I ask them to use what influence they have to approach the Minister of Labour and the Minister of Transport (Mr. Marchand) and encourage them to bring about a study of railway pensions, especially those of retired railway workers.

I would remind hon. members that when this matter came up—it is reported in *Hansard* of August 31, 1973, at page 6135—I put the following question to the Minister of Labour:

> So my question to the minister is, can he give us some assurance that this whole question will be gone into? If the minister does not want to go that far at this time, can he give us the assurance that he will meet as soon as possible, which means almost immediately—and I recognize the demands on his time at the moment—with representatives of this pension group so that immediate negotiations can take place with a view to setting up an inquiry to send once and for all this running sore . . .

The Minister of Labour replied as follows and I ask members on the government side to pay attention to these words:

> Yes, with reference to those already retired. I think this is quite a legitimate position, but I do not think it can be accomplished relative to the bill before us today.

He was referring to the fact that he had announced the appointment of Mr. John Deutsch to look into certain aspects of the pension plan. Myself and other hon. members whom I mentioned wanted him to appoint a committee to look into all aspects of the pension plan, especially from the point of view of retired railway workers. The minister said that there were certain options, as follows:

> There is the question of whether it could be done through a joint committee, something similar to what was done before with assistance from governmental officials, if you like, from my department and the Department of Transport.

He then went on:

> . . . perhaps an industrial commissioner should look into the whole broad question. So, as I assured the hon. member for Winnipeg North Centre I am now assuring the hon. member for Vancouver South that I would be prepared, as would the Minister of Transport, to bring the parties together to see what further significant changes can be made to improve these pensions.

This is the commitment from the government. That is why I again ask government members to remember that this commitment has been made, and in the next few days to take the time and trouble to speak to their ministers, because I know the concern for retired railway workers is not confined to one side of the House. I know there are hon. members on the government side, as there are in the Social Credit party and in the NDP, as well as in my own party, who are equally concerned. This is part of the whole problem within the railways. The hon. member for Saskatoon-Biggar pointed out the following in the debate a month and a half ago:

> If the minister or this government think that they can divorce the matter of pensions from the over-all settlement of this rail dispute, then let me tell them that they are wrong.

I am in complete agreement with the hon. member for Saskatoon-Biggar in that statement and I ask hon. members to remember that the problems which lie within the railway trades at the moment will not go away. There is every expectation that they will be recurring, and I say to all hon. members that the question of pensions is one of them. The matter was raised again on September 14, 1973, as recorded at page 6597 of *Hansard*, again by the hon. member for Winnipeg North Centre when he asked the Minister of Labour what was being done about the commitment he had given. The Minister of Labour replied:

> I did say that a supplemental study of the benefit structure of the pensions as opposed to the costing was under consideration, and I advise the hon. member that it is still under consideration. Discussions will have to be held with the railways concerned, the Minister of Transport and the union leadership, and we will get these discussions under way as soon as we can.

That is all very well, but again I ask hon. members to take note that these discussions must take place. It is not enough to tell us that the matter is continually under study. In the minister's remarks, may I point out with respect, there is a very important omission, that is, there was indication that the minister or his officials would speak to the Association of Railway Pensioners of Canada which, as some hon. members know, numbers some 20,000 people. These people have their own organization and they must be brought into these discussions. I point out to government members, to the Minister of Labour and to the Minister of Transport, that the commitment is there and we expect them to fulfil it. We say earnestly and sincerely that this is a serious matter and should not be left too long.

I want to mention another matter, that is, the continuing serious difficulty regarding the morale of the Brotherhood of Locomotive Engineers in my own city. During the committee stage of this bill I asked that the representatives of these workmen be brought before the standing committee to explain to hon. members just what is the problem as they see it, because once again this problem will not go away and it ill behooves us to pretend that this is just a union dispute or just a disagreement between some of the workers and the companies.

This is a matter that is striking right at the heart of the efficiency of the transportation system of Canada, and in the process is causing a great deal of hardship and anguish to the railwaymen involved. I say, and it is important that it be remembered, that we are not dealing here with a group of people who are in any way irresponsible. I have

met with some of them. At a meeting I attended some time ago with about eight or nine of them, not one of them had less than 19 years' service with the CNR. These men are not irresponsible, and because they are making as much of their grievance as they are I say that as parliamentarians we must listen to them and give them a proper forum in which they can be heard.

There will be time to further discuss the general matter of CNR financing. I would say one thing about airport terminal No. 2 at Toronto. There is no changing it because it is there now. But I would ask the Minister of Transport to do one simple thing—go down there during a weekend and find out how many times he does not know in which direction he is going because there are no signs.

Mr. Baker: He does not even have to go there to run into that difficulty.

Mr. Fraser: The minister will realize, then, that a good part of the problem could be solved immediately if proper signs were erected there. I recognize that other members wish to take part in this debate and I urge all members, especially those on the government side, to remember that there is a commitment made to the railway pensioners by the government and that it must be honoured.

● (1530)

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in dealing with the bill before us today I should like to touch upon what I feel is the unfortunate failure of the CNR and the government to supply commuter service in our urban centres. My area of York-Simcoe is particularly hard hit by this neglect. For many years residents have asked for the re-establishment of the passenger service that once existed between the Aurora-Newmarket area and Toronto. The present lack of such a service is due, in the main, to unfortunate jurisdictional confusion and indifference on the part of many, including this government. In my opinion, this neglect must end.

It was not enough for this Liberal government simply to provide an experimental train that commenced to run in my riding on November 1, only two or three days after the last election, but which was discontinued eight weeks later. A commuter train service is urgently needed by the residents of York-Simcoe which has grown greatly in the past 12 years. In 1961 the riding had a population of 72,000; in 1971 it was 99,000 people, and today it is estimated to be over 102,000. In April last year I surveyed the residents and found that 94 per cent wished to have a commuter service. Of the number answering the inquiry, many indicated that they would use the service if it were available.

The GO transit Gray Coach service between Newmarket and Toronto has been well received and is now running at near break-even point. I understand from the GO transit officials that a commuter train would be complementary rather than compete with the present GO transit system. It was the original intention of the province of Ontario that the service be an integrated one between the railroad and the bus line, namely, Gray Coach. Unfortunately, when the province of Ontario attempted to negotiate a satisfactory running contract with the CNR they were unable to do so because of the high costing methods instituted by the CNR with respect to this line.

I would suggest that accounting procedures and conflicting philosophies add to the confusion when attempts are made to cost-out a commuter train service in Canada, and certainly in my riding. For example, in the 1971 annual report of the CNR it is stated that CN policy is as follows:

> to make the provision of passenger services as far as possible a paying proposition for the railway within the framework of the National Transportation Act of 1967.
>
> As part of that policy the company is pursuing vigorously all the advantages available to it under sections of the act which provide that passenger services uneconomic to the railways but needed by the public may receive federal government subsidies of up to 80 per cent of the losses on such services. Accordingly, during 1971 CN submitted to the Canadian Transport Commission applications for discontinuance of all intercity railway passenger services including its transcontinental service. This move was dictated by a provision in the act which stipulated that a railway must apply for discontinuance in order to qualify for subsidy payments.
>
> Legislation provides for different procedures in the case of commuter service. In accordance with these procedures the company also applied to the commission to have the actual losses declared for its Montreal commuting services and for a recommendation to the governor in council for assistance in respect of such losses.

I found that statement most interesting, Mr. Speaker. Although the CNR and the government have denied that the government has covered deficits in connection with urban commuter services across Canada, for some time it has been suspected that the commuter train service in Montreal has been running at a deficit and that the federal government has been picking up that deficit directly or indirectly. In this connection I would draw the attention of the House to a statement by the Minister of Transport (Mr. Marchand), who is not in the House today to listen to the debate I am extremely disappointed about that. In answer to a written question which appears at page 5863 of *Hansard* for July 23, 1973, the minister said:

> The management of Canadian National Railways advises CNR incurred a deficit of $2.1 million in 1970, $2.2 million in 1971 and estimates of a deficit of $2.4 million for 1972.

That refers to the operation of the Montreal commuter train service in those years. I think this is particularly significant, Mr. Speaker, because I can show to any member who is interested letters and representations indicating that the government in no way was picking up the deficit on the Montreal commuter service operated by CNR. Yet we have on record an admission by the minister that something like $2 million is being absorbed in losses by the CN to provide those services in Montreal, which in turn is a loss to the people of Canada.

Turning again to the annual report of the CNR, I would point out that the balance sheet as at December 31, 1972, reflects property investment of $3,476 billion after depreciation of $1,392 billion. Government of Canada loans are shown at over $1 billion and Canada's shareholder equity in Canadian National Railways was set at $2 billion. In that year the railways net interest paid on debt was $66 million which, by coincidence, was equal to the entire revenue received by the railway for their passenger services. In short, Mr. Speaker, the entire revenue that the CNR earned in that year from supplying passenger service

was diverted into an interest charge which was mainly a payment back to the government.

In addition, the road property was depreciated in the amount of $62.9 million, and the CN paid $62.7 million in various forms of taxes to various governments. These three items, totalling $191.6 million, represented over 15 per cent of Canadian National Railways total railway revenues in 1972. In reporting on the 1972 financial statements of the CN, the company's new auditors—I emphasize "new auditors"—pointed out that in January 1, 1923, all properties and equipment brought into the system at that date were included in the CN values and since that date all additions have been recorded at cost and depreciated thereafter. One wonders who is the net loser in this practice of so capitalizing, depreciating the items and in the meantime carrying interest-bearing debt mainly in the name of the federal government. Surely it works to the detriment of the persons who wish to use the railway as a public service.

Certainly if our highway system in Ontario were handled in a similar way, it would result in greatly higher annual costs which would have to be borne by the general taxpayers or by the users of our highways. In this connection it is interesting to note that on March 31, 1967, the province of Ontario wrote down to $1 approximately $3 billion worth of highways and thus ended the earlier practice of depreciating such highways on a 30-year basis. Since that write-off the province has spent almost $200 million per year for railway construction, but each year the amount is written off and paid out of general taxation in the province. In addition, the province has extended municipal grants for roadway construction totalling approximately $150 million a year, which again are written off each year. As a result, Ontario has a relatively good highway system which is used by motorists at relatively low cost.

It can be seen that the province could place a $4 billion value on our road system, which at 6 per cent would result in an annual charge to somebody of $240 million per year; and if the capitalized road system was depreciated on a 30-year basis it would require a further $130 million per year. Partly due to an historical quirk and partly due to different philosophies, our highway system has been structured to give the user a break while our railway system is structured to give the passenger an unduly heavy load.

● (1540)

I also wish to point out that, offsetting a low-cost road system, we have high-cost automobiles in this country. The financial cost to the average passenger car commuter is prohibitive. Take, as an example, my riding of York-Simcoe. The average person who commutes to Toronto has to travel 80 miles per day. It is generally accepted that a person's cost of driving an automobile is 12 cents per mile, or $9.60 per day. Assuming that there are 1½ passengers per motor car, it can be seen that the average commuter spends $6.40 per day travelling to and from work if he lives in my riding and works in downtown Toronto. Putting this another way, he would spend $30 per week, or $1,500 per year. That is what the commuter must spend. Before taxes, such a worker has to earn over $2,000 per year in order to pay his way by car to and from work.

It is often forgotten that any subsidy at the municipal, provincial or federal level which would assist the commuter to get to and from work at the lowest cost is really a saving, not a subsidy, for the general community. I emphasize that it is the federal government's wrong philosophy that has allowed the present situation to arise. Let me also stress that highways are dangerous; travelling on those highways in a motor vehicle is particularly dangerous. In the York region, 66 people were killed in highway traffic accidents in 1972, compared with 59 the year before. Every year the number of accidents on our highways increases.

Of course, the increasing volume of traffic merely highlights the congestion of our roads. Let me give some examples of what I mean, Mr. Speaker. Highway 400, for example, carried 67 per cent more people in 1972 then it carried in 1968. In 1972, the average daily traffic on that road was 34,900, compared with 23,476 in 1968. I point out, also, that pollution is a natural by-product of automobile usage. The report of the Ontario Advisory Committee on Energy, dated March, 1973, reads as follows:

> ... transportation accounts for over half of the man-made pollutants emitted to the air in metropolitan Toronto.

The report says, as well, that the automobile is "by far the largest contributor in this category." It goes on to say:

> ... the automobile is the main, man-made source of pollutants such as carbon monoxide, nitrogen oxide, hydrocarbons and lead.

Dealing specifically with carbon monoxide, the report states:

> In high-density population areas with a high concentration of motor cars, the burden of carbon monoxide in the air can be an increasingly serious hazard to health.

At page 62 of the same volume, the report states:

> Public transit contributes on the average much less pollution per passenger mile than does the private automobile.

In addition, the report points out that transportation is probably one of the most serious social and aesthetic problems associated with land use. It says:

> High concentrations of automobiles in large urban areas have resulted in the development of massive expressways which are exceedingly costly, use large amounts of land needed for housing and other purposes, departmentalize cities, increase congestion, and generally lower the quality of life in their immediate vicinity.

Again I say that the government has been completely negligent in this area.

Some hon. Members: Hear, hear!

Mr. Stevens: Let us consider the question of energy. When we debated the question of energy yesterday, I think it was well demonstrated that the government has no energy policy; there is a total lack of energy policy.

Mr. Paproski: What's more, the government doesn't care.

Mr. Stevens: I again point out that energy is not available in unlimited quantities in Canada or in the world. Certainly, it should not be squandered and unnecessarily used for commuter travel. In 1970, 17 per cent of the total energy consumed in Ontario was used in the transportation sector. As I said yesterday, 80 per cent of the energy used in Ontario has to be imported into the province. The

fuel consumption of motor vehicles accounted for about four-fifths of this energy consumption.

The transportation sector in Ontario utilized, in 1970, 394 trillion BTU's of energy. By 1990, if present trends continue, the transportation sector will utilize 1,100 trillion BTU's. The utilization of commuter train services would help to minimize this large consumption of non-renewable resources. Already there is gasoline rationing in the United States. The authorities in that country are considering the imposition of a 50 mile per hour speed limit and other ways in which to conserve fuel. It is only prudent for Canadians to minimize the needless use of the automobile, especially when commuter train facilities are so readily available. We can use trackage and railway stock that is already available in this country.

Historically, the residents of my area have fought for passenger train service for over 120 years. In 1849, 1,100 residents petitioned the federal government as it was then constituted to incorporate a railroad company which would serve the area with passenger and freight facilities. As a result, the Toronto, Simcoe and Lake Huron Union Railroad Company was incorporated and subsequently financed through lottery tickets which were sold throughout the district.

On May 16, 1853, the first steam train in Canada West ran from Toronto to Aurora carrying passengers and freight. Today, the powers conferred in 1849 to build and operate this railway are vested in the CNR, a federal Crown corporation. Those in control of the operation have chosen, however, to discontinue the passenger service but to keep the line for freight service. CNR officials have stated they make money on freight but passengers are trouble. Commuters may be more trouble than freight, but I believe we have now gone full circle. Rail systems were needed when the country was being developed, to carry both people and freight. That is why the railways received their franchises. Today, railways are needed for the same two purposes but of the two, people must come first.

Some hon. Members: Hear, hear!

Mr. Stevens: To hold otherwise would be to allow the railway system to enjoy the more profitable side of its concession and to ignore the less profitable. It would be like the Liquor Control Board of Ontario telling a tavern keeper that he may discontinue his food sales if, according to his figures, he finds those sales unprofitable, so that he may concentrate on retailing liquor which he claims is more profitable.

Some hon. Members: Shame.

Mr. Stevens: In short, that is what the government has allowed the CNR to do in this country by accepting that railway's accounting philosophy which I have tried to demonstrate this afternoon.

Mr. Paproski: It is shameful.

Mr. Stevens: Commuter train services are needed in our urban centres, particularly in areas such as Toronto and the one I have the honour to represent. Such a service has been promised by many governments. Certainly, the provincial government of Ontario has indicated repeatedly that, given the proper working relationship with the CNR, it will be more than willing to institute commuter train services in the Toronto area and other parts of Ontario where they are required. That co-operation has not been forthcoming up to the present time.

We want to know why the government sees fit to subsidize the Montreal area, with respect to commuter service, to the extent of over $2 million per year, but will not even meet with the appropriate Ontario authorities in order to try to arrive at a working relationship regarding the institution of a commuter train service in Toronto. In this connection I would emphasize, as most members are probably aware, the GO transit service that the government of Ontario is now running in the Toronto area is completely paid for by the provincial government. They have a net running cost arrangement with the CNR where the CNR, in spite of their method of costing, is paid 100 per cent of what they say is the cost of running that service.

● (1550)

The province of Ontario is picking up any deficit between the revenues they are able to earn and the actual running cost charged by the CNR. Even at that, I think it is wise to note that most of that service is now running at a breakeven point as far as the province is concerned, and on average it is resulting in a net loss of about 40 cents per person per day. The province has acted, but not the federal government.

I suggest that if a rail commuter service were instituted in my area, it would be successful and any loss would be an accounting loss, not an actual loss on the service. Such a service would be cheaper for commuters. It would certainly be safer. Pollution from automobile usage would be lessened and energy would be conserved.

May I conclude by saying that I sincerely hope the government will give to my area in 1973, or certainly in 1974, a passenger train service and in so doing at least restore us to the position we had in 1853.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have only four or five minutes before private members' hour at four o'clock. I begin by saying that the CNR financing bill before us is important to all members of this House for many and various reasons. In a constituency such as mine it is very important because there is a large area of the city of Melville in which about 600 people work. It is also important in a constituency such as mine that is basically rural, because of the farming population and problems associated with rural Canada.

This debate provides members with an opportunity to talk about the problems of transportation and rural Canadian life. The transportation system is vital and central to most of us who come from the so-called hinterland areas of this country. All you have to do is look at the freight rate structure in places like the Prairies, most of Quebec outside the Montreal area, the Atlantic provinces, northern Ontario and other parts of northern Canada to know what I mean. The transportation system, the freight rate structure and the anomalies in it are a large part of the reason for the rapid shift of population from rural Canada to urban centres. This can easily be seen by looking at events in the provinces of Manitoba and Sas-

katchewan in the past few years. There is lack of development because of the freight rate structure, a structure which provides lower freight rates for shipping raw materials out of the Prairies than finished goods or products.

I will give only one example of this because I think it will demonstrate what I am talking about. In the city of Prince Albert, which the right hon. member for Prince Albert (Mr. Diefenbaker) represents, it costs $2.90 per hundredweight to ship livestock to Toronto. If the livestock are slaughtered and processed, it costs $3.37 per hundredweight. That means only one thing: we are exporting jobs from Saskatchewan and other parts of rural Canada to places such as Toronto. The freight rate structure is organized in such a way that it is more profitable to do the processing in the golden horseshoe area of southern Ontario or in the city of Montreal. We must get rid of that type of system if we are to develop this country in an economically planned fashion where the younger citizens of rural Canada have job opportunities in their own locals. A transportation system is vital to that end.

The problem is not only freight rates. It is also the abandonment of rail lines which serve small areas of Saskatchewan. Plans are for the abandonment of about 3,000 miles of rail lines in my province by Canadian National and Canadian Pacific. What will happen when that is done? Many little villages and hamlets exist only because they are service centres for the farmers. They have grain elevators to which farmers deliver their grain. If they are abandoned, these small communities will lose one of their focal points and will have little reason for being. It will be more expensive for the farmer who will have to transport his grain a greater distance.

There is also the question of station agents. This, again, takes away from the service that is being provided to people in rural communities. It makes things more difficult and costly for them. When we talk about the transportation system we are talking about something that is absolutely fundamental to the way of life of a great many people whether they live in the Prairies, in Quebec, in eastern Canada or in the northern parts of this country.

I see it is four o'clock, Mr. Speaker. Perhaps I could call it four o'clock at this time and continue at a later date.

Mr. Speaker: It being four o'clock—

Mr. Paproski: Carried.

Mr. Speaker: Because of the interjection I have cause to wonder whether there is a desire by hon. members to pursue this very interesting debate until five o'clock. Is this the wish of the House? I am inquiring whether it is the wish of the House that we pursue this debate and suspend private members' hour.

Mr. Baker: Mr. Speaker, we will not be considering a motion by a member of this party. I think it is a Social Credit motion. I wonder whether Your Honour was heard at the far end of the chamber.

Mr. Speaker: I will try to speak louder.

[*Translation*]

I wonder if the House would be willing to suspend private members' hour to carry on the debate on the bill now under consideration. To that effect, we would need the unanimous consent of the House. The hon. member for Portneuf (Mr. Godin), I think, could perhaps indicate whether it is his wish—

Mr. Roland Godin (Portneuf): Mr. Speaker, I remember that I was asked that some time ago. I accepted and today I would accept again. I wonder if we should not stick to the regular agenda in order to give other members next week the opportunity to discuss again the bill on the CNR financing.

Mr. Speaker: The hon. member suggests that the debate should be suspended as provided and that we should pass to the consideration of the items standing in the name of hon. members. We will in a moment be dealing with a motion.

It being four o'clock, the House will now proceed to the consideration of private member's business as listed on today's order paper, namely notices of motions (documents), public bills and private bills. I recognize the hon. member for Portneuf.

The hon. member might perhaps indicate who seconds his motion.

Mr. Godin: Yes, Mr. Speaker. I think that it is the hon. member for Louis-Hébert (Mrs. Morin).

Mrs. Morin: Who, me?

Mr. Speaker: There is obviously a practical difficulty. The hon. member must find somebody to second his motion.

• (1600)

[*English*]

It may be that the hon. member for Grenville-Carleton would wish to second the motion.

Mr. Baker: For the purpose of permitting the hon. member for Portneuf (Mr. Godin) to proceed, I would be very glad to second his motion.

Mr. Speaker: I am sure it is a motion which the hon. member for Grenville-Carleton will be proud to second.

PRIVATE MEMBERS' MOTIONS

[*Translation*]

INCOME TAX

SUGGESTED TAX REBATE EQUAL TO MORTGAGE INTEREST PAYMENTS

Mr. Roland Godin (Portneuf) moved:

That, in the opinion of this House, the government should consider the advisability of granting an income tax rebate equal to the amount paid in mortgage interest on a family home and in municipal taxes, the whole not to exceed $1,000 per year.

He said: Mr. Speaker, may I first thank the hon. member for Grenville-Carleton (Mr. Baker) who graciously seconded the motion.

I am pleased to have the opportunity to discuss the famous motion I submitted last January and which has been on the order paper under number 38 since then.

Since the purpose of this motion is for the benefit of all Canadians who own single family houses, I obviously hope to have the support of all memebers, all the more so because we can discuss this motion while dealing first with its application concerning our country's resources.

On the material side, this country is obviously one of the wealthiest in the world.

And although our trade always favoured England and our natural resources were generally developped for the Americans, we are nevertheless citizens of a country where the standard of living is rather high. Our young country having been generously endowed by nature, they have not succeeded in exploiting us completely. However, exploiting was felt chiefly at the housing level and as a result our country is suffering from a lack of decent housing for poor and low income people.

Inquiries made by the government have shown that it was impossible for a couple earning under $8,000 a year to consider buying a house. On the other hand, the government introduces local initiatives programs under which the salary is $100 a week for three or four months. Among those earning only $7,000 to $8,000 a year, Mr. Speaker, it is needless to say there are many government employees at the Federal, provincial and municipal levels. There are more than just a few people with annual earnings from $5,000 to $6,000 and unfortunately that kind of money is also too often the wages of a great number of trade or industry employees.

In short, all those people are not earning an income that would enable them to make a down payment on a house with high mortgage payments, to pay insurance and municipal and school taxes. In spite of all the measures introduced by the government, one realizes that not only has the problem not been solved but the situation is getting worse every day. As a matter of fact, in 1969, a three-bedroom single family house cost about $18,000 in the Quebec City area. In 1970, the cost of the same house, in the same area, had gone up to $20,000 and this year a three-bedroom single family house, or a 1,000 square-foot house, goes for $23,000 while it seems that houses of that kind in the Toronto area would sell for about $28,000.

It is also obvious that those who purchase a house are faced with interest rates much higher than in 1970.

I remember that during the election campaign Liberal candidates made some commitments in this connection. And yet interest rates keep on increasing. Because municipal and school taxes have been raised we have reached the point where some government programs and mainly those of the Central Mortgage and Housing Corporation are out of reach for most people. Some programs are even out of reach to the very people they were supposed to help.

The fact that family heads cannot afford a house even though they earn $6,000 or $7,000 a year is a tragedy. This is due to the fact that the down payment, monthly mortgage payments, maintenance costs, service costs and taxes never stop increasing.

As for those who qualify for loans from caisses populaires and CMHC we know how much they must pay. For instance, a $30,000 loan at 9 per cent, which is the current interest rate of the CMHC, means that monthly payments of $248 will be required for 25 years. Therefore, after those 25 years, the owner will have paid $74,520, namely $30,000 for the repayment of his loan and $44,520 in interest charges and this does not take into account the municipal and school taxes and service costs. As I said, this is in the case of people who qualify for the CMHC program which we know well or who applied to a caisse populaire.

Besides if we know what happens to those who qualify this does not apply to everyone. As a former carpenter I am always most interested in visiting housing projects in my constituency.

About two months ago, during one of those visits, I met a young couple who had requested their mortgage company to review their payments. They were paying $189 a month. After two and a half years of this, they had paid back only $112 of the capital, with the rest of the payments going for expenses, insurance and interests. Obviously, you cannot pay for a house in such a situation. While there may be many who cannot afford to become owners, I think that we should not forget the category of people which I have just mentioned.

● (1610)

The case of the young couple which I gave as an example a moment ago is not unique. Many owners who succeeded in obtaining financial means a few years ago now face serious problems. And these problems have become so difficult to solve that many people ask themselves: How long shall we be able to keep our house?

Middle income families, and even what were once considered well-off people, are affected. They find out that after they have bought a house, they will have to pay for it three times. They will have to pay for it once to the contractor and twice to the finance company.

This situation is really unacceptable and I think that as far as interest is concerned, the problem cannot be solved today. The government, however, must bring forward a program designed to improve living conditions of Canadians who own single family dwellings.

Among improvements that would have both essential and efficient results, there is the implementation of the motion before us, that I introduced early in this session. I suggest that this motion can easily be carried out and meets the wishes of all Canadians.

All the people who have access to *Hansard* have seen as well, I guess, that during the previous years, our party emphasized on many occasions in this chamber the importance and urgency of carrying out measures to relieve Canadian homeowners. When asking that municipal and school taxes be deductible for income tax purposes, I feel this is not a special favour but rather a sort of justice, since municipal and school taxes are already deductible in the case of "big wheels" or companies that own apartment houses.

You will all recall, I think, a letter received early in September, that was directed to every member of Parliament by the Chairman of the Canadian School Trustees Association, Mr. Walter W. Robson. The latter referred to a meeting of the School Trustees Association of all the

provinces, that was held in Quebec City, in May 1973. The following resolution had then been passed:

"It is therefore agreed that the Canadians School Trustees Association file a petition with the Minister of Finance of the government of Canada and the ministers of Finance of all the provinces so that they take financial steps that will enable homeowners and tenants to deduct the amount of their school taxes from their taxable income."

The letter goes on to say that the resolution had been sent to the Minister of Finance in Ottawa (Mr. Turner) and that copies were being prepared to be sent to his provincial counterparts.

These school trustees from a great many Canadian communities, urban as well as rural, state that they are speaking on behalf of a majority of men and women who have responsibilities in respect of Canadian taxpayers.

Because hon. members of this House also have responsibilities in respect of taxpayers, those of the Social Credit Party of Canada are pleased to join with the school trustees to claim for all taxpayers the right to deduct from their individual income tax returns the amounts paid as school taxes to the various school boards.

The position of the Social Credit Party of Canada is that ownership of his home by the head of the family contributes to the development of individuals, the welfare of their families and the health of society. If the platform of the party, as far as housing is concerned, is widely publicized during election periods, it is also true that, between general elections, we continue to call for various means of action on the part of this government.

To improve the well-being of Canadians, we propose various means. First, the incentive for building single family dwellings by guaranteeing long term loans at an interest rate which should not exceed 3 per cent. Second, the abolition of impediments to building constituted by present taxes and especially by the sales tax of 12 per cent on building materials. Third, the owners of single family dwellings should also benefit from an income tax exemption on their mortgage interest payments as well as on municipal and school taxes; however, this exemption should not exceed $1,000 a year.

The program of our party in the area of housing reflects the needs of the Canadian people, which were expressed and proved publicly during Creditist conventions held each year in different parts of the country. The hon. members of our party having been elected without the election fund of big finance, it is easy for us to fulfill our role honestly and to be the spokesmen for our electors in order to claim in this House the measures which are urgently needed to safeguard the freedom of families and assure them utmost security in a rich country like ours.

Creditist members have always been ahead and we are pleased today to note that we are not the only ones who request efficient social measures. Several groups, several associations and intermediary bodies have exposed their views on this subject.

In *Le Soleil* of September 17, for example, we can read, and I quote:

The Saint-Jean-Baptiste Society (SSJB) of the Chaudière area, in order to promote residential construction, invites all governments to favour income tax deduction of mortgage interest payments on a new property for a period of three years and to grant a deduction of municipal and school taxes on a residential property.

That is what stands out in the main resolution passed by the membership of SSJB Chaudière at the annual convention that was held last week in Ville Saint-Georges de Bauce under the chairmanship of Mr. André Breton . . .

People are generally aware of the benefits that would flow from the implementation of that motion to make property taxes deductible for tax purposes. Mr. Speaker, even Liberal supporters are in favour; all newspapers in the country mentioned that Liberal supporters gathered at the convention around mid-September in the federal capital passed a resolution asking that interest rates be reduced and even that amounts paid as interests on mortgage loans be made deductible for tax purposes.

Mr. Speaker, I earnestly hope that all members, Liberal members included, will have the courage to forget about bagmen for a moment and vote in favour of my motion.

Mr. Rod Blaker (Lachine-Lakeshore): Mr. Speaker, it gives me pleasure to discuss this very important subject. That concept is well known in the United States, for example, and in Canada, Manitoba and Ontario.

The only question that could perhaps be asked now is, is it worth it for the citizens of St. Catherine or Lac-Saint-Joseph, for example, or would that not rather help the residents of Westmount or Forest Hill?

[*English*]

Before I discuss the idea further for a few moments I should like to permit myself a spot of Friday afternoon humour by indicating that I am delighted to see that the hon. member for Grenville-Carleton (Mr. Baker), a member of the Official Opposition, has supported a motion which seems to favour the wealthier taxpayer to a greater degree than it does the poorer taxpayer.

Mr. Baker: That is because you have one eye closed.

Mr. Blaker: Mr. Speaker, I wonder whether I should resume my seat and allow the hon. member to comment on the bill.

Mr. Baker: Go ahead.

Mr. Blaker: I think I should continue. The question posed by motion No. 38 is whether or not it will truly benefit those citizens who must need such benefit. The motion provides, not for a tax deduction but for a tax credit which is applied against income tax owing by a citizen. If this concept were presented to the House as a bill it would permit an individual to deduct from his taxes owing an amount equal, apparently, to the combination of the interest payable on his mortgage in a given year and his municipal taxes payable in the same year.

I think it follows, very obviously, that to the extent that an individual pays more income taxes, to the extent that he pays more mortgage interest, to the extent that he pays more municipal taxes—all of which are indicators of the wealthier individual—he would receive greater benefit under this proposal. I would go further and say that in general terms this motion is contrary to the provisions and the spirit of our tax law.

[*Translation*]

The Income Tax Act now grants abatements or, to use a more common expression, tax credits, only when it is established that the income received by the taxpayer has already been taxed. It is called the Foreign Tax Credit and it applies when the taxpayer gets from abroad an income that was taxed in the other country. The Income Tax Act then provides for a credit to be applied against Canadian taxes for an amount not exceeding that paid to the foreign country.

[*English*]

That is one of the few exceptions under the foreign tax credit where we do permit one area of taxation to be credited against another area of tax payable. The proposal in the motion of the hon. member for Portneuf (Mr. Godin) goes even further. Essentially it argues that although an individual has not spent money pursuant to a business, or an adventure in the nature of trade, if I recall the expression used in the Income Tax Act, he will none the less be entitled to deduct from his income tax that amount of money which he has spent for his comfort.

While it is understood that a home is essential, it is an essential that does not have to be purchased. So the result of the motion would be very considerably to favour the individual who has adequate funds to buy a home and to leave out in the cold, so to speak, those individuals who choose not to buy or cannot afford a home in that they would not receive an equal or similar advantage in regard to their own income tax which is payable.

● (1620)

The question I might turn to next is that of specific examples within the income tax system itself as to how such a motion might apply to various individuals paying income tax. I know other members of the House wish to speak on this motion and I think it would be better to restrict my comments to the more general aspects of this question, as I have been doing up to now. I should like to mention one or two areas which I think are of interest. This motion would very substantially run counter, in its present form, to a similar idea which has been found workable in the provinces of Manitoba and Ontario.

[*Translation*]

Incidentally, I wish to note that, in co-operation with the federal government, the two provinces I mentioned, Manitoba and Ontario, have established a tax-credit program in order to ease the local taxpayer's burden. But as for its big four original features, the program was first conceived so as to bring as much relief as possible to people on low income.

[*English*]

That is in considerable contraction with the present motion which does not seem to assist those in the lower revenue brackets but, rather, those in the higher revenue brackets.

[*Translation*]

Then, the provincial tax is reduced rather than the federal tax, so that provinces subsidize their own municipalities. Furthermore, provincial programs help both tenants and owners.

[Mr. Blaker.]

[*English*]

The present motion does not go to the question of what taxation aid might be given.

[*Translation*]

Finally, we pay money directly to the people involved when the credit is greater than the amount of income tax to be paid.

[*English*]

Therefore, for the general reasons I have mentioned—and I am led to believe that other speakers may wish to go into specific details in terms of actual taxation concepts—I would be opposed to the hon. member's motion.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I know it is rather strange that I should rise to support the hon. member for Portneuf (Mr. Godin) on this motion. However, I do so for two purposes. The first is so he can have the motion brought on and, second, because I think he has introduced into this House today a concept which is not new but which would, if adopted, provide a new form of relief and incentive to those in our society who to a greater and greater extent are concerned about housing. I think this is perhaps an even more important reason than the first one.

I am not terribly shocked to learn that the hon. member for Lachine-Lakeshore (Mr. Blaker) takes exception to what I might describe as a progressive proposal in respect of housing, because in dealing with housing the government he supports is notorious for its dinosaur attitude in respect of new innovations in this field. When we are speaking about a conference to which the minister can go and talk about new methods of bringing forth better housing for more Canadians, then of course the minister and members of his party are great at talking. When they have the instruments of power in their hands to provide some relief from this dreadful shortage in a land of plenty, there is a superabundance of talk and a poverty of progressive action in housing.

I rise today to support this motion as I think, contrary to what the hon. member for Lachine-Lakeshore says, it will not provide relief for the very limited wealthy class in Canada but as wage rates increase it will provide a measure of relief, incentive and hope in Canada for those who find themselves in the middle income group which has been burdened to a greater extent by the tax load of modern society. This is not a new concept. On April 9, 1973, on motion of the hon. member for Regina East (Mr. Balfour), a Progressive Conservative member, and later on May 14, 1973, on motion of the hon. member for St. Catharines (Mr. Morgan) this matter, in terms somewhat different though nonetheless consistent with the motion of the hon. member for Portneuf, was discussed by members of this party in the House.

I say as a matter of faith in this party that we are dedicated to the first principle that housing is a universal need; and the fact that homeownership is too expensive in Canada, a land of plenty in the 1970s, makes it a matter for government action and government priority. It is significant, in terms of considering the extent to which housing is a priority to this government, to realize that even at this late date, in spite of all the urging upon the government, it has refused to take off the 11 per cent sales tax on building

materials. This is a most regressive tax. This government has also refused to follow the lead of the province of Ontario in establishing a ministry of housing as a regular government department reporting to its own standing committee of this House.

I do not have to convince hon. members of the House who want to see that there is a problem, and I do not have to convince members of the House who care to see that this government has not really progressed very far in spite of its talk, its press releases and its propaganda regarding the position it takes on housing. It has been established that 80 per cent of Canadian families want to live in single-family dwellings. If 80 per cent want to do that, it is the duty of this government to provide the opportunity. The proposal of the hon. member for Portneuf would effect a dramatic reduction in the cost of housing for Canadian families, perhaps to the extent of almost $1 billion per year. The deductibility of mortgage interest rates would reduce the impact of inflation, of land and construction costs and of interest rates which over the past ten years, partly through errors of omission and partly through errors of commission by this government, have been far out of proportion to the general increase in the cost of living, but all of which have increased the cost of housing.

Let me refer as one example to the recent report on housing in the Toronto area. Housing in that area now costs 11 per cent more than it did one year ago. While food costs rise, people still eat; while clothing costs rise, people are still clothed. But an increase in housing costs deprives many Canadians of the prospect of home ownership and commits them to a life of paying rent.

I had the privilege of going through a number of high-rise buildings in my area during the course of the last election campaign. I have told this story on the floor of the House before. I met a young couple one night in the course of campaigning who told me they were saving money. The young fellow had a position in an institution here, a position of trust, and was managing to save money. But to use his words, he felt imprisoned in that apartment building. He was one of those who wanted to get into a home of his own and to bring his family up in that atmosphere.

● (1630)

There are others who do not, and I respect their wishes in that regard. However, the overwhelming number of Canadians wish to have a home of their own. Under the present situation, with inflation which is running rampant without control in this country, with the regressive taxes on building materials, and with a government which refuses to tackle the number one social problem in this country, thousands of Canadians will find themselves continually imprisoned in apartment buildings. I have never forgotten what that young person told me. We all know the main components in the cost of a house are the land upon which the house is built, the construction of the dwelling and the cost of the money. I believe it is fair to say the largest single cost contributor in recent years has been the cost of money in respect of the building and ownership of a home. It is primarily to that I understand the motion of the hon. member is directed, namely, the cost of financing a home.

I should like to give an example to illustrate how expensive this cost is. The rise in the interest rate from about 6 per cent to about 9 per cent, and now even higher, has added more to the monthly payment of an average mortgage loan than the average $5,000 increase in the price of a building lot would have added without a change in the interest rate. For example, a mortgage with a principal amount of $16,500 payable over a period of 25 years at 6 per cent would have a total interest cost of $15,200. The same mortgage, with principal of $16,500, carrying interest at the rate of 9 per cent, would have a total interest cost of $24,500, a difference in interest cost of $9,300 on a mortgage loan of $16,500. Furthermore, high interest rates may be substantially raising the level of annual income needed to secure a mortgage, compared with previous years. It is to that phenomenon that the motion of the hon. member is directed.

The hon. member for Lachine-Lakeshore seemed to say that this motion, worded as it was, could apply only to a single-family home. I have read the motion and am afraid I cannot apply to it that very restrictive interpretation; but I am not surprised that the hon. member has been able to do so, because he belongs to a very restrictive party. However, I have read the motion and it is possible under it to grant an income tax rebate equal to the amount paid in the form of mortgage interest on a family home. I think in our society it is possible, with the development of condominiums—some condominiums such as high-rise buildings and other condominiums of perhaps lower rise—for people to have a family home of this type.

The motion also deals with the provision of a reduction or rebate in respect of municipal taxes which a condominium owner would have to pay. Surely the motion is not so restrictive that it could not apply also to that proportion of the rent. It represents an increase in the rent paid by a renter of an apartment building as opposed to a condominium where the municipal taxes become part of the monthly payments in respect of that building. It would seem to me that such a provision would be of great advantage to people who rent. This is a unique attack and I know this government is not prepared particularly to accept a unique attack on anything, even on itself. However, it is an attack on one part of the spectrum, the difficulty that faces Canadians in all parts of this country. This will continue to be a problem facing Canadians to a greater and greater degree as they become more urbanized. This is part, not all, of the attack which must be made on what I believe is Canada's number one social problem.

I, for one, believe that how we solve the housing problems of Canadians, which have reached astronomical proportions, will be reflected in how this and other governments in Canada generally meet the social problems that will affect us as our society changes. We talk about many things, such as crimes in the streets, respect by children for their families and the breakdown of the family. I say to you, Mr. Speaker, I believe with great conviction that at the root of many of those problems is the inadequacy of housing and the variety of housing available for Canadian needs.

I shudder, frankly, to think of the communities we will be developing as we move into the latter part of the 1970s. In a few years, 85 per cent of all Canadians will live in an

area along the St. Lawrence River and in the major cities generally between Windsor and Montreal. I shudder to think of the problems that will develop when we continue to pack more and more people into fewer and fewer acres. I shudder to think what will happen in respect of our educational system which will suffer as a result of this development, with teachers teaching larger and larger classes. The burdens which are being placed on the municipalities in respect of recreation are horrendous, in my view, and I have had some experience in another capacity with regard to municipalities.

The problems generated by not attacking the housing problem are things I do not look forward to seeing. These are the things that are at the root of a national housing policy. The hon. member for Portneuf is not saying his motion is the be-all and end-all of a national housing policy. But I think he is saying, and I agree with him, that it is the beginning of a concrete plan for a real attack on this problem. Of course, it will cost the treasury money. I tend to think rather progressively, however, in respect to the future of Canada, and I believe that despite the inability of this government, notwithstanding its backward-looking attitude and notwithstanding that it would rather restrict than give incentive, this country is capable of moving ahead and providing this kind of incentive to Canadians to own their own homes.

In the debate of April 9, 1973, myriad reasons were given by the hon. member for Laurier (Mr. Leblanc), speaking for the government, concerning why we should not venture into this kind of thing. I read that speech with absolute dismay. But having sat in this House since April 9 and having watched the government in action when dealing with other matters, I am not surprised as I read the speech again. This government has tended to put thumbs down on every practical idea that has come forward except those it can steal for its own advantage.

Some hon. Members: Hear, hear!

● (1640)

Mr. Baker: I suggest that in the atmosphere of harmony that exists in the House at this time, as you can see, Mr. Speaker, perhaps this is another idea that they may steal, and this would not surprise me at all. I say to the hon. member for Portneuf that he may be very proud to see this motion making part of the Liberal platform in the next election.

In spite of all the reasons in the world that can be advanced against it, there is one overwhelming reason why this House should approve the motion, that is, that it is part of the attack on a national problem. This government had better listen to the wisdom of the hon. member for Bruce (Mr. Whicher) who a few days ago chastised the government for its neglect of transportation problems. I want members over there who are jeering at me to stand up, look the problem in the eye and chastise the Minister of State for Urban Affairs (Mr. Basford) for taking the attitude he has with respect to a serious Canadian problem. They would show more courage by doing that than by skulking near the curtain and jeering in the face of Canadians who suffer from neglect and who are asking this parliament, as the hon. member for Portneuf did, to begin at least in this small way an attack on what has become a national problem and, may I point out with great respect, a national scandal.

[*Translation*]

Mr. Yves Demers (Duvernay): Mr. Speaker, I shall be brief: nevertheless I would like to make a few comments on the motion before us.

People are now talking about an income tax rebate of $1,000. I often heard that some were considering reducing the income tax by the amount paid in taxes and interest. Now, I think this is going beyond all bounds: it is no longer a question of a rebate but of a tax reduction of $1,000.

I believe this policy would favour the wealthier people, those who own houses worth $50,000, $60,000, $75,000 or even $100,000, while we, in the Liberal party, are working very hard to try to help the Canadian worker who, through his labour, contributes to the development of Canada. Often, this Canadian worker who earns maybe only $8,000 a year owns a small and very modest house for which taxes and interests amount to only $500. In other words, this worker would be unable to save $500 contrarily to much richer people.

There are also the tenants who pay rent and cannot benefit from this tax deduction because they do not own the house. I know several people who are tenants in Montreal or Toronto but who own a $100,000 cottage in the north. And we would like to grant them a $1,000 tax deduction? I fail to see the rationale of this policy.

Furthermore, the people who own properties in Canada have an advantage that I would like to point out. They can make capital gains. Such gains are not taxable, not even at 50 per cent because there is an exemption for the main residence. This is in itself an advantage and we would like the federal government to give them $1,000 more. Finally, if that policy were implemented for income tax returns we would have to hire a few more civil servants as it would be necessary to increase control over income tax returns.

I think we should concentrate on the creation of productive employment so that our national gross product continue to grow and that would increase our exportations since our Canadian dollar is high on the international market.

But the more we create—what I call non-productive jobs—I would not say unnecessary—we weaken our Canadian dollar. In his motion, the hon. member for Portneuf (Mr. Godin) compares this deduction with the income deductions for foreigners. I wish to point out to my colleague that these same deductions are also applied in other countries and that after all we do not lose a cent. He also compares these deductions with the deductions on dividends. These deductions on dividends, Mr. Speaker, are only intended to avoid double taxation, because the company before paying a dividend has already paid taxes. If that amount became taxable a second time, the taxpayer would be subject to double taxation. Therefore, I do not see any relation.

It has often been stated, in support of that measure, that the owners of income-producing properties are entitled to deduct their taxes, their heating costs and their insurance. But we must understand something: Before being entitled to deduct those expenses, the taxpayer must firstly state

his income in his return and then he can deduct his expenses. Normally, someone who buys an income-producing property does so to realize profits. The taxpayer must finally pay more taxes. Moreover, if he could reduce his income to a depreciation expenditure, it would be useless because since January 1, 1972, depreciation expenditures can no longer be claimed as a loss.

One last point I would like to make is that I have some feeling that this policy would also run counter to provincial laws. We often hear about autonomy, that the federal government interferes with provincial and even municipal policies. I think this is a case where we would really interfere with municipal administration.

Finally, I would like to suggest that direct taxes, sales taxes and municipal levies are one of the most equitable means of taxation because we know that in Canada today, even though we have an excellent Income Tax Branch, many people manage to evade taxes. And one thing is certain, it is that direct taxes have to be paid even by tax evaders and this is at least one aspect of justice from which Canadians benefit.

[*English*]

Mr. J.-J. Blais (Nipissing): Mr. Speaker, I had no intention of speaking on this matter. However, in view of the irresponsible statements made by the hon. member for Grenville-Carleton (Mr. Baker) I feel obliged to bring forward facts which are indisputable. What I find most regrettable in the remarks of the hon. member is that he said this government has not advanced in the matter of housing.

I wish to inform the hon. member that in my latest discussions with the manager of CMHC in the city of North Bay I have found that the response from the public in my riding to the recent amendments to the NHA, including the home assistance plan, has contributed to making that office the busiest it has been for years. It is helping to increase the number of construction starts of homes and apartments in my riding so that we expect there will be an approximate increase of 20 per cent over the housing starts of the past year. I want, further, to indicate that according to the latest estimate there will be up to 250,000 housing starts in the next four years. This is contemplated as continuing because of the encouragement given to the housing market by the progressive policies adopted by this government. The new housing starts that will take place in the next few years and that have taken place since 1968 also point out the untenable position adopted by the mover and seconder of this motion.

● (1650)

If we envisage an increase in housing starts of 250,000 in the next four years, it means that for every four years we will be losing $1 billion in tax revenue, as we have indeed since 1969. When we consider that housing starts since that time have gone up by nearly 10 per cent, we see that in the past four years we have suffered a loss of $1 billion in revenue. When we consider that the total federal budget this year is $18 billion, we see quite clearly the percentage of income and revenue which would be lost as a result of this suggested measure being adopted.

I would suggest that such absence of extra revenue would mean the government would be looking for additional funds in order to assist people who do not have adequate housing. It would not have been able to implement those programs which are now receiving such popular acclaim, and indeed it would have depressed the labour market in the construction field and the construction industry itself, which could have had very serious results.

Mr. Speaker, I wished to say only a few words to set the record straight on those particular issues. I thank you for your attention.

Mr. Judd Buchanan (London West): Mr. Speaker, it is interesting to note that this suggestion recurs frequently. I was at the United Nations in New York last week and discussed this very subject with a friend down there. As hon. members may know, in the United States they are permitted to extend the interest costs on mortgages. He said, "I will trade you. You let me have the $4,000 deduction that you permit people in Canada for the contributions they make to registered retirement savings plans or the $2,500 to registered pension plans. That would do more for me. It would save me taxes in the long run and provide more for retirement." We should not lose sight of that fact, Mr. Speaker. We have that benefit, and our colleagues—

Mr. Fraser: May I ask the hon. member a question?

Mr. Deputy Speaker: Would the hon. member permit a question from the hon. member for Vancouver South (Mr. Fraser)?

Mr. Buchanan: It would be a pleasure, Mr. Speaker.

Mr. Fraser: It is always a pleasure to ask the hon. member a question, and always a pleasure to receive his reply. Would he tell the House the level of income enjoyed by his friend?

Mr. Buchanan: This particular individual was in a substantial income bracket, Mr. Speaker.

Mr. Fraser: That is why the retirement plan would be so good for him.

Mr. Buchanan: That is true, but anyone in Canada receiving an income of $10,000 a year can take up the $1,600 or $1,800 which is more than is proposed in the motion before us. So in Canada a large income is not needed in order to take advantage of the saving in income tax through a registered savings plan. If we look at the over-all perspective, it is apparent that Canadians enjoy a substantial benefit through their contributions to pension plans even though they are not allowed to extend these savings to mortgage interest.

When the Royal Commission on Taxation thoroughly reviewed the income tax system several years ago, it recommended that the principle of not allowing a deduction for personal or living expenses be retained. It did not recommend a deduction for municipal taxes or mortgage interest. When tax reform was introduced, it was recognized that the encouragement of home ownership was desirable. On the other hand, it was thought best not to deviate from the basic rule regarding deductibility of personal expenses.

The Income Tax Act, therefore, provided two major incentives to home ownership. The first incentive was to allow a taxpayer to make a capital gain on the sale of his home without incurring tax liability. This is something, of course, that is not available to the person who rents an apartment. The second was to continue the practice of not including in the taxpayer's income the economic benefit which he receives from home ownership. This benefit, which is the value of his accommodation, may be looked upon as the return he has received on the capital he has invested. It is interesting to note in passing that other countries, including Great Britain, have added this imputed income to the taxpayer's income for tax purposes in years gone by.

I should like to look at two or three examples of how the hon. member's proposal would work. Let us look, first, at the taxpayer who has an income of $5,000. His federal taxes in 1972 would be $85, and his provincial taxes if he lived in Ontario would be about $26, totalling $111. If he had municipal taxes of $200 and interest payments of $800, it would appear that he would be entitled to a rebate of $1,000. However, the hon. member's motion speaks of a rebate against income tax. The federal government would give him a credit of $85 and his tax bill would be nil. At the same time, because provincial taxes are calculated as a percentage of federal taxes, his provincial tax rate would be nil. The total benefit which the taxpayer received would be only $111, or just over 11 per cent of the expenses in connection with his house, and of this amount $26 would have been contributed by the province in which he lived.

Now let us look at a taxpayer in a higher income bracket who owns his home and has no mortgage. He lives in a very expensive home and the municipal taxes are $1,000 per year. He gets the benefit of a tax deduction of $1,000 from the federal government, and $305 from the provincial government. In effect, he has made a tax-free profit of $305, or 30.5 per cent simply by paying his municipal taxes. These examples demonstrate some key propositions. The rebate would favour the higher income taxpayer over the lower income taxpayer.

Mr. Deputy Speaker: Order, please. The hour provided for the consideration of private members' business has now expired.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, October 29, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

TRADE

STATEMENT BY MINISTER ON MISSION TO SOVIET UNION AND VISIT TO YUGOSLAVIA

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I welcome the opportunity to make a brief statement about the mission which I led to the U.S.S.R. between October 14 and 19 in connection with the Third Mixed Commission under our intergovernmental agreement on co-operation in the industrial application of science and technology. In addition, I would also like to report that after the mission to Moscow I visited Belgrade to sign the first bilateral trade agreement between Canada and the Federal Republic of Yugoslavia.

During my stay in Belgrade I had discussions with a number of senior Yugoslavian officials, including Prime Minister Bijedich, Dr. Vratusha, Vice-President of the Federal Executive Council, and Dr. Ludwiger, the trade minister, on a wide range of questions affecting trade and economic relations between our two countries. Yugoslavia has become a promising market for Canadian manufactured goods and I look forward to further growth in this trade in the future.

These visits are part of a pattern to seek out new and promising trading opportunities for Canadian exporters.

Accompanying me on my visit to the U.S.S.R. were 36 senior Canadian industrialists representing a large number of companies. This is by far the largest delegation of businessmen a Canadian minister has led to the Soviet Union. This initiative on the part of the Canadian government highlights the business thrust of the activities which have been taking place under our agreement with the Soviet Union.

During the visit, Canadian businessmen associated with the eight working groups set up under the intergovernmental agreement held a large number of meetings, over 80, with their Soviet counterparts. We concluded, as page 4 of the protocol makes clear, that there were a number of important specific opportunities already under negotiation that should be continued and, indeed, some of the businessmen of the delegation remained in Moscow to carry out this work. There was a general consensus among the members of the delegation that the work of our mission represented an important step forward in Canada-Soviet trade and economic relations.

The Soviet Union is becoming an increasingly important market for high technology machinery and equipment from western countries. I am convinced that there are significant opportunities for Canadian manufacturers to compete for this business. My department has been making vigorous efforts to ensure that Canadian exporters are placed in the best possible position to take advantage of these opportunities.

In addition to my discussions with L. N. Efremov, First Deputy Chairman of the State Committee for Science and Technology, who led the Soviet delegation to the third meeting of the Mixed Commission, I had the opportunity to meet with the First Deputy Chairman of the Council of Ministers, K. T. Mazurov, and other Soviet ministers and senior officials. In these discussions we agreed that there is substantial scope for expanding and diversifying Canada-Soviet trade.

Pursuant to Standing Order 41(2) I should like to place on the table of the House, in both official languages, the protocol which I signed on behalf of the Canadian government on Friday, October 19.

Some hon. Members: Hear, hear!

• (1410)

Hon. Paul Hellyer (Trinity): Mr. Speaker, I am sure the House is pleased to see the minister back safely and to note the additional groundwork undertaken by him in anticipation of increased trade with the Soviet Union.

We read in an Associated Press despatch from Moscow that although the minister felt solid progress had been made in the talks, a breakthrough had yet to occur. The minister is reported to have said: "It is like building a house. You have to clear the site, design the building and lay a foundation. Perhaps not much shows, but a lot of solid work has been done. The test will be to see what appears above ground in the next two or three years." Like the minister, we shall watch the results with great interest and anticipation.

We note, also, that the minister visited Yugoslavia. We hope he managed to visit Dubrovnik for a couple of days, a favourite spot of many people who travel to that part of the world. Yugoslavia offers interesting possibilities for expanded trade. As a matter of fact, it is possible that the rate of expansion of trade with Yugoslavia may be even greater than with the Soviet Union. This is partially, at least, attributable to the fact that the Yugoslavs have been turning more in the direction of personal initiative, including some private enterprise.

The minister tells us his visit was part of a pattern. We welcome the pattern to the extent that the minister, the Prime Minister (Mr. Trudeau), and other members of the government visit countries abroad with the idea of establishing better relationships and developing opportunities for trade. We would hope, however, that in doing so the minister and the Prime Minister will not neglect those

areas of the world which have traditionally been our major trading partners, in particular, the United States, Britain, Japan, the European Community, and now the Pacific rim countries and South America which offer a tremendous potential to Canadians.

So we hope that in the dying weeks of the present administration—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Hellyer: —the Prime Minister and his colleagues will do all they possibly can to repair and invigorate the trade relationships that exist between our country and the established trading nations of the world and to augment our opportunities in the less developed areas as well.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I welcome the minister back from his visit to the Soviet Union and Yugoslavia.

I join with the hon. member for Trinity (Mr. Hellyer) in expressing hope that the contacts that have been made so far will soon lead to concrete contractual relationships in terms of orders for goods from our country by the Soviet Union and Yugoslavia. In turn, of course, it is anticipated that such orders would be reciprocated by Canadian orders for goods to be supplied by those countries. The talks are making progress, the minister informs us, but up to this point we have not seen concrete results on either side. I certainly hope we shall see them soon.

There is one problem to which no reference was made either in the minister's statement or in the protocol tabled by the minister, probably for understandable reasons. I refer to the problem of foreign ownership of so much of the sophisticated industrial plant located in this country in relation to making sales to either the Soviet Union or Yugoslavia. It would be interesting to know what proportion of the businessmen who accompanied the minister on this trip were, in fact, representatives of United States-owned or other foreign-owned companies in Canada. It seems to me that if there were a substantial number the results of this trip would not necessarily be of benefit to this country.

We have seen the development of a good rapprochement between the U.S.S.R. and the United States, a cooling down of the high level of heat in terms of the tension that existed between these two countries in the past, with increasing trade talks between them. Therefore the conclusion seems to be rather ominous for us in terms of increasing trade in the precise areas regarding which the minister says the Soviet Union may require exports from the west. Why should Canadian subsidiaries of American companies expect to get orders from the Soviet Union? It seems to me much more likely that United States parent firms of Canadian subsidiaries, either through offering lower prices or by other means, will make sure that contracts go to the United States. This illustrates there is a need to move much more rapidly than the government has indicated it is prepared to in order to regain a greater degree of control over our own industry, particularly advanced, technologically sophisticated industry.

[Mr. Hellyer.]

I welcome the minister's return from his attempts to expand trade with the Soviet bloc countries. In welcoming this initiative I should like the minister to note that since he was away we have increased our deficit with our major trading partner, the United States, in automotive products this year for the first time in three years. The size of this deficit would make look like peanuts by comparison any sales we might obtain from the Soviet Union in the near future. Now that the minister has returned I hope he will come to grips with improving our trading relationship with the United States.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I should like to congratulate the minister for his trip in the Soviet Union aimed at promoting mutual understanding between our countries and I should like to tell him how hopeful we are for the success of these meetings since, in looking at the terms of agreement that we have been given, we note that these agreements are aimed at advertising Canada and Canadian products. This shows in my opinion that Canada is becoming more mature because instead of exporting only our raw materials to one or two countries like we used to do, we are now proving to other countries that we can profit from technological advances.

As for the meeting with Yugoslavian representatives, we are told that this country has become a promising market for Canadian products. I therefore believe that the time has come for Canada to export manufactured products. If we want Canada to develop, we must stop exporting regularly all our raw materials so that other countries may benefit from them. We are able to manufacture our own products from raw materials here in Canada and we have proved that we are able to export them.

The minister said that he was accompanied by more than 36 Canadian industrialists. I hope that there are many true Canadian industrialists. I am thinking here of the regional industrialists. As everyone knows, in my region we manufacture the biggest slasher-trimmer in the world and we export it all over the world.

I believe that the time has now come for the minister to promote the manufacture of Canadian products.

I therefore congratulate the minister and encourage him in his efforts to conquer world markets.

* * *

● (1420)

[*English*]

AIR CANADA

MOVING OF WINNIPEG COMPUTER OPERATIONS TO MONTREAL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to propose a motion under the provisions of Standing Order 43. In view of the fact that senior officials of Air Canada assured employees of the company in Winnipeg who are on strike that no transfers of employees to Montreal would be made, and these are taking place, I should like to move:

That the action of Air Canada in moving its computer operations from Winnipeg to Montreal, with the consequent forcing of another group of employees to move from Winnipeg, be referred forthwith to the Standing Committee on Transport and Communications.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

PROPOSED ESTABLISHMENT OF COMPUTER OPERATIONS CENTRE AT WINNIPEG—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, if the House is not prepared to send this matter to committee, perhaps unanimous consent would be given to the making of a declaration by the House. I therefore ask leave under the provisions of Standing Order 43 to move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That in the opinion of this House the government should call on Air Canada to establish the centre for its computer operations at Winnipeg and thus avoid yet another exodus of Air Canada employees from Manitoba.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

PRINTING CONTRACTS IN ONTARIO

Question No. 1,667—**Mr. Lawrence:**

In relation to the answers to Question Nos. 1034, 1035, 1036 and 1037, what geographical divisions or boundaries are used by the Department of Supply and Services when it desires to award printing contracts in any of the areas contained in the Counties of Northumberland and/or Durham in the Province of Ontario?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): No geographical divisions or boundaries are used in selection of sources in Canada for contracts for nationally used items awarded by the Department of Supply and Services from Ottawa. The opportunities to tender is limited only by the lead time made available by user departments to DSS, which, by limiting the time available for tendering and delivery of finished goods, may restrict the area in which the opportunity to bid can be offered.

Order Paper Questions

ADDRESS DELIVERED BY THE PRIME MINISTER IN THE HOUSE OF COMMONS ON JANUARY 8, 1973

Question No. 2,285—**Mr. Cossitt:**

Did any person or persons employed by, on loan to, or attached to the Office of the Prime Minister assist in writing, compiling or composing in any way the address delivered in the House of Commons by the Prime Minister on January 8, 1973 and, if so (a) what is the identity of such person or persons (b) what is their job designation (c) what is their annual salary?

Right Hon. P. E. Trudeau (Prime Minister): (a), (b) and (c)—See reply to Question No. 2,286 answered this day.

SPEECHES AND STATEMENTS MADE BY THE PRIME MINISTER

Question No. 2,286—**Mr. Cossitt:**

1. What member or members of the staff of the Office of the Prime Minister have any part whatsoever in the writing, compiling or composing in any way speeches or statements made or issued by the Prime Minister?

2. What is the job designation of such a person or persons and what are their annual salaries in each case?

Right Hon. P. E. Trudeau (Prime Minister): 1. The responsibility for the compilation and composition of public statements by the Prime Minister varies considerably depending upon the nature of the statement and the occasion of its delivery or release. This work does not always take place entirely within the Prime Minister's office, nor is participation in the work within that office limited to any given person or persons. Contributions are made from time to time by a number of persons according to the information available to them from the pursuit of their normal activities.

2. Only one member of the staff of the Prime Minister's office is engaged solely in activities relating to public statements. He is Alan Grossman, Special Assistant; his annual salary range is $21,000 to $25,000, appointed 1 May 1973.

OFFICE OF THE PRIME MINISTER—EMPLOYMENT OF MR. ALAN GROSSMAN

Question No. 2,399—**Mr. Cossitt:**

1. Is Mr. Alan Grossman a member of the Prime Minister's staff or does he in any way assist the Prime Minister with any tasks?

2. What is his exact position and function, what is his salary and on what date did he join the staff?

3. (a) Does Mr. Grossman have any part in preparing speeches or public statements made or issued by the Prime Minister (b) did Mr. Grossman have any part in preparing the address delivered in the House of Commons by the Prime Minister during the recent debate on the bilingualism resolution and, if so, what was his part?

Right Hon. P. E. Trudeau (Prime Minister): 1, 2 and 3. See reply to question 2,286 answered this day.

Order Paper Questions

RAIL ACCIDENTS BETWEEN BELLEVILLE AND TORONTO, 1971-72

Question No. 2,514—**Mr. Lawrence:**

In the period July 1, 1971 to July 1, 1972, for both CPR and CNR lines in the area between Belleville, Ontario and Toronto, Ontario (a) how many rail accidents occurred (b) what amount of damages was incurred by each railway in each accident (c) what were the cause or causes of each accident as found by the respective Boards of Enquiry (d) what were the recommendations of each Board of Enquiry (e) which recommendations (i) have been implemented (ii) have not been implemented and for what reason?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows: (a) three derailments reported to Canadian Transport Commission; two on CP Rail, one on Canadian National Railways; (b) damages are not reportable hence are unavailable (c) causes, as determined by Canadian Transport Commission investigations were: CP Rail (1) Coupler failure due to a defect in a location not visible during normal inspection; (2) failure of wheel rim due to a sub-surface defect. Canadian National Railways (1) Broken wheel flange. Battered condition of wheel after derailment precluded establishing cause of failure. (d) None. (e) Not applicable.

RAIL ACCIDENTS BETWEEN BELLEVILLE AND TORONTO, 1972-73

Question No. 2,515—**Mr. Lawrence:**

In the period July 1, 1972 to July 1, 1973, for both CPR and CNR lines in the area between Belleville, Ontario and Toronto, Ontario (a) how many rail accidents occurred (b) what amount of damages was incurred by each railway in each accident (c) what were the cause or causes of each accident as found by the respective Boards of Enquiry (d) what were the recommendations of each Board of Enquiry (e) which recommendations (i) have been implemented (ii) have not been implemented and for what reason?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows: (a) One derailment reported to Canadian Transport Commission by Canadian National Railways. (b) Damages are not reportable hence are unavailable. (c) Cause, as determined by Canadian Transport Commission investigation was: Rail spread under train due to person or persons unknown having removed spikes near joint of rail. (d) None. (e) Not applicable.

AIR TRANSPORT FACILITIES

Question No. 2,550—**Mr. McCain:**

1. On a national basis, what air transport facilities (a) are provided (b) are not provided by the Department of Transport?

2. What profits or losses were recorded by these facilities for each fiscal year 1970-71, 1971-72 and 1972-73?

3. What profit or loss was recorded by each individual air transport facility for each fiscal year 1970-71, 1971-72 and 1972-73?

4. (a) How many administrative divisions exist for air transport facilities which are supported by, or provided for, the Department (b) what are these administrative divisions?

Hon. Jean Marchand (Minister of Transport): 1. There are 411 licensed airports. Eighty-six are owned and operated by the Ministry of Transport; 67 are owned by the Ministry of Transport but operated by others such as provincial agencies, municipal authorities, and 258 are owned and operated by others.

2. Operating revenues and costs of Ministry of Transport owned airports by region for the fiscal year 1970-71, 1971-72, and 1972-73 were:

Operating Revenues

Region	1970–71	1971–72	1972–73
Atlantic	$ 5,335,118	$ 5,785,668	$ 7,586,076
Quebec	17,365,082	17,737,897	20,247,374
Ontario	16,851,525	17,599,920	20,929,489
Central	5,160,104	7,515,201*	6,739,992
Western	4,882,079	5,210,780	5,934,512
Pacific	7,238,971	7,242,196	8,218,522
Total	$56,832,879	$61,091,662	$69,655,965

*includes an adjustment to prior years aviation fuel concession revenue.

Operating Costs

Region	1970–71	1971–72	1972–73
Atlantic	$18,283,691	$20,689,220	$23,291,178
Quebec	23,100,036	25,396,205	28,160,921
Ontario	23,106,954	27,930,898	32,651,019
Central	13,593,094	14,534,424	15,334,986
Western	15,687,451	15,750,173	16,946,331
Pacific	16,039,699	17,164,294	18,026,445
Total	$109,810,925	$121,465,214	$134,410,880

3. Operating revenues and costs for the ten major airports owned by the Ministry of Transport for the fiscal years 1970-71, 1971-72 and 1972-73 were:

Operating Revenues

Airport	1970–71	1971–72	1972–73
Halifax	$ 1,150,590	$ 1,232,741	$ 1,525,235
Gander	1,047,763	1,072,757	2,057,962
Montreal	16,453,743	16,564,965	19,311,788
Ottawa	1,252,091	1,205,900	1,463,594
Toronto	14,824,410	15,603,391	18,526,764
Winnipeg	2,729,447	2,803,178	2,870,959
Edmonton	1,712,039	1,714,004	1,967,268
Calgary	2,277,910	2,332,372	2,696,681
Vancouver	6,269,882	6,205,803	7,089,652
Victoria	191,917	225,700	262,042
Total	$47,909,792	$48,960,811	$57,771,945

Operating Costs

Airport	1970–71	1971–72	1972–73
Halifax	$ 3,215,665	$ 3,561,296	$ 3,704,995
Gander	3,265,407	3,553,743	4,749,366
Montreal	16,218,079	17,664,380	19,243,959
Ottawa	3,592,055	3,863,299	4,230,257
Toronto	14,728,310	17,849,223	21,087,592

Airport	Operating Costs 1970-71	1971-72	1972-73
Winnipeg	5,181,828	5,471,377	5,750,747
Edmonton	4,396,888	4,399,039	4,485,111
Calgary	3,056,911	3,314,484	3,765,884
Vancouver	9,151,742	9,704,788	10,578,796
Victoria	793,045	854,158	852,803
Total	$63,599,930	$70,235,787	$78,449,510

4. The Canadian Air Transportation, Administration has six regional administrations; Atlantic, Quebec, Ontario, Central, Western, Pacific.

LETTER CARRIERS UNION OF CANADA—TAKING OF REQUEST FOR SPECIAL LEAVE WITH PAY TO ADJUDICATION

Question No. 2,586—**Mr. Dinsdale:**

1. Did the Treasury Board take the request for special leave with pay, made under Article 23.05 of the collective agreement with the Letter Carriers' Union of Canada by A. Ozuk of Winnipeg, to adjudication and, if so (a) what was the amount involved (b) what was the decision of the adjudicator?

2. (a) What is the *per diem* fee of the adjudicator plus expenses (b) what was the cost of his transportation to Winnipeg and return (c) what cost was incurred for (i) legal fees (ii) observer's fees (d) what was the total cost of the adjudication?

3. Since the Public Service Staff Relations Act came into effect in 1966, how many appeals between the Treasury Board and the Unions have been made (a) up to April 1, 1972 (b) between April 1, 1972 and March 30, 1973 (c) how many of the latter appeals have been lodged by the Treasury Board?

4. Is it the intention of Treasury Board to appeal this matter further?

Hon. C. M. Drury (President of the Treasury Board): 1. No. Taken to adjudication by A. Ozuk represented by the Letter Carriers' Union of Canada. (a) $30.24; (b) to sustain the grievance and that the employee is entitled to one day of special leave with pay.

2. (a) $180. (b) $84. (c) (i) None; (ii) None. (d) $596.

3. Taking appeals to mean references to adjudication there have been: (a) 586. (b) 162. (c) None.

4. No.

PRIVY COUNCIL OFFICE—SECRET DOCUMENTS

Question No. 2,602—**Mr. Cossitt:**

1. Did the Prime Minister or anyone on his behalf distribute, reveal or comment on a document labelled Secret by the Privy Council Office to any or all the Commonwealth leaders or to any members of their delegations who were recently in Ottawa and, if so (a) what was the nature of this document (b) does the government intend to release it publicly or make it available to Members of Parliament?

2. Is it government policy to classify certain documents and surveys as Secret in so far as Members of Parliament and the Canadian public are concerned but not Secret in so far as representatives of foreign governments are concerned?

Right Hon. P. E. Trudeau (Prime Minister): 1. In preparation for the meeting of Commonwealth Heads of Government, the government of Canada agreed, at the request of the Commonwealth Secretariat, to prepare a document that could form the basis of discussion about techniques of government. The Secretariat, in accordance with their practice about documents in advance of such meetings, classified the document although the contents as such were not considered confidential by the government of Canada. The document was released publicly on August 9, 1973.

2. There are instances where documentation prepared for use by governments on bilateral and multilateral negotiations, including the Commonwealth and NATO, is given an agreed classification which is observed by participating governments. Classified documents of this nature are not made public.

INFORMATION CANADA—BUDGET

Question No. 2,616—**Mr. Forrestall:**

Is it the intention of the government to reduce the size of the budget of Information Canada for the fiscal year 1974-75 and (a) if so, what steps are being taken this year to accomplish that end (b) if not, for what reason?

Hon. C. M. Drury (President of the Treasury Board): It would be contrary to government policy to make public the size of a department's budget for the next fiscal year prior to the tabling of Main Estimates for that year.

GOVERNMENT DEPOSITS WITH CHARTERED BANKS

Question No. 2,663—**Mr. Stevens:**

1. For what reason did Government of Canada deposits with Canadian chartered banks rise from $336 million in July, 1970 to $2,224 million in July, 1973?

2. What interest rate is currently being paid by Canadian chartered banks on such Government of Canada deposits and what was the average rate of interest received and the dollar amount of interest received by the government on such deposits for the six months ended July, 1973 and for each of the years 1970, 1971 and 1972?

3. Does the Bank of Canada pay interest on the $1,900 million currently deposited by the Canadian chartered banks with the Bank of Canada and, if so, what is the rate of interest?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Finance and Supply and Services as follows: 1. Government of Canada deposits with the chartered banks rose from $308 million July 31, 1970 to $2,092 million July 31, 1973. This increase of $1,784 million in Canadian dollar cash balances at chartered banks is accounted for by an increase in unmatured debt of $5,770 million, offset by an aggregate accumulated deficit for the period of $3,927 million and an increase of government deposits in the Bank of Canada of $59 million. These changes may be summarized as follows:

	Accumulated July 31, 1970 to July 31, 1973 ($ millions)
Budgetary deficit	1,102
Non-budgetary deficit	2,825
Cash requirement	3,927
Net change in unmatured debt	5,770
Increase in cash balances	1,843
Opening cash balances at chartered banks	308
	2,151
Less: increase in cash deposit at Bank of Canada	59
Cash deposits chartered banks	2,092

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2. The interest rate paid by Canadian chartered banks on government of Canada deposits in the week September 7-13, 1973, was 5.6 per cent per annum. For the six months from January 26 to July 26, 1973, actually 26 weeks, the average rate of interest received was 4.28 per cent and the interest amounted to $43,078,625.14. For the year ended December 31, 1970, the average rate was 5.53 per cent and the amount was $32,443,399; for the year ended December 30, 1971, the average rate was 3.27 per cent and the amount was $41,727,943.57; for the year ended December 28, 1972, the average rate was 3.19 per cent and the amount was $39,519,131.68.

3. No interest is paid on chartered bank deposits with the Bank of Canada.

GOVERNMENT INCENTIVES TO CANADIAN ENTERPRISES FOR ALL PHASES OF INNOVATION IN COMPUTER-COMMUNICATION FIELD

Question No. 2,690—**Mr. Stevens:**

What incentives have been granted by the government in each of the past three years to Canadian enterprises for all phases of innovation in the computer/communications field, particularly in application software and ancillary equipment development?

Hon. C. M. Drury (President of the Treasury Board): In the past three years the government has granted incentive to Canadian enterprises for all phases of innovation in the computer communications field in the amounts shown below. It should be noted that the sums shown indicate the year of approval. Payment of these sums is scheduled in each case over periods of up to several years. The number of enterprises receiving such grants is shown in parentheses.

(A) Total Grants
($000)

	1970	1971	1972
PAIT & IMDE Programs	23,287 (8)	10,400 (4)	2,546 (5)
IRDIA Programs	2,910 (21)	3,416 (20)	57 (17)*

(B) Ancillary Equipment Content of (A)
($000)

PAIT	827 (2)	9,800 (3)	200 (1)

(C) Software Content of (A)
($000)

PAIT	11,920 (3)	600 (1)	682 (4)

*Due to the retroactive nature of the IRDIA program, the 1972 figures are only partially complete.

[Mr. Reid.]

NATIONAL FILM BOARD—"3,000 PIEDS: LA RICHESSE DES AUTRES"

Question No. 2,698—**Mr. Caouette (Témiscamingue):**

1. What is the director's name of the film produced by National Film Board under the title *3,000 pieds: La richesse des autres* (film No. 106-c-0273-019)?

2. What was the total production cost of the film?

3. What are the detailed costs of the film (a) travel expenses to Chile (b) travel expenses for Théo Gagné and the other stars (c) the amounts, if any, paid as fees (d) was René Lévesque paid for his numerous appearances in the film and, if so, how much did he receive (e) the use of a plane to fly over the North West part of Quebec?

4. What is the name of the official who authorized the trip to Chile and the expenses involved?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the National Film Board as follows: 1. Directors of the NFB film, *Richesse des autres*: Maurice Bulbulian, Michel Gauthier.

2. Total cost of production: $154,000.

3. (a) Travel expenses to Chile: $10,952.63. (b) Travel expenses for participants in film including Théo Gagné: $2,555.17. (c) Nominal amounts were paid to two participants, Mr. Gosselin and Mr. Provencher. (d) No. The appearances of René Levesque in the film were shot during two public events. (e) $165.

4. Normal procedures were followed for authorizing the production and the specific request for shooting in Chile was approved by the Director of Production (French).

NORTHUMBERLAND FERRIES—EXPENSES INCURRED IN RECENT RAIL STRIKE

Question No. 2,711—**Mr. Macquarrie:**

1. Has the government received a bill from the government of Prince Edward Island for expenses incurred by that government in arranging for maximum utilization of Northumberland Ferries during the course of the recent rail strike and, if so, on what date and in what amount?

2. What has been the response of the government to such presentation by the government of Prince Edward Island?

3. Has the government of Prince Edward Island proffered any suggestions relative to the avoidance of any future cessation of the Borden-Cape Tormentine ferry service and, if so, what was the suggestion and the response of the government?

4. Has the government any plans for preventing the isolation of Prince Edward Island from the national transportation links?

Hon. Jean Marchand (Minister of Transport): 1. No, the government has not received a bill from the government of Prince Edward Island for expenses arising out of the utilization of the Northumberland Ferries during the strike.

2. No response by the government was necessary in the absence of any claim.

3. There has been no formal communication between the province of Prince Edward Island and the federal government in this matter.

4. The continuance of alternative routes should guarantee that Prince Edward Island is not completely isolated in the event of future work stoppages.

MOUNT HOPE AIRPORT

Question No. 2,716—**Mr. O'Sullivan:**

1. From the period October 30, 1972 to September 10, 1973, did the government carry out any improvements or other works at Mount Hope Airport and, if so (a) what was the description and nature of such improvements or other works (b) under the authority and direction of which department or departments was such work done?

2. Were tenders called for such improvements or other works and, if so, were such tenders sealed and, if not, for what reason?

3. To what companies were contracts awarded for such improvements or other works and, in each case (a) what was the value of the contract or contracts awarded to said companies (b) were the tenders submitted by each of the companies awarded contracts the lowest tenders and, if not (i) what were the lowest tenders in each case (ii) by which companies were these tenders submitted?

Hon. Jean Marchand (Minister of Transport): 1. The federal government did carry out improvements at Mount Hope Airport between October 30, 1972 and September 10, 1973. (a) A contract was called to Strengthen Runway 11-29, Hamilton Airport, Hamilton, Ontario. This contract was to accomplish the following purposes: (i) Runway 11-29—to upgrade by reconstruction the middle section of Runway 11-29 for the taxiing of the Boeing 737 aircraft and resurface the remaining portions for light aircraft up to the DC aircraft category; (ii) Foxtrot Taxi—to upgrade by reconstruction "Foxtrot" taxi for taxiing of the Boeing 737 aircraft; (iii) New Parking Apron—to construct new Parking Apron (190×280′) to accommodate the parking of aircraft up to the Boeing 737 aircraft level. (b) The work was done under the authority and direction of the Ministry of Transport.

2. Public tenders were called for this contract, and in keeping with normal requirements, tenders were sealed.

3. The above contract was awarded to Cayuga Materials and Construction, Cayuga, Ontario on June 27, 1973 (tenders had closed on June 26, 1973). (a) The value of the Contract was $441,730.05. (b) This was the lowest tender. (c) The only other tenders received were: Dineen Construction Ltd., 795 Main St. W., Hamilton, Ontario., $448,-636.55. Dufferin Construction Co., 1925 Barton St. E., Hamilton, Ontario., $508,188.48.

EXPO '74 SPOKANE, WASHINGTON—GOVERNMENT EXPENDITURES

Question No. 2,718—**Mr. Schumacher:**

1. How much was expended by the government on architectural, consultant or other fees for the purpose of determining the cost of erecting a pavilion at Expo '74 in Spokane, Washington?

2. How much was expended by the government on obtaining designs for such participation at Expo '74 in Washington?

3. How much was expended by the government on salaries of individuals regarding (a) the proposed participation (b) site investigation (c) other, in relation to Expo '74 in Washington?

4. How much was expended by the government on travel and accommodation for individuals in relation to the proposed Canadian participation at Expo '74 in Washington?

5. Was Canada required to pay any cost or a penalty to the organizers of Expo '74 as a result of the decision to withdraw support and, if so, what was the amount of such cost or penalty?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Nil. In a special category World Exposition such as Expo '74 all pavilion structures are erected by the organizer.

2. $52,564.35 to Information Canada/Expositions (for research, project administration, design of pavilion improvements, exhibit and landscaping proposals) and $2,753.12 to the National Film Board (for a film storyboard). As stated by the Secretary of State for External Affairs in the House on September 13, there will be a revised Canadian participation at Expo '74. The bulk of the expenditures remain relevant.

3. These activities go hand in hand; thus it is not possible to isolate costs between (a), (b) and (c). Several officers have been working part time on plans for Canada's participation in Expo '74.

4. $5,185.44, including $2,203.53 on behalf of Information Canada/Expositions technicians. The expenditures enumerated in 2 and 4 include the cost of briefings and negotiations with the provinces in respect to their participation.

5. There was no penalty payable to Expo '74.

PROPOSED AIRPORT—SURVEY OF BIRD FLYWAYS

Question No. 2,733—**Mr. Stevens:**

What was the nature of the survey related to the proposed airport in Pickering that required government employees to count birds flying past the moon (a) how long did the employees take to count such birds (b) what was the cost to the government (c) what was the result?

Hon. Jean Marchand (Minister of Transport): After the announcement of the site for the New Toronto International Airport, certain statements and allegations were made concerning the location of the airport and its relationship to bird flyways in this area. In particular, it was stated that the effect of birds on the operation of the airport had not been considered adequately and that they would pose a serious hazard to safe flight operations. Assessment of this factor had in fact been made during the site selection process. However, it was subsequently felt that a much more detailed analysis was required in view of the allegations made by residents of the area. Accordingly, the Ministry of Transport engaged a well qualified environmental research firm to do a detailed ornithological study and we assume that this is the study in question. The study commenced in September of 1972 and will conclude in December of this year. This length of time was required in order that a detailed analysis of nesting habits, diurnal flight patterns and seasonal migration statistics could be assembled. The total cost of the study by the firm of LGL (Environmental Research Associates) Limited will be approximately $253,000. The results to date tend to confirm that the probability of bird hazards affecting aircraft operations in the area of the proposed airport is typical of that which might be expected in this part of southern Ontario and that no undue hazards will be presented. The study is, however, continuing in order to assess the fall migration period.

Order Paper Questions

AVERAGE EARNINGS OF NON-FARM WORKERS

Question No. 2,746—**Mr. Stevens:**

In each year 1967 to 1973 to date, what were the average (a) weekly earnings after taxes and allowing for inflation, for non-farm workers expressed in 1967 dollars and assuming a family of four (b) personal debts of non-farm workers in Canada expressed in 1967 dollars (c) personal income taxes paid by non-farm workers expressed in 1967 dollars and assuming a family of four?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by Statistics Canada and the Department of National Revenue (Taxation) as follows: (a) Statistics Canada does not collect the information as requested, but does produce data on annual average family income before taxes for selected years, for 4-person families whose major source of income came from wages and salaries (would exclude most but not all farmers).

Year	Average Income	
	Current $	1967 $
1967	8,551	8,551
1969	9,930	9,131
1971	11,767	10,179

[1]Statistics Canada does not produce data on weekly family income since such factors as seasonal employment make this difficult to calculate accurately.

(b) Average personal debt for all Canadian non-farm families and unattached individuals was estimated to be $1,040 in the Spring of 1970 or in terms of 1967 dollars, $930. Data for other years are not available. (c) Statistics are not kept in such a way as to make possible a meaningful response to this question.

GRANTS TO NATIONAL SPORTS GOVERNING BODIES

Question No. 2,756—**Mr. Marshall:**

Of the $270,820 in grants to 15 national sports governing bodies, what is the breakdown of the amount of the grant to the (a) Canadian Amateur Baseball Association (b) Canadian Federation of Amateur Equities (c) Canadian Cycling Association (d) British Commonwealth Games Association (e) Canadian Women's Field Hockey Association (f) Canadian Association of Amateur Oarsmen (g) Canadian Amateur Football Association (h) Canadian Amateur Hockey Association (i) Canadian Horse Council (j) Canadian Amateur Synchronized Swimming Association (k) Canadian Water Ski Association (l) Canadian Curling Association (m) Sports Federation of Canada (n) Canadian Amateur Diving Association (o) Canadian Ladies Lawn Bowling Council?

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

	Association	Amount
(a)	Canadian Amateur Baseball Association	$ 69,615
(b)	Canadian Federation of Amateur Aquatics	41,086
(c)	Canadian Cycling Association	34,936
(d)	British Commonwealth Games Association	30,000
(e)	Canadian Women's Field Hockey Association	27,800
(f)	Canadian Association of Amateur Oarsmen	21,065
(g)	Canadian Amateur Football Association	18,088
(h)	Canadian Amateur Hockey Association	6,755
(i)	Canadian Horse Council	5,955
(j)	Canadian Amateur Synchronized Swimming Association	4,375
(k)	Canadian Water Ski Association	3,463
(l)	Canadian Curling Association	2,950
(m)	Sports Federation of Canada	1,787
(n)	Canadian Amateur Diving Association	1,600
(o)	Canadian Ladies Lawn Bowling Association	1,325
	Total	$270,800

[Mr. Marchand (Langelier).]

DEPARTMENT OF TRANSPORT—SEPARATION OF AIR ACCIDENT INVESTIGATION DIVISION FROM OTHER BRANCHES

Question No. 2,757—**Mr. Forrestall:**

1. Is it the intention of the government to separate the Air Accident Investigation Division of the Department of Transport from other branches of the Department and, if so (a) on what date (b) for what reasons?

2. Is the Division subject to scrutiny and possible interference from other branches of the Department?

Hon. Jean Marchand (Minister of Transport): 1. The Accident Investigation Division of the Canadian Air Transportation Administration has been separated from other branches since its formation in early 1958.

2. No, because it reports directly to the Director General, Civil Aeronautics of the Canadian Air Transportation Administration.

DEPARTMENT OF TRANSPORT—REPORTS OF AIR ACCIDENT INVESTIGATION DIVISION

Question No. 2,758—**Mr. Forrestall:**

1. What other agencies of the government than the Air Accident Investigation Division of the Department of Transport have access to the reports of AAID prior to their being published?

2. What authority do these agencies have to make any alterations, however significant, to such reports before they are made public?

3. In how many instances, in the past two years, have such alterations been made and for what reasons?

4. Is it the policy of the government that agencies that are charged with the investigation of accidents can function best when they are subject to various types of outside pressure?

Hon. Jean Marchand (Minister of Transport): 1. None. However, legal counsel to the Canadian Air Transportation Administration is consulted to ensure that the reports drafted by the Accident Investigation Division do not contain any drafting ambiguities from a legal point of view.

2. Not applicable.

3. Not applicable.

4. No.

DEPARTMENT OF TRANSPORT—AIR ACCIDENT INVESTIGATION DIVISION

Question No. 2,759—**Mr. Forrestall:**

In what specific ways is the Air Accident Investigation Division of the Department of Transport guaranteed the total independence in its task of (a) investigating air accidents (b) publishing full reports of its investigations?

Hon. Jean Marchand (Minister of Transport): (a) A guarantee of total independence is not possible irrespective of the organizational location of the Accident Investigation Division, because in all major accidents the investigation is conducted by a team of experts from the aircraft industry, air carrier industry, research laboratories, Ministry of Transport, and air associations such as the Canadian Air Line Pilots Association. Further, the Accident Investigators of the Accident Investigation Division are delegated authority by the minister to investigate aircraft accidents in accordance with Air Regulation 829 and this authority is not delegated to any other specialists within the Department of Transport. (b) The minister has no obligation under the Aeronautics Act to publish accident reports but accident reports are published in the interests of communicating the findings to the aviation community for the improvement of aviation safety.

DEPARTMENT OF TRANSPORT—AIR ACCIDENT INVESTIGATORS

Question No. 2,760—**Mr. Forrestall:**

What steps (a) have been taken in the past two years (b) will be taken in the immediate future to ensure that the Air Accident Investigators are so placed, organizationally, that the public and international community can have full confidence in their ability to produce full, impartial and usefully objective reports?

Hon. Jean Marchand (Minister of Transport): (a) None. (b) The Canadian Air Transportation Administration is planning to introduce a review procedure for specific categories of accidents to enable the aviation community to examine and comment on the findings of the reports prepared by the Accident Investigation Division.

DEPARTMENT OF TRANSPORT—INDEPENDENT TRANSPORTATION ACCIDENT INVESTIGATION BOARD

Question No. 2,761—**Mr. Forrestall:**

1. Is it the intention of the government to set up an independent transportation accident investigation board, fully funded, to provide the type of impartiality required by the industry and the international community and, if so, what progress has been made in such considerations?

2. To the knowledge of the government, has such an independent transportation accident investigation board been set up in the United Kingdom, the United States and virtually every other government outside the Soviet Bloc?

Hon. Jean Marchand (Minister of Transport): 1. An independent study was ordered by the minister to examine the need for an independent transportation accident investigation body and the report is expected in the near future.

2. Accident investigation boards have been set up with some degree of independence in the United Kingdom and the United States but the department has no knowledge of similar action by other states.

UIC—DISQUALIFIED CLAIMANTS IN DARTMOUTH-HALIFAX AREA

Question No. 2,836—**Mr. Forrestall:**

1. How many UIC claimants were disqualified from receipt of benefits in the Dartmouth-Halifax area between January and June 30, 1973?

2. Of those (a) how many appealed to the board of referees (b) what percentage were (i) successful (ii) unsuccessful?

3. Of those rejected by the board of referees (a) how many appealed to the umpire (b) what percentage were (i) successful (ii) unsuccessful?

4. What is the national average for successful appeals to the (a) board of referees (b) umpire?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): The Commission does not collect information of the nature requested on a constituency basis. Therefore, we are supplying information which pertains to the whole Province of Nova Scotia. 1. 21,807.

2. (a) 1,121. (b) (i) 20.8 per cent; (ii) 79.2 per cent.

3. (a) 2. (b) (i) 50 per cent; *(ii) not applicable.

*NOTE: One decision outstanding.

4. (a) 15.6 per cent. (b) 34.4 per cent.

SCIENCE COUNCIL OF CANADA EXPENDITURES

Question No. 3,007—**Mr. Mitges:**

What amount was spent for the Science Council of Canada for the fiscal years 1971-72 and 1972-73?

Hon. Jeanne Sauvé (Minister of State for Science and Technology): In reply to Question 3,007 by the hon. member for Grey-Simcoe (Mr. Mitges), following are the expenditures of the Science Council of Canada for fiscal years 1971-72 and 1972-73: 1971-72, $1,184,740.97; 1972-73, $1,339,368.68.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

AGREEMENT BETWEEN CANADIAN AND FRENCH GOVERNMENTS RELATING TO ASTRONOMICAL OBSERVATORY IN HAWAII

Question No. 1,677—**Mr. Munro (Esquimalt-Saanich):**

1. On what date will the government be tabling the agreement between the Canadian and French Governments relating to the joint enterprise for building and operating an astronomical observatory in Hawaii?

2. What general division is envisaged in this agreement respecting (a) cost of the building (b) cost of the equipment (c) cost of operating the facility (d) tenders for supply of equipment on the basis of national origin (e) supervision of construction (f) supervision of installation of equipment (g) staffing of facility when it is completed (h) time use of completed observatory?

Return tabled.

Orders for Returns

GOVERNMENT POLICY COVERING RENTAL OF AUTOMATIC TYPEWRITERS

Question No. 2,205—**Mr. Forrestall:**

What is the general policy of the government covering the rental of automatic typewriters for sending form letters and have they ever been used in giving responses to Members of Parliament and, if so, on what occasions?

Return tabled.

RENTAL OF AUTOMATIC TYPEWRITERS

Question No. 2,206—**Mr. Forrestall:**

1. What departments or agencies of government employ or have employed automatic typewriters to type form responses to inquiries, on an intermitent basis or on a continuing basis, for each year since 1966 inclusive?

2. What is the rental cost per month for such machines?

3. How many such machines were rented and for what periods, as of April 30, 1973?

4. What, to date, has been the total cost of renting such machines?

5. Are any such machines currently in use in or for offices of Ministers of the Crown and, if so, for what Ministers?

6. How many letters can such machines put out in a day, fully utilized?

Return tabled.

*REMOVAL OF MINERAL RESOURCES NORTH OF 60TH

Question No. 2,482—**Mr. Forrestall:**

Does the government have contingency plans to secure for Canadian interests and Canadian ships the exclusive right for removal of mineral resources north of the 60th parallel and, if so (a) what are they (b) how quickly can they be implemented?

Return tabled.

CONSUMER PRICE INDEX

Question No. 2,664—**Mr. Stevens:**

1. Since its inception, what was the percentage change for each year from the preceding year in the cost of living index?

2. What would be the current All-items Consumer Price Index if calculated from 1913 to date expressed in terms of 1949 equalling 100?

3. What was the All-item Consumer Price Index, if calculated from 1913 to date, expressed in terms of 1949 equalling 100, as of January 1953, 1958, 1963, 1968 and 1973 and what was the percentage change from the preceding five year period for each such period?

4. What would be the current Consumer Price Index for each of (a) food (b) shelter (c) services excluding shelter (d) goods other than food, if calculated from 1913 to date expressed in terms of 1949 equalling 100?

5. What was the Consumer Price Index for each of (a) food (b) shelter (c) services excluding shelter (d) goods other than food, it calculated from 1913 to date expressed in terms of 1949 equalling 100, as of January 1953, 1958, 1963, 1968 and 1973 and what was the percentage change from the preceding five year period for each such period?

[Mr. Munro (Esquimalt-Saanich).]

Return tabled.

COST OF SPECIAL REPRESENTATIVES TO SPELL OUT "LINGUAL FACTS OF LIFE" TO PUBLIC SERVANTS IN FEDERAL REGIONAL OFFICES

Question No. 2,745—**Mr. Masniuk:**

1. What was the total cost to the taxpayer for "Special staff Representatives" who went from coast to coast recently, to spell out the "lingual facts of life" to Public Servants in Federal Regional Offices?

2. For what reason was this policy directed mainly to English-speaking Canadians in English-speaking provinces?

3. What is the total cost to the taxpayer for "double banking" while unilingual Public Servants are on French or English immersion courses during the fiscal year 1972-73?

4. How many English-speaking Canadians in the Public Service are presently taking French immersion courses?

5. How many French-Speaking Canadians in the Public Service are presently taking English immersion courses?

Return tabled.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

UNITED NATIONS REQUEST THAT CANADA CONTRIBUTE LOGISTICS ELEMENT TO MIDDLE EAST PEACE FORCE—GOVERNMENT RESPONSE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs based on the report that the Secretary General of the United Nations has officially asked Canada for a contribution to the Middle East peace force. Can the minister advise as to the nature and extent of the contribution asked for from this country and can he indicate the government's response to such request?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I can confirm, as I announced last night after receiving confirmation of a request from the Secretary General late yesterday afternoon, that he has asked Canada to contribute to the logistics back-up for a United Nations force in the Middle East.

Immediately upon receiving such request officers were sent to New York from the Department of National Defence and the Department of External Affairs to ascertain exactly the nature of the assignment that was contemplated. These officers are still there. We do not yet have details and therefore no reply has yet been sent.

Mr. Macquarrie: Is the minister in a position at this stage to indicate even in rough terms the number of personnel required and whether it is the intention of the government in this case to bring before the House an approving resolution following the example of his illustrious predecessor, Mr. Pearson, with reference to the Cyprus force?

Mr. Sharp: Mr. Speaker, when a decision is made by the government we will announce it. If the commitment is of the nature of the past for which parliamentary approval was sought, the precedents will be followed.

REQUEST THAT APPROVAL OF HOUSE BE SOUGHT FOR PARTICIPATION OF CANADIAN ELEMENT IN MIDDLE EAST PEACE FORCE

Mr. Andrew Brewin (Greenwood): Mr. Speaker, the minister may have intended to give an assurance but I would like him to give an unequivocal assurance to the House that the approval of the House will be sought for any decision to commit Canada to participate in a peacekeeping force in the Middle East by way of logistics support or otherwise?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, if our commitment is of the same general nature, for example, as in 1956—and it may well be—certainly I would bring forward a resolution seeking the approval of parliament. But until we know exactly what it is we are being asked to do and the nature of our response as to how far we can fulfil this commitment, I cannot give as categorical an answer as the hon. gentleman might wish.

Mr. Brewin: Can the minister give an undertaking that before any troops or other personnel are actually dispatched there will be consultation with the House?

Mr. Sharp: Mr. Speaker, the constitutional practice followed in the past is that the government makes its decision and, if it is of a nature that seems to require parliamentary approval, parliamentary approval is sought of the decision made by the government, not in advance of the decision and not in advance even of its implementation.

* * *

[*Translation*]

FINANCE

SUGGESTED AMENDMENT OF BANK OF CANADA ACT TO PERMIT LONG-TERM LOANS TO PROVINCES

Mr. René Matte (Champlain): Mr. Speaker, I have a question for the Minister of Finance.

Has his department or the government received any request by the provinces to amend the Bank of Canada's charter to allow long-term borrowing from the Bank by the provinces?

Hon. John N. Turner (Minister of Finance): Not recently, Mr. Speaker, but in the past several provinces, including Quebec, made proposals to that effect from time to time.

[*English*]

ENERGY

OIL—IMPACT OF VENEZUELAN PRICE INCREASE ON PRICES OF PRODUCTS IN CANADA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Can the minister give us an assurance that his visit to Venezuela and the increase in the tax reference price of oil by Venezuela of some 56 per cent were purely coincidental? Was he given any notification in advance of this increase in the tax reference price of oil and, further, what in the view of the government will be the impact in Canada of this move in respect of the prices of petroleum products here?

● (1430)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, my visit to Venezuela, which took place two weeks ago today, was as I recall, the day before the Arab states decided to make their approximately 70 per cent increase in the tax posted price. The Venezuelan decision, as I understand the official statement, was really a following up by Venezuela of the Arab increase to get the same price on the world market for all customers as the Arabs are getting.

Mr. Nielsen: They saw you coming.

Mr. Macdonald (Rosedale): The impact on the Canadian market, regrettably, will be substantial. Approximately 63 per cent or just under 60 per cent of the supply to the eastern Canadian market comes from Venezuela, and it is anticipated that this increase in cost will find its way into the Canadian market within a month or so.

POSSIBLE BANNING BY SAUDI ARABIA OF OIL SHIPMENTS TO CANADA—SUGGESTED FEDERAL-PROVINCIAL MEETING TO DEVELOP CONTINGENCY PLAN

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary question relating to some of the other oil that is imported into Canada. Has the minister yet been able to find out whether Saudi Arabia has ordered the suspension of shipments by Aramco for delivery to Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I think this is a situation where no news is good news. We have had no word of any additional interruptions to the one I mentioned the other day. My understanding at the moment is that Aramco will continue to ship to Canadian customers.

Mr. Stanfield: I hope the minister's optimism with regard to Saudi Arabia is justified and that he will not be tempted to visit that country himself.

Some hon. Members: Oh, oh!

Mr. Stanfield: In view of the increase in the price of imported oil to be expected now, will the minister arrange for an immediate federal-provincial meeting with the provincial ministers or governments for consultation to

develop a supply and pricing contingency plan for petroleum products in Canada this winter? Will the minister face this emergency situation by taking this step?

Mr. Macdonald (Rosedale): I am not sure whether a general meeting of ministers would be the appropriate basis for doing this. We have already had discussions with a number of provincial governments in this regard and of course they will be very much involved in the contingency plans we are developing.

GOVERNMENT POLICY RESPECTING PETROLEUM PRODUCT PRICES IN LIGHT OF INCREASE IN PRICE OF VENEZUELAN OIL—DURATION OF FREEZE ON WESTERN CRUDE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. In view of the 56 per cent increase in the price of Venezuelan oil landed at Montreal and the resultant request by the oil industry for an increase in gasoline prices, will the minister tell the House what pricing policy the government proposes to follow in view of these events? More particularly, I want to ask the minister whether an increase in petroleum product prices will be approved by the government and, if so, by how much, and will the present freeze on western Canadian crude be maintained at least until January 30?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I should indicate to the hon. gentleman that the requests for a price change which have been referred to in the House and which are now before the government are related to increases in the Venezuelan taxation at the end of August and at the end of September. The announcement of this weekend would, of course, not be covered by any decision which is now before the government. It is before the government at present and I hope to be able to clarify the situation a little later this week. At the moment, of course, we are still in a market situation where we have the September 4 price maintained both in the east and west sections of the Canadian market. The request has been with regard to a price change in the eastern section only.

Mr. Douglas: In view of the minister's public statement that after January 30 the price of western crude will be based on the landed price of offshore oil in Montreal, and in view of the fact that by that time the Montreal price may be higher than the present Chicago price, with a resultant windfall for Canadian oil producers, what criteria does the government propose to adopt to establish the posted price for oil produced in western Canada?

Mr. Macdonald (Rosedale): Perhaps I can remind the hon. gentleman that the price in Chicago will be based on the competitive price of imported crude there, so our anticipation is that the Chicago price will remain above the Montreal price. The government has not taken any decision to extend price control beyond the January 30 period, and the price basically will be determined on the basis of the criteria I mentioned in the House last week.

Mr. Speaker: The Chair will recognize the hon. member for Nanaimo-Cowichan-The Islands on a supplementary

[Mr. Stanfield.]

and then the hon. member for York-Simcoe on a supplementary.

OIL—POSSIBILITY OF ESTABLISHMENT OF NATIONAL PETROLEUM CORPORATION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that if a national petroleum corporation were established this mechanism could be used to pool oil supplies in Canada and to standardize prices, can the minister give the House any assurance that he hopes to establish such a mechanism by January 30?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I think it is a little difficult to suggest that it can standardize prices. Whether it be a national corporation or subsidiaries of the internationals which are importing oil, they have to meet the prices set by foreign governments. The decision regarding a corporation, as I have said a number of times, is before the government, but it does not appear at the moment that there will be an early announcement on this.

EFFECT OF REDUCTION IN TANKER RATES ON PRICE OF OIL

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question also is directed to the Minister of Energy, Mines and Resources. With world marginal tanker rates having plunged by 50 per cent over the weekend, resulting in oil transportation costs of up to $2 per barrel of oil being saved in transportation from the Middle East to this continent, would the minister inform the House if our tanker delivery arrangements are such that we can take advantage of these savings to offset world prices?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The arrangements, of course, will be between the different companies, but I can say, in agreement with the hon. member, that of course the Montreal price is made up of a combination of the basic price of oil plus the tanker price, and any drop in the tanker price will ameliorate the effect of any price increase.

Mr. Stevens: I have a supplementary question for the same minister. Can he at least inform us, in view of this uncertain world situation where certain oil costs are rising while other costs such as transportation are falling, that he will not permit a retail price increase in gasoline or fuel until the companies are in a position to state their actual cost position?

Mr. Macdonald (Rosedale): That is the position we have taken, and one of the reasons for the delay is to determine the actual cost increase since the September 4 announcement.

INDUSTRY

FINANCIAL ASSISTANCE TO SMALL AND MEDIUM SIZE COMPANIES TO FORM CONSORTIA FOR EXPORT PURPOSES

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Before the minister left for Russia a press release was issued from his office stating that financial assistance will be provided to small and medium size companies to form a consortia for the export market. Can the minister explain to the House what his definition is of small and medium size companies as there are different definitions in the Small Businesses Loans Act?

Mr. Speaker: Order, please. The question asked in those terms is not in order. I am sure the hon. member will agree that to ask the minister to give a definition of a word used in such circumstances is hardly in order. Perhaps the question might be asked in some other way or in other terms to make it acceptable from a procedural standpoint.

Mr. Hellyer: Thank you very much, Mr. Speaker. Perhaps the minister can tell us the cut-off point for the size of companies, and at the same time could he explain the percentage of Canadian ownership required in manufacturing concerns in order to qualify?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, there is no provision with respect to the percentage of Canadian ownership in order to qualify. As to the specific cut-off point, I cannot assist the hon. member. Each case will be looked at on its own merits. Clearly the emphasis of the program is on small and medium size Canadian companies rather than on large ones, those that can support their own marketing operations externally.

● (1440)

Mr. Hellyer: Will the minister assure the House that in refining the regulations as he goes along he will make every possible effort to make sure that the major benefit from this new program goes to struggling Canadian companies rather than to multinational corporations which have benefited from many of the government's projects?

Mr. Gillespie: Mr. Speaker, this program is organized to support the Canadian export efforts of Canadian firms.

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FOOD PRICES

STEPS TO ASSURE DECREASE IN WHOLESALE PRICE INDEX PASSED ON TO CONSUMERS—LAYING OF CHARGES INVOLVING MERCHANDISING IRREGULARITIES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Minister of Consumer and Corporate Affairs. In view of the fact the wholesale price index released today by Statistics Canada shows a slight decrease in the price of food, what steps is he taking to ensure that these decreases are being passed on to consumers, particularly in view of a growing body of opinion which seems to indicate the contrary?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, this parliament has not given me the authority to control prices, but I, my colleagues, and all members of the House are certainly going to be interested in what retailers do to see that this welcome reduction in the wholesale price index is reflected in retail prices.

Mr. McGrath: As a supplementary question, Mr. Speaker, may I ask the minister whether charges are being laid with regard to the 100 cases of merchandising irregularities involving double pricing and other practices brought to the minister's attention by Mrs. Plumptre and her posse? Are charges in fact being laid?

Mr. Gray: Work is being completed on the files to see which of them, in light of further investigation and on the advice of the law officers of the Crown, provide sufficient evidence for charges to be laid. I expect to have this work completed shortly.

* * *

TRADE

CAUSE OF DEFICIT IN AUTOMOTIVE TRADE WITH UNITED STATES—ACTION TO INCREASE INVESTMENT IN CANADA

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce. While the minister was away Statistics Canada reported a net deficit of $68 million in automotive trade between Canada and the United States for the first six months of this year. Considering our surplus during the same period last year, this represents a turnaround of some $240 million in trade in favour of the United States. Have the minister's officials looked into the causes of this significant shift in trade in favour of the United States? If so, will he inform the House what is the main cause?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we have looked at the figures, we have looked at some of the underlying causes, and quite clearly the reason is that there has been a quite unprecedented demand on the part of Canadians for North American made cars.

Mr. Broadbent: In view of the fact that answer is largely spurious but, more to the point, in view of the statistics for the last three years which show that during that period more than 95 per cent of the investment in that industry occurred on the American side of the border and hence is likely the principal cause of this shift in trade, can the minister inform the House what he and his officials have done about getting commitments from the automotive industry to ensure that we get our share of investment on this side of the border?

Mr. Gillespie: Mr. Speaker, this is a matter which we have under review on a continuing basis with the automobile companies.

Mr. Broadbent: Can the minister inform the House whether or not the trade talks between Canada and the

United States on the auto pact as well as other matters have completely broken down, and is it now government policy to allow the Americans to deal with their grievances by undermining the trade pact through permitting over investment in this industry on the American side of the border?

Mr. Gillespie: Mr. Speaker, there has been no breakdown in discussions with the United States with respect to potential improvements in the automotive pact to my knowledge.

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GRAIN

PROVISION OF ADEQUATE SUPPLY OF OATS FOR ONTARIO LIVESTOCK FEEDERS AND DEALERS

Mr. R. E. McKinley (Huron): Mr. Speaker, I have a question for the minister responsible for the Canadian Wheat Board. Recently livestock feeders and feed dealers in Ontario have been unable to get feed grains from the Canadian Wheat Board, particularly oats, and have not been assured of a continuity of supply during the winter. Would the minister look into this situation and have it rectified at an early date?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I have had discussions with the Canadian Wheat Board about the supply of oats. The rail strike and the congestion that followed from it have left supplies of oats in a difficult position. The Board is considering the steps that are required to ensure adequate supplies.

Mr. McKinley: From his discussions with the Canadian Wheat Board can the minister say how far away is the time before he can promise supplies of oats to feeders and dealers?

Mr. Lang: Mr. Speaker, that depends on the solutions which the board considers to be suitable to deal with the problem. I will try to obtain further details about the steps the board now proposes to take and inform the hon. member.

* * *

TRANSPORT

REQUEST FOR RESTORATION OF RAILWAY PASSENGER SERVICE IN WESTERN ONTARIO

Mr. Ross Whicher (Bruce): Mr. Speaker, I wish to direct a question to the Minister of Transport. Recognizing the obvious fact that up to the moment gasoline prices have increased substantially and that in fact additional increases are inevitable, will the minister, as Canada's leading transportation figure, not the presidents of the CNR and CPR, order the re-initiation of railway passenger service in western Ontario as recommended by 20 members of this House, and in other areas of Canada as it becomes feasible?

Some hon. Members: Hear, hear!

[Mr. Broadbent.]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think the opposition recognizes the effective way in which the hon. member has put his question to me. I can assure him that this is a very serious problem. This week, next week or very soon I expect a report from the Canadian Transport Commission, since it was agreed that the CTC should look at the matter. After that we will have a tri-level meeting with the government of Ontario and the municipalities involved so that we can try to solve this problem which, due to the price of gasoline and fuel, is becoming more and more important.

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AGRICULTURE

REQUEST FOR EMBARGO ON IMPORT OF FAT CATTLE AND DRESSED BEEF FROM UNITED STATES

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I wish to direct a question to the Minister of Finance. Since the farm input price index rose 7.3 per cent in the third quarter of this year, will the minister impose an embargo on American overfat cattle and dressed beef flooding the Canadian market?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, as a matter of fact I am in almost constant communication with the Canadian Cattlemen's Association, and this is one of the problems we are discussing.

* * *

EXTERNAL AFFAIRS

VENUE OF NEXT LAW OF THE SEA CONFERENCE

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. In light of the statement made in Halifax on Friday last by the Minister of the Environment that it would not be possible to hold the Law of the Sea Conference at Santiago, Chile, next April, and in light of the importance of this conference to Canada, will the minister advise if an alternative host country has been secured and whether there has been any change in the dates of the conference?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, discussions are still going on in New York and elsewhere on this question. No decision has yet been reached on an alternative site to Santiago which, I agree, is hardly likely to be suitable for this conference. We looked at the question of whether or not Canada might offer the conference the opportunity of meeting here. However, we came to the conclusion that this would not advance the cause of Canada, that it would be better for us not to be in the chair but to be able to advance our own views. In any event, I believe that the alternative site preferred is likely to be in the same general area, namely, South America.

IMMIGRATION

REASON FOR ALLEGED DELAY IN GIVING APPOINTMENTS TO CANADIANS WISHING TO SPONSOR ENTRY OF RELATIVES

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. In view of the fact it takes a minimum of one month to get an appointment for Canadians who wish to sponsor relatives for immigration to this country, can he inform the House of the reason for this long delay?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I presume the hon. member is referring to applications made from overseas posts. I can inform the House that applications from abroad are up some 30 per cent, partly resulting from the fact that our economic situation in Canada is improving rapidly and partly by virtue of the fact that we have cut off landed immigrant applications from people within Canada. We are doing our best to cope with these increased applications but inevitably, until we can supply further resources to the posts involved, there will be delays in processing in light of the increased volume.

● (1450)

Mr. Beattie (Hamilton Mountain): May I ask the minister if it is a fact that directives have gone from the Department of Manpower and Immigration instructing district offices throughout the country to give preferential treatment to illegal immigrants who surfaced during the recent 60-day amnesty? Could this be the real reason for the present delay?

Mr. Andras: Mr. Speaker, most certainly, during the period of the adjustment of status program, most of our resources and facilities were devoted to that crash program. I make no apology for that. I am afraid that this may have resulted in other delays. However, that program is over now; it is not being extended. I think we are settling back to normal.

Mr. Beattie (Hamilton Mountain): Mr. Speaker, a further supplementary—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for a last supplementary, then the hon. member for York West on another supplementary and then the Leader of the Opposition.

Mr. Beattie (Hamilton Mountain): Mr. Speaker, I wonder if the minister would answer the question? Are they or are they not getting preferential treatment over legal immigrants to this country?

Mr. Andras: Mr. Speaker, the answer, as far as I understand the question which I thought I had answered, is no.

SITUATION WITH RESPECT TO APPLICATIONS FROM CHILE

Mr. Jim Fleming (York West): Mr. Speaker, may I direct a supplementary to the minister in reference to inquiries regarding delays connected with immigration

applications from foreign countries. Can the minister say what the situation is at this point with respect to applications from Chile since the overthrow of the Allende government?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we have had information as recently as this morning from the United Nations High Commission for Refugees indicating that, according to their estimate, there are some 3,000 people who may wish to leave Chile. They have positively identified 2,017 of these and have declared 1,175 as refugees according to the UN protocol. Only 30 of those have expressed a desire to come to Canada, and we are processing and treating these as a top priority. We have an indication that perhaps up to 70 will seek Canadian immigration, and we will certainly give them top priority as well.

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EXTERNAL AFFAIRS

POSSIBLE BANNING BY SAUDI ARABIA OF OIL SHIPMENTS TO CANADA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs with regard to Saudi Arabia. Taking note of the view of the Minister of Energy, Mines and Resources that no news is good news but recognizing also the desire of the Secretary of State for External Affairs to pursue a more active diplomacy, may I ask him whether he has succeeded in making contact yet through some ambassador with the government of Saudi Arabia to check out the report which he indicated last week he was seeking to do?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker. We have now made initial contacts with all the Arab oil countries.

Mr. Stanfield: May I ask the minister what word he has received with regard to the views of Saudi Arabia on Aramco shipping oil to Canada?

Mr. Sharp: Mr. Speaker, the information we have is of two kinds. First, there is no indication that oil to Canada is to be boycotted. Second, on the contrary, the initial reaction has been to express doubt that Canada would be subject to the boycott, given the positive relations that Canada has maintained with the Arab states.

Mr. Stanfield: Mr. Speaker, may I ask the minister whether Canada yet has an accredited representive in Saudi Arabia?

Mr. Sharp: Yes, Mr. Speaker.

Oral Questions

IMMIGRATION

POSSIBLE EXEMPTION OF IROQUOIS INDIANS WISHING TO MOVE TO CANADA FROM HAVING TO APPLY FOR LANDED IMMIGRANT STATUS

Mr. Derek Blackburn (Brant): Mr. Speaker, may I direct my question to the Minister of Manpower and Immigration. In view of the fact that Iroquois Indians born in the United States must now apply for landed immigrant status when moving to Canada, that regulation being contrary to the traditional and historic rights of the Iroquois, is the minister considering changing the new regulations so that the Iroquois confederacy will be exempt from this regulation of last November 30?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think this question could be more appropriately referred to my colleague, the Minister of Indian Affairs and Northern Development. I can say we have not, so far as I know, any intention of recognizing the Jay Treaty and therefore, Indians or other people born in other countries who wish to become Canadians will have to apply in the usual manner.

Mr. Blackburn: Does the minister intend to issue deportation orders against those Iroquois Indians living in Canada who entered several years ago without going through the regular process of applying for immigrant status?

Mr. Andras: Mr. Speaker, we would examine the circumstances in light of what I said in the House the other day about compassionate treatment in some of the cases, with regard to the length of time that this has been a traditional pattern. We will certainly look at the possibility of exercising my discretion under the act, but we will not treat Indians either worse or better than other people in the same circumstances.

Mr. Barnett: A supplementary—

Mr. Muir: Mr. Speaker—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Cape Breton-The Sydneys, and in due course the hon. member for Comox-Alberni. At the moment the Chair recognizes the hon. member for Cape Breton-The Sydneys.

* * *

UNEMPLOYMENT INSURANCE

REQUEST THAT BILL C-125 BE WITHDRAWN

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the President of the Privy Council. Before posing my question may I extend to him my congratulations on the honour paid him Thursday night in Halifax by the Prime Minister, members of the cabinet, other members of his party and others.

Some hon. Members: Hear, hear!

Mr. Trudeau: Say it in Gaelic.

[Mr. Sharp.]

Mr. Muir: The Prime Minister suggests that I say it in Gaelic. I doubt that the translators would be able to interpret what I would say. The minister was congratulated on the twentieth anniversary of his election to the House. I think he deserves congratulations.

In view of the continuing difficulties being experienced by those, particularly in the Atlantic provinces, who have truly legitimate claims for unemployment insurance benefits in receiving such benefits, would the leader of the House give us his assurance that Bill C-125 will be cremated without ceremony and not brought back before the House?

Mr. Knowles (Winnipeg North Centre): Agreed.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, before replying directly to the hon. member's question, may I thank him for his kind remarks and for the telegram which he sent to the dinner. It was read to great applause that evening.

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, I do not know what the form of burial will be, but it will be fully parliamentary.

Mr. Speaker: I believe the hon. member for Comox-Alberni has a supplementary to the previous question and also the hon. member for Hamilton West. We will attempt to dispose of these supplementaries as soon as possible and then recognize other hon. members who have new questions.

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IMMIGRATION

INDIANS—REJECTION OF JAY TREATY BY GOVERNMENT

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a supplementary question. Before I ask it, perhaps I might be allowed to add my word of congratulation to the President of the Privy Council as one who was elected at the same time as a rookie Member of Parliament and who comes from another island.

I have a supplementary question for the Prime Minister arising out of the questions asked by the hon. member for Brant. Can the Prime Minister tell us when and under what circumstances the government of Canada has rejected the validity of application of the Jay Treaty, which affects the arrangements between Canada and the United States so far as the movement of people of Indian ancestry is concerned?

Mr. Speaker: Order, please. I doubt whether that question should be asked at this time. The hon. member might place the question on the order paper or, if there is urgency, it might be raised at the time of adjournment.

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

UNEMPLOYMENT INSURANCE

REASONS FOR DELAY BY ADVISORY COMMITTEE IN MAKING SECOND REPORT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a supplementary for the minister responsible for manpower and immigration, and particularly unemployment insurance. Can the minister advise the House as to what reasons have been given by the advisory council to the Unemployment Insurance Commission for the unacceptable delay in filing their second report, which apparently is extremely important to the minister because of the criteria set? Is there any reason for this unusual delay?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I have been in almost constant communication with the chairman of the Unemployment Insurance Commission Advisory Committee. He tells me that he has been discussing this matter with both parties on the Committee. I say "both parties" advisedly, because four members are representative of union and four are representative of management groups. I believe the problem is that there is not agreement on the report that they should tender. I have indicated to him that if they cannot make a unanimous report, to please give us even a divided report so we can examine it, table it, and get on with the job.

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FISHERIES

ASSISTANCE TO FISHERMEN AFFECTED BY STORM LAST JUNE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Finance. Can the minister now indicate, and I ask him as earnestly as possible to do so, when the fishermen of eastern Canada can expect an answer as to what assistance they can expect from this government in helping to restore their fishing capabilities which were so severely affected by the storm last June? I ask this question of the Minister of Finance because the Minister of the Environment indicated that he is now seized of jurisdiction in this matter.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the government is actively considering a formula for providing compensation to fishermen for storm damage, and the appropriate announcement will be made soon by the Minister of the Environment and Fisheries.

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● (1500)

INDUSTRY

COPPER—SUGGESTED GOVERNMENT INQUIRY TO SECURE DOMESTIC PRICE REDUCTION

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is to the Minister of Industry, Trade and Commerce. In view of the fact the continual increase in copper prices, particularly since January, 1973, is causing a substantial strain on the electrical industry, the result of which can be predicted as being disastrous for many electrical manufacturers, will the minister launch an immediate investigation with the producers of copper with a view to holding and/or reducing their prices to more realistic levels when dealing in the domestic market?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, my officials are in contact with the copper producers on a regular basis. It may be of some interest to the hon. member to know that Canadian copper prices are significantly lower than the LME price which prevails internationally but not on the North American continent.

* * *

THE ROYAL FAMILY

INQUIRY AS TO WEDDING GIFT FOR PRINCESS ANNE

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is to the Prime Minister. It arises from this government's newfound affection for the monarchy. Can the Prime Minister advise what the government will be presenting to Her Royal Highness Princess Anne as a wedding gift so that the Canadian people, on whose behalf the gift will be sent, may be assured of its suitability?

Mr. Speaker: Order, please. The hon. member's question might place the Chair in an embarrassing procedural position. Perhaps the Prime Minister might be allowed to reply, after which I will recognize the hon. member for Sault Ste. Marie.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should, before replying, be inclined to ask the hon. member on what his premise is based.

Mr. O'Sullivan: Mr. Speaker—

Mr. Speaker: Order, please. I bring to the attention of hon. members there are just two or three minutes before the end of the question period. Before getting into a debate on this question, the hon. member might like to follow the advice implicit in my comment.

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REGIONAL ECONOMIC EXPANSION

NORTHERN ONTARIO—DATE OF ANNOUNCEMENT OF AGREEMENT FOR DEVELOPMENT—DEGREE OF CO-OPERATION BETWEEN GOVERNMENTS

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. In view of the answer given by the minister in the House in September, 1973, that an announcement would be made within a few weeks or a month with regard to development in northern Ontario, and since it is now over a month, can the minister inform the House when he now intends to announce such a strategy?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I think I have explained on a number of occasions that work is proceeding on a number of specific undertakings in northern Ontario but that these will be implemented co-incident with the signing of a general development agreement with the province of Ontario. It is the working out of the general development agreement that is taking considerable time. I can say, however, that in the meantime quite a number of incentives have been granted in parts of northern Ontario in recent weeks.

Mr. Rodriguez: In view of Premier William Davis' statement in northern Ontario this past weekend that the federal Department of Regional Economic Expansion—

Mr. Speaker: Order, please. The hon. member can ask the question directly without basing it on a statement made outside the House under circumstances such as those referred to by the hon. member. We are running short of time. The hon. member may ask a brief supplementary. I will then recognize a few other members before calling orders of the day.

Mr. Rodriguez: I will rephrase my question. In view of the denial by provincial officials that there is such co-operation going on between the two departments, will the minister inform the House whether such meetings have in fact been taking place?

Mr. Jamieson: Mr. Speaker, obviously they have been taking place. If there is not co-operation it certainly is not our fault.

Some hon. Members: Oh, oh!

Mr. Jamieson: This is the first I have heard of that particular comment. I find it surprising because most of the comments are that we have been working together quite successfully.

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PUBLIC BUILDINGS

EXCESSIVE USE OF LIGHTS IN EXTERNAL AFFAIRS BUILDING—GOVERNMENT ACTION

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, I wish to direct my question to the Secretary of State for External Affairs. In view of the report that the minister very commendably returned to his office and worked hard and late last night, and in view of the energy shortage, did the minister make certain all the lights in that giant energy consuming building were out before he left?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker, but I made sure that during my absence I was kept constantly in touch with the departmental officials working long and hard during that weekend. They needed some light.

Mr. Bell: Will the minister seriously take the matter of leaving the lights on in his building under advisement since the consumption of power per month is enough to light 2,092 average homes?

[Mr. Rodriguez.]

Mr. Sharp: Yes, Mr. Speaker. I tend to share the hon. member's concern. I have raised the question myself. I hope that the next time the Department of Public Works erects a building it will be possible to turn the lights off individually in each office.

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NATIONAL SECURITY

ALLEGED EXISTENCE IN QUEBEC OF CENTRE OF ANALYSIS AND DOCUMENTATION—GOVERNMENT POSITION

Mr. Erik Nielson (Yukon): Mr. Speaker, I wish to ask the Solicitor General whether he is aware of the existence in the province of Quebec of an agency of the government of that province called the Centre of Analysis and Documentation which concerns itself with secret policing of matters affecting national security? If the minister is aware of the existence of that group, has it been established with the knowledge of this government? Is it operating with the co-operation of this government and does any similar group exist in any of the other provinces?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I am not aware of the group but I will be pleased to check into this and find out. I might say we have relationships with the Quebec Provincial Police through the RCMP, but I am not aware of that particular committee.

ALLEGED WIRETAPPING OF MEMBERS OF ST. JEAN BAPTISTE SOCIETY—POSSIBLE PARTICIPATION OF SECURITY PLANNING AND ANALYSIS GROUP

Mr. Ron Atkey (St. Paul's): Mr. Speaker, I have a supplementary question for the Solicitor General. In view of the revelation last week of the wiretapping of telephones of two members of the St. Jean Baptiste Society, allegedly by members of the group to which the hon. member for Yukon referred, will the minister advise whether there was any relationship with the police and security planning and analysis group in his department and whether they had any advance knowledge of this so-called operation 95? If so, what part did that group play in the planning of these acts of political espionage?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I will also check into that. I am virtually certain the group in my office had nothing to do with this particular incident. I will get a full report and give it to the House.

GOVERNMENT ORDERS

[*English*]

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed, from Friday, October 26, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-164, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973 to the 30th day of June, 1974, and securities to be issued by the Canadian National Railways Company and certain debentures to be issued by Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, just before the House recessed for the weekend on Friday, I started to participate in a debate on Bill C-164 on financing the Canadian National Railways. I was commenting on the importance of transportation in areas such as Saskatchewan, in view of our farm population and innumerable small communities. I also stated that in Melville we have a large CNR terminal.

We on the prairies sometimes get very angry with Canadian National Railways and Canadian Pacific Railway because it is a fact that these two railways have been responsible for some of the lack of development, high freight rates and discrimination against the prairies. I gave some examples of this in the debate last Friday. This afternoon, I want to spend a few minutes going over the immense power of CNR and CPR to show how these huge corporations affect the lives of people living in the prairies and, indeed, right across Canada.

What is the difference between CNR and CPR? I suggest they are basically the same type of beast. They just have different hides. CNR is publicly owned. CPR is a privately owned corporation. CPR operates in eight provinces, CNR in 10. CPR has a highway transportation organization. CNR has a highway transportation organization as well. CPR has coastal steamships. CNR has coastal steamships. Both have hotels. Both have a telecommunications company and network. Both are involved in the air transportation business. Both are involved in pipeline research in this country. Both are involved in tax ripoffs from the Canadian people.

In my own province, the Hotel Saskatchewan in Regina just last year started paying taxes to the city of Regina. Last year they paid $350,000 in taxes. That will be their annual tax rate from last year on. However, prior to that, the Hotel Saskatchewan did not pay any taxes at all, despite the fact it is owned by the CPR and has been in operation for many years. The city of Regina still pays the complete water bill for that huge hotel. In other words, these two rail lines have a virtual monopoly on the rail, air and water transportation in this country. Because of that, they exercise considerable control over national policy across this country.

• (1510)

I want to go back in history for a few moments and express my concern about the monopoly grip these companies have on Canadian life. I urge the government to take the initiative when it comes to freight rates and national transportation policy. The CPR was started in 1880 when they were given some $25 million by the federal government. At that time they were also given 25 million acres of land, the site of which they could choose over the next 20-year period for their roadbeds, for their stations, docks, workshops, sheds and so on, which went along with their rail transport system. They were given tax exemptions by all three levels of government on everything connected with the railway system. They had tax exemptions on the lands which were given to them for the 20-year period after that land was obtained. The federal government itself built 700 miles of railway during that period, the cost of which, including the land, was some $140 million, and which today would be worth considerably more than that. The CPR was also given exclusive mineral rights as well as all kinds of land.

You may wonder why the CPR at that time was given such huge welfare cheques or hand-outs by the federal government of the time. There were 40 MPs in the House and 12 Senators, and on checking the records I find that many, if not most, of these MPs and Senators had an interest in the Canadian Pacific Railway Company and were thus serving their self-interest by giving huge handouts to the CPR. The government also guaranteed, very interestingly at that time, the shareholders of the CPR that freight rates would be kept high enough so that there would be a minimum profit of 10 per cent on the capital invested in the Canadian Pacific Railway Company. In 1897 the Crowsnest Pass agreement subsidized the building of the CPR into southeastern British Columbia. So that gives you a bit of the background of the Canadian Pacific Railway in this country which was started by rugged individualists by the use of huge handouts and concessions from the federal Conservative government of the day, in mineral rights, taxation, direct subsidies and so on right down the line.

Now, what has the CPR become today? Is it exclusively a railway company? It certainly is not, Mr. Speaker. I have been able to tabulate some of the interests the CPR has, and I am sure this will be of interest to the House as an example of transportation in Canada. The Canadian Pacific Oil and Gas people have petroleum rights in over 23 million acres of land in western Canada. Canadian Pacific Railway Hotels, which is part of Canadian Pacific investment along with the Canadian Pacific Railway Company, owns and operates 11 hotels across this country. Marathon Realties owns a monstrous $310 million worth of assets and the $35 million Place du Canada in Montreal. Cominco, which was formerly the Consolidated Mining and Smelting Company, owns or controls National Hardware Specialties Limited in Ontario, which is a zinc die-casting plant. Western Steel Limited is owned and controlled by the CPR in Vancouver. Another company the CPR owns is Pinepoint Mines Limited in Trail, B.C. They own Pacific Coast Terminals Limited in New Westminster. They own Ricken Mines in Yellowknife. They own Coast Copper in

Trail, B.C. They own Sunco Mines Limited, which is also a copper mine.

The Canadian Pacific Railway, has interests in the United States. There is a zinc interest in the country of India. It has fertilizer, lead and electronic plants in the United States, and a lead smelting plant in Japan. There are Canadian fertilizer plants. There are six hydro-electric power plants in the Province of British Columbia and some pipeline interests as well. The CPR, with its fully-owned Canadian subsidiaries, had a net income last year of close to $70 million; Cominco, which is owned 53 per cent by the CP Investments Limited, has a net income of over $35 million; Pinepoint Mines Limited, which is the Canadian Pacific Railway Company's as well, had a profit of over $35 million. These are some of the interests which Canadian Pacific Railway has and which show how it has become a huge monstrosity in the last few years in this country. And the CNR is not far behind the Canadian Pacific Railway when it comes to a corporate octopus with immense power in this country as well. In fact, Mr. Speaker, when I go back over some of the reports of the CPR I see that from 1920 their net profits have been $1,279 million. That indeed is immense and that, indeed, makes the company very, very powerful.

Now, Canadian National Railways has a very similar history. It is involved, as I say, in very similar enterprises across this country. Canadian National was formed by the amalgamation of several railways after 1920, railway companies that went broke, railway companies that a Conservative government again at that time bought out, fully compensating the owners thereof. The Canadian government guaranteed bonds of the Canadian National Railways to the tune of $860 million. This does not include the forgiveness of debt which occurred in 1937. It does not include the converted half of the $760 million debt which existed in 1952 in the form of preferred equity shares, and this does not include the forgiveness of interest for ten years, ending in 1961, of $100 million. Despite that, the debt I am told is still almost $2 billion.

Now the CNR, like the CPR, is also involved in all kinds of enterprises across the country. We have the railway system itself. We have CN Express. We have Canadian National Railways Limited in France. We have Canadian National Realties, Canadian National Steamship Company, Canadian National Telegraph, Canadian National Transfer, Canadian National Transportation. We have Canadian Northern Quebec Railway Company, which is owned bh the CNR. We have Chapman Transportation Company, which is owned by the CNR; Eastern Transport, Empire Freightways, the Great Northwest Telegraph Company of Canada. We have Husband Transport, Husband International Transport, Midland Superior Enterprise Limited, the Minnesota-Manitoba Railroad Company, Minnesota-Ontario Bridge Company, Mount Royal Tunnel and Terminal Company, all owned by the CNR.

I could go on and on listing the companies that are owned by the huge Canadian National Railways Company here and beyond our border. They own the Northern Consolidated Holding Company, Provincial Tankers Limited, the Quebec and Saint John Railway Company, Royal Transportation Limited, Scobe's Transport, Swan River-The Pas Transfer, Toronto-Peterborough Transportation Company, Central Vermont Railway, which is operated, of course, in the United States, the Duluth-Rainy Lake and Winnipeg Railway in the Duluth and Winnipeg area, and so on. These are the companies that are run by the Canadian National Railways here in this country.

If we look back at the history of the CNR in this country we find they have been much more willing to provide aid and service to industrial developments than they have to the ordinary citizen through decent transportation service, passenger service and working conditions for the employees. We find that in 1952, the CNR and the government of Canada combined to offer great incentives to build a railway to Kitimat and a bridge across the Skeena river for mining industries in that area. The same thing happened with the Lynn Lake developments in Manitoba where the CNR and the government of Canada combined to build a railway called the Sherritt Gordon line.

So you can see as you go back through the history of the CNR that they have been very, very quick to use the taxpayers money to build services for some of the private mining companies and private interests in this country. And now we get down to 1973. What do we see the CNR trying to do in conjunction with the CPR in this country? Members hear about the terrible passenger service, about Air Canada, among other things, and I want to mention one or two more specific items relating to the prairies. We find now applications before the Canadian Transport Commission to abandon 3,000 miles of railway track in the Province of Saskatchewan alone. And this is in addition to the elimination of station agents during the last few years.

• (1520)

Why do they want to abandon railway tracks when they have this immense empire behind them which has made enormous profits over the last dozens of years? There are a number of reasons why they want to abandon railway lines on the prairies. First of all, the National Transportation Act provides that in order to qualify for subsidy a railway must first apply to abandon the lines in question. This is one of the reasons the railways have applied to abandon 3,000 miles of railway line in my province.

The CPR and CNR have both said that one reason they must abandon certain lines is competition from trucking companies, which is becoming so severe that they are losing money. But, Mr. Speaker, who owns a lot of the trucking companies in Canada? The CNR and CPR. What we have is their rail operation competing against their highway transport operation, and this is used as another excuse to abandon rail lines in my province. The railways also wanted to abandon grain elevators, but the farm organizations are disputing that kind of application. What they are really trying to do is maximize their profits because the rail lines serving these small towns are not returning to them a very high profit, certainly not the profit they would like to see.

I ask, why not use the port of Churchill more than we do to export grain from the prairies? This would save the farmers 10 to 15 cents a bushel because Churchill is closer to the prairies. But the railways refuse to do so, because when grain is shipped through the Lakehead and down the St. Lawrence seaway system the CPR and CNR

receive more revenue through freight rates than they would if grain were shipped through Churchill.

Another reason the railways want to abandon lines is that it costs about $35,000 per mile per year to keep the track in shape. This figure relates to railway lines all across the country, not necessarily to the specific ones they are trying to abandon. There are 3,000 miles of track in my province of Saskatchewan, which works out to a figure of $105 million a year for maintenance. In other words, they want to save $105 million a year in my province alone. Where would the saving go, Mr. Speaker? I am sure it would not go to the farmers in the form of increased assistance, because they would have to haul their grain much greater distances from the farm to the elevator terminal. I am sure the saving would go into the general treasuries of the two railways concerned. If the $105 million a year which would be saved in Saskatchewan if the railways' attempts to abandon the rail lines were successful were invested at a reasonable rate of return over a period of 20 years, it would produce some $4 billion, to say nothing of similar savings in other provinces in Canada if rail lines were abandoned.

Then, of course, there are other costs incurred by rail line abandonment. For example, what would happen to people in small towns, villages and hamlets if local grain elevators were closed down? This represents about half of their economic base, and therefore they would be unable to exist. The municipalities will lose a lot of their tax revenue, services would become more centralized, people would be encouraged to leave the areas and go to larger centres in order to seek jobs, bring up their families and even retire there. I suggest this is a serious issue. Before the minister allows the CTC to grant the applications to abandon these lines, the minister should understand not only the economic consequences of such an act but also the social consequences for the people in rural Saskatchewan, and others living in different parts of rural Canada similarly affected.

The government of Saskatchewan has stated that rail line abandonment should be postponed in this country until at least 1980. I urge the minister to listen to what the government of Saskatchewan has said since they, like other governments on the prairies, know what their people living in rural areas want. If that were the case, better services would be provided to these people and they would have a better way of life. The very set-up of the board of directors of our two railways militates against the interests of people on the prairies. For example, of the 24 members of the board of directors of the CPR, only three come from western Canada, 19 come from eastern Canada, and there are three from foreign countries. There are 14 directors of the CNR; only four come from the west and 10 from eastern Canada.

In a debate of this sort, I and other members from the prairie provinces want to take the opportunity to put forward the argument that our transportation system be used to the benefit of all people in this country, not just those who happen to be fortunate enough to live within the golden horseshoe of southern Ontario in and around the city of Toronto. The freight rate structure in Canada should be organized in such a way as to remove any anomalies. For example, unprocessed goods can be shipped from Saskatchewan more cheaply than finished goods. This should not be the case, but as long as it is the case rural Saskatchewan will remain undeveloped, as will our north, most parts of Quebec and the Atlantic provinces.

I would encourage the minister, in all seriousness, to inform the railways that they will not be allowed to abandon their rail lines. In addition, I suggest he remove freight rate anomalies and thus serve all of the people in this country. One way to do this would be to nationalize the CPR and run just one railway system in this country. With regard to compensation for the CPR, according to the ledgers that I have seen it would not cost much to buy out the CPR, because most of that empire was built with the taxpayers' money in the first place. They have been getting welfare cheques from us for years. It is now time that the people of Canada owned, operated and controlled that particular railway along with the CNR. Let us have one railway system in this country that will serve all of our people from coast to coast.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I understand there is one, possibly two, more speakers to follow me. It is not my intention to take up too much time, but there are one or two points I should like to bring forward in this debate.

Bill C-164, which we are presently debating, gives the members of this House an opportunity to discuss the many transportation problems we have in Canada. Having listened to the debate over the past few days, I find a number of very interesting proposals have been put forward by members of all parties which I trust will be given very careful consideration both by the Department of Transport and by the committee that will deal with the bill once we give it second reading.

I welcome the opportunity to raise several transportation problems in my riding of Kootenay West. As hon. members know, a number of members have spoken on pension matters, abandonment of railway lines and so on. Similar problems exist in other parts of Canada, and I think all arise because of the fact that the transportation policy of this nation is inadequate. It is the lack of a unified transportation policy that has led to much of our current difficulties on our transportation system in Canada. I feel that the lack of adequate national policy in this field can have disastrous results, particularly on the growth of certain areas. Coming from a rural area I find that sometimes these weak transportation policies can seriously harm the potential economic growth of those rural areas in which we are very interested in seeing jobs retained. Certain economic ventures, too, are often destroyed when rail lines are abandoned.

• (1530)

Canada is a country whose economy is dependent on vast amounts of both exports and imports. Large quantities of raw materials are to be found in every part of our nation, and fast and efficient transportation facilities are required to get these products to market so we can be competitive. In addition, we find that Canadians travel a great deal. Whether they are commuting to and from places of employment or travelling for business or pleasure, we find that some method of transport comes into the picture. Our country, with its huge area and vast dis-

tances, uses many modes of transportation including rail, air, ship and, of course, our ever increasing truck transport. It is essential that all these methods be welded into a closely coordinated system to ensure that we receive the fast and efficient movement of goods and people that is required in this day and age. There is no reason all aspects of such a transport system should not be fully coordinated, owned and controlled by Canadians. It is for this reason the members of our group have been pressing for years for a Canadian merchant marine. I am not going to go into this because other members have spoken about the need for a Canadian merchant marine, but it does seem odd that Canada, a country with the longest coastline in the world, should have practically all its shipping trade carried in ships of other nations.

There are several transportation problems, however, which affect that part of B.C. I represent and to which attention must be paid to prevent further deterioration of transport facilities in the area. I should like to deal first with a problem which has been settled by the present B.C. government, but which could become a problem at some future date unless some legislative changes are made to prevent it. I refer to the recent plan to build the Kootenay and Elk railway to connect with the Burlington Northern at the United States border for the purpose of hauling coal from the east Kootenay to the Pacific coast via a United States railway line.

I firmly believe that Canadian raw materials and goods should be transported, wherever possible, by our own Canadian transportation systems, and as a result I welcomed, as did most residents of British Columbia, the action of the present B.C. government in stopping the export of Canadian jobs by the proposed plan to haul Canadian export coal over U.S. rail lines. The point I should like to make here is that the application to build the Kootenay and Elk railway should never have been allowed in the first place. This railway was only an appendage of a U.S. rail line and was to have no rolling stock of its own. Despite this, the lack of adequate federal legislation allowed the Kootenay and Elk to be incorporated under provincial law, although it was in no sense a provincial railway. This indicates that a legislative change is required in our Railway Act, and I urge the minister to proceed with it at an early date.

I might point out in passing that there are a number of products that various companies might be interested in having hauled over competing U.S. rail lines. I think legislation should be updated to make certain that appendages of U.S. rail lines cannot come into Canada and take away some of this lucrative rail freight haul. The former Social Credit government of British Columbia encouraged the building of the Kootenay and Elk railway. It would have meant the loss of many hundreds of Canadian railway jobs and would have been a severe blow to the Canadian economy. Their argument was, however, that it would provide competition for the CPR and, more important, it would provide an alternate route to the Pacific coast to ensure that our coal export contracts with Japan would not be placed in jeopardy. I might point out that there is already an alternative route to the Pacific coast and it is one which lies entirely within our own country. I refer to the Kettle Valley Line which more or less parallels the United States border. It runs from the East Kootenay area and now joins the main line of the CPR as it comes down the Fraser Canyon.

I believe there is a need for an alternate route to the Pacific coast from eastern B.C., but it should be confined to Canadian territory and, in my opinion, the Kettle Valley route would make an excellent alternative. It would relieve the growing pressure on the main line of the CPR and could be the safety valve in the event of a long and serious tie-up on this main line. It appears, however, that the company is reluctant to spend the necessary funds to make this line a viable alternative. It has reduced services and diverted traffic elsewhere in the hope, I presume, that eventually it will be able to persuade the Canadian Transport Commission that portions of the line should be abandoned. I would urge that a major upgrading of the Kettle Valley line take place. For a start it could be used to assist in the lucrative coal haul, perhaps by being used as the route to return the empty coal trains to east Kootenay, thus relieving some of the pressure now on the CPR main line.

At one time the Kettle Valley line went through the Coquahala Pass which gave it access to the Fraser Valley without having to go through the dangerous Fraser Canyon. This particular pass was abandoned a number of years ago by the CPR and, as a consequent result, all the rail traffic to the lower mainland, both CPR and CNR, must go down the Fraser Canyon. We can still vividly recall the immense traffic tie-up in the Fraser Canyon from the heavy snowfall of two years ago in which both our two transcontinental rail lines were involved. I understand there is a feasible route to get rail traffic into the Fraser Valley to the west of the dangerous Fraser Canyon. This matter should be investigated and, if found feasible, should be advocated by our National Transport Commission. Our increasing dependence upon continuous supplies of goods both to and from our Pacific seaboard is becoming of increasing significance as time goes on.

Many members during this debate have mentioned the economic upset and trouble which will be caused by the proposed abandonment policies of both our national rail lines. I find the same situation arises in my constituency of Kootenay West, where rail lines have been abandoned by the CPR, and the company is making moves to abandon more of its small branch lines. I might add that once a rail line has been removed from the area the chance of economic development taking place is greatly reduced. Once the rail line goes, we see a considerable number of small economic job-producing enterprises go with it, and as a result these little communities become less attractive because of a decreased number of job opportunities. There has been talk of diversification of industry throughout our country in an attempt to cut down on many of the major problems which now confront us with a growing concentration of citizens in urban areas. Unfortunately, the transportation policy of the present government has done nothing to ensure the continuity and growth of our smaller rural centres and is leading to increased urbanization as time goes on.

I understand that in 1975 the CPR will try to abandon the rail link between Rosebery and Nakusp. The company would very much like to get rid of this phase of its operation. Over the years there has been a gradual erosion

of service by the company in this area, and this is no doubt directed toward the final abandonment of service to the area. It is my intention to oppose any further abandonment of rail lines in Kootenay West. The entire area has tremendous economic potential and this will gradually be developed over the next few years. We must not allow the CPR, with its faulty transportation theories, to slow down or stop the type of economic development which should and could be taking place in British Columbia.

● (1540)

This is the reason so many members have stressed the need for Canada to make some major changes in this whole policy in respect of transportation and communication. This bill deals with Air Canada and with air service in general. I should like to speak very briefly on air communication service in and out of Kootenay West. It should and could be improved. For example, in this day and age we find there is not a daily service from Castlegar airport to Calgary and the east. This just does not make sense. Pacific Western Airlines, which has the franchise for the area, should be obliged to institute a daily service. Once travellers are certain a daily service is available this helps generate passenger travel. It is disconcerting to air travellers to be forced on certain days to either stay overnight in Calgary or fly to Vancouver and then return several hundred miles to Castlegar. The additional cost involved is an unfair levy on those travellers who are forced to take the Vancouver route.

Another aspect of air communication which requires more attention is the growing need for improvement to existing municipal air fields and the development of new ones. This is an area of communication which is showing rapid development and one which needs far more attention than it has received to date. Rapid communication within a region is essential, for many centres are a long distance from those airports which are serviced by a licensed airline. Facilities are required to ensure that charter flights can provide services if required. There is also a rapidly growing use of private planes for both business and pleasure. This phase of air travel also needs attention, and I would urge the Department of Transport to allocate far more funds to the development of facilities for this type of air travel.

There are some immediate requirements in my area for improved service in this field. Every existing airport needs improvements. The priority in this regard is certainly at the Trail municipal airport at Columbia Gardens where the immediate need is for a paved runway. The department is aware of the problems, and I will press the government to see that action is taken on them.

There are a host of other problems, but this is second reading of this particular bill. Most members have covered other aspects of transportation and when this bill comes back to the House for report stage it is my intention to again raise several of the points I have briefly mentioned here this afternoon and to suggest other points I should like to question the minister about. I appreciate the opportunity to say a few words and trust that some time today this bill will receive second reading in the House.

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I rise to speak on this bill with a feeling partly of sorrow—and partly of anger—sorrow because this bill reveals in a striking manner all the weaknesses for which this government has become notorious. We have another case like the budget measures where the bill is presented to this House more than a year too late to do the job for which it is intended. This bill should have come before the House prior to the election, but the government was so disorganized by panic that it just shelved everything, the budget and CNR financing. The government had time only to change the auditors. It forgot the essentials and looked after the patronage. We do not mind when a little gravy goes to a Liberal firm, but surely a little discretion could be shown. It is a strange spectacle to see that those occupying that front bench over there in the House have gravy all over their faces. It is no wonder people refer to "the gravy train". I mentioned anger, and I emphasize that because the bill and the way it has been received emphasizes the iniquitous relationship between the government and the sunshine socialists to my left.

Mr. Turner (Ottawa-Carleton): Give us a good Halloween speech.

Mr. Paproski: We have seen the spectacle of member after member of the once dedicated NDP-CCF party, a party that once knew how to fight for the west, rising in their places and offering mealy-mouthed words of praise for this and other legislation in this House. They can see nothing wrong. When was the last time they could see anything wrong with this government?

Mr. Knowles (Winnipeg North Centre): Last Friday when I spoke.

Mr. Paproski: There is an exception to the rule, and I will come to the hon. member for Winnipeg North Centre (Mr. Knowles). The awful corruption of power was written all over that performance. Here is a party once noted for its conscience. Under the present leader, it has checked its conscience at the door. It clings to the skirts of power. Perhaps "NDP" stands for "no damn principles". They had two reasons for lavishing praise on the CNR financing bill. First, the CNR, a government-owned corporation represents the ultimate in the vocabulary of socialism, the Nirvana of the Socialist state, government-owned, government-controlled, a sacred cow that can do no wrong. We have had problems with cows on the tracks. In this debate for the first time we witnessed a sacred cow on the tracks and the NDP want us to take away the cowcatcher.

Here is a party of dedicated socialists, full of pious platitudes about the common man, the rights of the little fellow and, during the debate as I recall it, they rose one after the other defending the sacrosanct privileges of an organization which has shown signs of both bureaucratic arrogance and bureaucratic incompetence. Worse than that, in all those reams of words, these defenders of the people could not find time to say a word in defence of those who had given their lives to the CNR and the people of Canada, the CNR pensioners. I say that with the one exception of the hon. gentleman who rose on Friday, the hon. member for Winnipeg North Centre. Their pensions into which they paid over the years are an insult to the generosity of the Canadian people.

Canadian National Railways and Air Canada

The CNR has built up an enormous fund out of their contributions and the contributions of the people of Canada. They have invested those funds in a number of curious ways. But they have consistently refrained from passing on the benefits of those investments to the workers whose contributions made the fund possible. In terms of today's living costs and similar pension systems in other organizations, it is time the CNR passed on some of the benefits of the huge pension accrual to those who earned it. This matter has been brought to the attention of the government on numerous occasions.

Perhaps at this point I might refer to an item in the Edmonton *Journal* of October 4 entitled "CN Pensioners seek 10% Increase".

Mr. Turner (Ottawa-Carleton): What paper?

Mr. Paproski: A good Liberal paper, the Edmonton *Journal*.

This newspaper report states in part:

> . . . the retired railwaymen say they were servants of the Crown and should be given the same consideration as the civil servants who got the 10 per cent increase . . .
>
> CN instituted the two-per cent yearly pension increases Jan. 1, 1970. The increases were also retroactive to the time a man retired. For example, a man in 1970 who retired 15 years previously would receive a 30-per cent pension increase, and two per cent thereafter.

This is the type of benefit these pensioners should be receiving and are not. There has been delegation upon delegation, brief after brief, submission upon submission, and very little or no action. This is why I find it strange that in all the outpouring of words from the conscience-stricken members of the socialist group so very little was said about the plight of the CNR pensioners whose pension fund has gone up and up, while their pensions in real terms have gone down and down.

Mr. Knowles (Winnipeg North Centre): Do you agree with what I said?

Mr. Paproski: Yes, I do.

Mr. Knowles (Winnipeg North Centre): Then why do you not say so.

Mr. Paproski: This is an injustice which should not be tolerated in this country. Surely, the NDP for once, representing ridings in which CNR pensioners are living, and in view of the principles they have paid lip service to, could think about breaking ranks with their wagon masters in the Liberal government. All it takes is a little courage, the courage of their convictions.

● (1550)

Mr. Knowles (Winnipeg North Centre): To think that we kept this debate going so that you could take part in it!

Mr. Paproski: When one considers all the speeches about rights and justice, here is a case crying out for rectification. I say to the government: pass on the increment in that pension fund, now nearly $1.5 billion, to the pensioners. Surely, this is one case in which those who speak loudly of rights, justice and welfare might stand up and be counted.

[Mr. Paproski.]

This government has so bungled and botched the welfare system in this country with its futile handouts to spur of the moment groups, would be reformers and world changers, that people are losing their respect for legitimate welfare needs. Let me say that there are people in this country who belong in the ranks of the unfortunate, people who have suffered illness, death, the loss of a breadwinner, accidents, and have seen their savings dwindle away. While our friends on the NDP benches are making pious speeches about being on the side of the angels, real suffering exists and real suffering calls on the resources of this nation for assistance. Many CNR pensioners are in the category where suffering has taken its toll through age, illness or neglect. Yet, the CNR, in its arrogance, this sacred cow maintained at the taxpayers' expense with the approval of the NDP, refuses to lift a finger to restore the pension rights of veteran CNR employees.

We have now seen everything. The NDP, which over the years has paid lip service and mouth service to the pensioners, is now afraid to speak up because they are in bed with the Liberal party and terrified out of their wits to face an election.

Mr. Knowles (Winnipeg North Centre): Nonsense.

Mr. Paproski: I do not know when the election will be. All I can say is that if the only cement to hold this House together is the cement between the NDP and the Liberal party, then the sooner it cracks the better.

I also want to bring to the attention of the CNR authorities the crashing nuisance of the hump yard in Edmonton. I use the word "crashing" advisedly. I would just like the president of the CNR and the Minister of Transport (Mr. Marchand) to come to Edmonton and try to sleep anywhere in the city within a mile of the hump yard. Let me assure them that they would not get a wink of sleep that night. All night long this symphony of distraction continues—crashing, groaning, whining, screaming—as boxcars are shunted up and down making sleep impossible. The continued existence of the CN hump yard in the built up areas of a modern city like Edmonton is a transgression on the good nature of the people of Edmonton. Once again we find that this arrogant institution does not give a damn for anyone. Either the hump yard must be moved to the outskirts or shunting must be banned between the hours of midnight and 6 a.m. I ask the minister most seriously to look into this matter about which many representations have been made. We have found that the CNR in its arrogance has turned a deaf ear to our requests.

I want to speak about Air Canada and the refusal of the appendix of the CNR to inaugurate a direct air link to Edmonton, the capital of western Canada, and may I say the oil capital of the world. Surely, it is ridiculous for travellers going to the metropolis of western Canada, the Mecca of the west, to be routed through Toronto and have their whole vision of Canada spoiled by the mindless turmoil and inextricable jumble that exists at the Toronto airport. The people of western Canada are entitled to a through service to Edmonton, and if we cannot get it under this government we will darn soon put a government in power that will be able to secure the services and the recognition to which we are entitled.

For too long we have had the policy in force of everything for the east and nothing for the west. In view of the fact that western oil and western wheat contribute in a major way to the prosperity of Canada, while a great part of the east simply lives off western resources, we feel we are at least entitled to recognition. Under this government the policy is not only to bleed the west white, but the west is expected to say thank you.

In closing, may I say thank you to the right hon. member for Prince Albert (Mr. Diefenbaker) who had the vision to construct that great airport in the Edmonton area, which at one time was thought to be a white elephant, but now with the bilateral agreements, will become one of the foremost airports in Canada.

Mr. Speaker: Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Transport and Communications.

* * *

[*Translation*]

CANADA PENSION PLAN (No. 2)

AMENDMENTS RESPECTING ANNUAL INCREASES AND LEVEL OF INCOME ON WHICH CONTRIBUTIONS BE PAID

Hon. Marc Lalonde (Minister of National Health and Welfare) moved: That Bill C-224, An Act to amend the Canada Pension Plan (No. 2) be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise to pursue the point of order of which I gave notice on Tuesday, October 23, as recorded in *Hansard* at pages 7136 and 7137. I realize that it is rather unusual for a member to raise a point of order with respect to a bill the terms of which he fully supports. Nevertheless, rules are rules and should be held in high regard. I also feel that there are certain consequences from the point I wish to make which should be considered, indeed certain rights which should be preserved. The point of order that I raise has to do with the fact that when this bill was placed on the order paper and given first reading there was attached to it what we call the royal recommendation. That recommendation, which is given by His Excellency the Governor General, is required in all cases where a bill involves the expenditure of public money or, to put it in other terms, in all cases where any money has to be paid out of or charged to the Consolidated Revenue Fund.

It is my contention, and I think it is so well supported it hardly needs to be argued, that that is not true with respect to the Canada Pension Plan. It is a completely self sustaining plan. In fact, its self sustaining character is so complete that even charges for rent, telephone and all other kinds of administrative services are made against the plan or against the fund which is set up under the Canada Pension Plan.

The Canada Pension Plan was first brought in 1964 but it was passed in 1965. At that time there was a resolution that preceded the bill. This was before the days when we had abolished the resolution, but it took the same form as the Governor General's recommendation now takes. Some questions were asked about this at that time. The answer given by the then Prime Minister, the late Right Hon. L. B. Pearson, was to the effect that when the plan got operating it would of course be completely self-sustaining, but to begin with there were certain costs involved in getting the plan established, certain expenditures that had to be made before any receipts came in, and that in that sense there were initial charges that had to be paid by the Consolidated Revenue Fund.

● (1600)

However, one of the requirements of the original act, the Canada Pension Plan as passed in 1965, was that any of these costs that had been incurred before the plan came into effect were to be paid back to the Consolidated Revenue Fund out of the fund established under the Canada Pension Plan. Therefore, Mr. Speaker, because the Canada Pension Plan as it now operates is a plan which does not draw on the Consolidated Revenue Fund in any way, it seems to me that it is an act of supererogation or, to put it in simple language, it is wrong to attach a Governor General's recommendation to this amending bill. Someone might say, "No harm is done. Let's be on the safe side." But of course the harm that is done is that if the Chair rules that such a recommendation is required then private members are denied the right to make any amendments, even though their amendments might not require any payment out of the Consolidated Revenue Fund.

With regard to the fact that no charges are made against the Consolidated Revenue Fund may I remind hon. members that if they look at the public accounts of Canada from year to year they will see that there is an account known as the Canada Pension Plan account, but it is completely separated from the Consolidated Revenue Fund. Also it will be noted that some of the expenditures that are listed as charged to the Canada Pension Plan are administrative costs, rental of space and all the rest of it. In other words, the principle that everything must be paid for out of the contributions that employers and employees pay into the Canada Pension fund is well protected. Indeed this is guaranteed in section 110 of the Canada Pension Plan itself, which is found at page 849 of the Revised Statutes of Canada, 1970, vol. 1. It fills a column so I will not read it in full, but it does say very clearly that everything that is received by way of Canada Pension Plan contributions must go into the Canada Pension Plan account, and every payment that is made out with respect to the Canada Pension Plan must be charged to the Canada Pension Plan account.

Then, there is subsection (4) of section 110 which says:

> No payment shall be made out of the Consolidated Revenue Fund under this section in excess of the amount of the balance to the credit of the Canada Pension Plan Account.

In other words, it is very clear that not one cent can go out of the federal treasury, out of the Consolidated Revenue Fund, for the payment of any of the costs of the Canada Pension Plan, whether it be the paying of pensions or other benefits or whether it be the paying of administrative costs. This has been argued a number of times. It seems to me that the arguments that took place in 1964 and 1965 on this point were not really conclusive, because there was a mixed bag at that time, but since then the expenses involved in getting the plan going and any expenses that were paid prior to the starting of the plan, have been paid back.

A more recent discussion of this point is one that took place on April 20, 1971. I am looking at a number of pages in *Hansard* for that day, pages 5093 to 5097. I may say at the outset that I find it interesting in addressing you, Sir, as Mr. Speaker, that two of the persons who took part in the debate that day were a predecessor of yours, the hon. member for Edmonton West (Mr. Lambert), and the hon. member for Halifax-East Hants, who is now the occupant with you of what he calls that lonely plateau.

Since both of these esteemed gentlemen, one a former speaker and the other the present Deputy Speaker, made statements about the matter I think it will be interesting to have Your Honour's view on the matter as well. When I first looked at these pages I thought that maybe my quoting of these two gentlemen would be offset by the fact that you said something that day. But no, Sir, you were not in the chair that day. It was Mr. Honey, deputy speaker in the last parliament who was in the chair. So, Sir, this is your golden opportunity. You have not ruled on this point yet, and you have such excellent authorities as the hon. member for Edmonton West, a former occupant of the chair, and your present colleague, the hon. member for Halifax-East Hants (Mr. McCleave).

On that occasion the bill being discussed was a private member's bill which had been presented by the hon. member for Hillsborough (Mr. Macquarrie) and the arguments I have given today in brief were given then by all of us who took part on the side of private member's rights. In the end Mr. Honey ruled against us, but I draw attention to the fact that he based his ruling almost exclusively on the fact that Bill C-34 in that session, a bill in which the hon. member for Hillsborough sought to amend the Canada Pension Plan in a certain way, did include a clause which said:

> Expenditures under this Act shall be provided under section 104 of the British North America Acts, 1867 to 1970.

There was that element of weakness in the bill that was before the House on that day. But, Mr. Speaker, I point out that there is not one jot or one tittle in Bill C-224 now before us that says anything shall be paid as provided under section 104 of the British North America Acts, 1867-1970. In fact Bill C-224 does not touch at all the sacred provision of section 110 of the Canada Pension Plan Act which says that not one red cent—I will come back to that phrase in a moment—shall be paid out of the federal treasury for the purposes of the Canada Pension Plan. Therefore it seems to me that this bill is not a money bill in the normal sense and that the Minister of National Health and Welfare (Mr. Lalonde), in whose name it is, should be able to proceed with it without the royal recommendation.

Let it be quite clear that one of my motives in raising this matter is that I want to protect rights that I think we have as private members. Once this bill is before us of course the Canada Pension Plan is open, and I think we should have the right to make suggestions, and even to move amendments that would make improvements in the Canada Pension Plan if we can demonstrate that this can be done without involving any charge on the treasury.

I realize that any such amendments which we might make would have to be considered when they would come along, but of course we are locked outside to begin with if it is ruled that this is a money bill and that there has to be a royal recommendation, because then we are faced with the citation that says that the royal recommendation lays down once and for all the terms of the bill.

● (1610)

I said earlier that we had an interesting debate on April 20, 1971. I should like to quote a few words from one of the authorities who spoke that day. In the present context he is probably the one whom we should most like to quote. As recorded at page 5095 of *Hansard* for April 20, 1971, the hon. member said:

> Mr. Speaker, I wish to join briefly in the arguments that have been presented to Your Honour and to recall some of the wording in the resolution that was presented to the House when the Canada Pension Plan was introduced on October 28, 1964. But before I read portions of the resolution, I agree that up to that point the moneys had been spent by government departments with reference to the setting up of the plan, particularly with reference to the studies that had preceded the setting up of the plan, in that very special sense, involved an expenditure of tax moneys, of Her Majesty's revenues, in relation to that legislation. These moneys had to be spent so that the expertise established for publication of these ideas could be incorporated into the Canada Pension Plan itself.
>
> As the hon. member for Winnipeg North Centre (Mr. Knowles) has recalled, the then member for Rosthern raised with the prime minister of the day the question of why there should be a resolution when the Canada Pension Plan was to pay its own expenses. There were exchanges between them, and perhaps I should read what the prime minister said then:
>
> The hon. member then quotes Mr. Pearson as follows:
>
> The fact is that it will cost some money to get this plan into operation, as my hon. friend must know. Afterwards, when the plan is in operation, the expenses will be borne by the fund.

It is no secret that the person whose words I am quoting, as recorded in Hansard of April 20, 1971, is the hon. member for Halifax-East Hants. He went on, from that basis, to argue that the resolution as attached to the original Canada Pension Plan bill was there purely for technical reasons but, now that the plan is paying its own way, it should be possible for a private member to move amendments to the legislation. As the hon. member pointed out, no money was to come out of the federal treasury.

I alluded awhile ago to "not one red cent" coming out of the federal treasury. Of course, I was in part repeating what the hon. member for Halifax-East Hants had said. Discussing the bill on that occasion and pointing out that it did not involve any charge on the treasury, the hon. member put it this way:

> When could there be any requirement whatsoever that so much as

one red, black or blue cent of public money be put into its operation? I suggest you could look from one end of the plan to the other, whether in its present form or, hopefully, as amended by the hon. member for Hillsborough, and not find any such obligation.

The hon. member went on to say:

I would respectfully suggest to Your Honour that it would work a hardship on the backbench members of Parliament if a very narrow construction were placed on the rule about the introduction of measures calling for expenditures. I think, first, the rule would have to be pretty severely twisted to cover the circumstances that arise in the bill of the hon. member for Hillsborough, but in any event it would be a most narrow and unfortunate construction if the Chair were to say that this bill was outside the competence of a private member.

It is no secret that, sometimes after four o'clock, Mr. Deputy Speaker is in the chair. It is after four o'clock now, but Mr. Deputy Speaker is yet not in the chair. It would have been interesting to quote his own words to him. However, the ruling, when it comes, will be a most important one, which will need a great deal of consideration.

Using the past words of our present Deputy Speaker, I suggest, Sir, that if you look from one end of Bill C-224 to the other, you will not find any obligation for one red, black or blue cent of money to be paid out or charged to the Consolidated Revenue Fund. In view of the very cogent argument, the very strong case, presented by the hon. member for Halifax-East Hants, as he then was, on April 20, 1971, I ask Your Honour to rule that this bill is not one placing any charge on the treasury and, therefore, that it should not have attached to it the royal recommendation.

Mr. Lambert (Edmonton West): Mr. Speaker, in view of the numerous arguments which have been advanced by the hon. member for Winnipeg North Centre (Mr. Knowles), I hope I will not traverse the same ground. In drawing his particular point to the attention of the House, the hon. member referred to a debate which took place in 1965. On March 9, 1965 the House voted on a certain matter involving an appeal against a ruling made by the Chairman of the Committee of the Whole. That matter involved precisely the same principle we are now considering.

The House was considering an amendment put forward by the then hon. member for Perth, the hon. Mr. Monteith, and at that time the then hon. member for Parry Sound-Muskoka carried the ball from a procedural point of view. A ruling was given, dealing with the amendment, and the ruling, and I say this inferentially, challenged the right of a private member to move an amendment to the Canada Pension Plan and any of its provision regarding distribution. Shortly thereafter, I debated with the then minister of finance, Mr. Benson, precisely what was the nature of the contribution made by the Canadian citizen to the Canada Pension Plan fund. The then minister of finance refused to debate whether or not this was a tax. Any reference to that debate will show that, actually, such contribution was considered to be a tax.

Mr. Knowles (Winnipeg North Centre): He was then the minister of national revenue.

Mr. Lambert (Edmonton West): I stand corrected by the hon. member for Winnipeg North Centre. The minister was then the minister of national revenue. He did not wish to become involved in that debate because, as the hon. member for Winnipeg North Centre has said and as the hon. member for Halifax-East Hants (Mr. McCleave), as he then was, said, there was not one jot or tittle of evidence within Bill C-5, then under consideration, to support the authorization of the payment of one red cent out of the fund. May I say that the ruling on the matter that precipated the debate on April 20, 1971 was, as I have said before, erroneous. Having reread all the material referred to and the debate of April 20, I am still convinced that the original ruling was erroneous and should not be followed.

First, if the royal recommendation is to be carefully and scrupulously followed by the Chair, as Mr. Deputy Speaker suggested the other day, there is a corresponding obligation to make sure that the recommendation is required. Second, there is the obligation to make sure that the recommendation is couched in correct terms. I say that because it cannot be used, shall we say, to stand off private members. If it is included for that reason, I suggest it is not proper. I suggest that this is what we are debating today.

I put it to Your Honour that there is no need for a recommendation in this particular case, as the bill seeks a change in the distribution of funds paid into the Canada Pension Plan by the contributors. From that plan the government of Canada cannot derive one cent for ways and means, and it cannot spend one cent for administration. The late Prime Minister Pearson remarked at one stage there would not be any money required to get the program in operation. The money was not paid back from the sources. The money was provided under item L60(b) in an appropriation bill which was passed and received royal assent as Bill C-150 of 1964-65. The Canada Pension Plan Act went through as Bill C-151.

● (1620)

In the revision of the statutes in 1970-71, if one looks to the historical index of what happened to all appropriations, we still see that opposite L60(b) is marked "spent". Therefore, the whole of that appropriation has gone. It is cleaned out. The loan has been repaid. Here is a little known fact. The government derived more money, and attempted to get even more money out of the fund, than it had spent with regard to the expenses of getting the plan geared up and under way.

An attempt was made to collect the expenses of public servants who had devoted time, travel and expenses in the 1950's in connection with the establishment of the Canada Pension Plan. The government of Canada tried to reimburse itself from a fund that belonged to the citizens of Canada. However, it was determined that until there was an amendment to the Canadian constitution in 1964 authorizing and permitting the government of Canada to get into a Canada Pension Plan, there was no authority to recover any moneys. The recovery of the so-called expenditures was stopped as of 1964.

That is an aside, but it indicates that the government of Canada cannot use any of the moneys under this plan for general purposes under the consolidated revenue fund. In any event, all of the expenses of organization and so forth

have long since been repaid and there are funds far in excess of the requirements of the plan. It is argued that the citizens of Canada are being shortchanged by reason of the fact that loans made from the Canada Pension Plan fund are at a much lower rate of interest than the market. Therefore, the fund could provide moneys for the payment of the increase that is now being asked if the current interest rates were being charged. There would be sufficient moneys to make these payments. There would be no difficulty.

Many arguments could be made, but I come back to what I think bothers most members. In particular, it bothered Deputy Speaker Honey in 1971 when he considered that if it was not a tax, it was an impost. Surely, Mr. Speaker, the impost arises out of an old method of classifying or drawing up taxation statutes.

Prior to 1830, taxing statutes provided for the purpose for which the money was to be used. There were, therefore, limitations on the expenditures. For example, if a particular bill imposed a tax on tobacco for health purposes, the total amount of that tax had to be used for health purposes and no other purpose. It was in 1830 that the consolidated revenue fund was established by the United Kingdom government of the day. Therefore, we have a consolidated revenue fund into which all taxes are paid. Taxes are generally exacted under the Income Tax Act, the Customs Tax Act and the Excise Tax Act.

This left parliament free to exact a statute that dealt solely with the purpose for which the expenditure was to be made and, instead of including a tax, provide only that a certain sum was to be paid out of the consolidated fund either in the statute itself or in a subsequent appropriation act. The old method is still, but rarely, used. The Old Age Security Act is a classic example of an impost because it provides that a proportion of the expenditures were to be provided by an additional 2 per cent sales tax.

If Deputy Speaker Honey was right in his ruling on April 20, 1971, then the provisions of the Standing Orders relating to Ways and Means apply. A Ways and Means motion must be tabled under Standing Order 60(1) and, if adopted, a bill then brought in based on the provisions of such motion. The bill now before the House must be ruled out of order as not complying with Standing Order 60.

That is the dilemma that comes about from considering the contributions and the whole scheme of payments under the Canada Pension Plan Act as being part of a tax or an impost. Our Standing Orders and Section 54 of the BNA Act say we must proceed via another way if this is a tax, but this is not the way. This act is then bad. On the other hand, if this act is to be right, there cannot be any Ways and Means application. There cannot be any question of a tax or impost. Therefore, the recommendation is unnecessary. If the recommendation is unnecessary, the bill is then amendable. That, in essence, is the nub of the problem facing Your Honour at the present time.

I repeat what was said on March 12 as it appears at page 12290 of *Hansard* and subsequent pages.

Mr. Knowles (Winnipeg North Centre): What year?

Mr. Lambert (Edmonton West): 1964-65. This was in consideration of clause 44 of the Canada Pension Plan Act.

[Mr. Lambert (Edmonton West).]

One cannot have it both ways. If it is not a tax and does not affect Ways and Means, there is no requirement for a recommendation. On the other hand, if it requires a recommendation because it is a tax or it affects Ways and Means, then the procedure adopted by the government in presenting this bill is wrong and they have to start over.

• (1630)

Mr. Foster: Mr. Speaker, I should like to say a few words on the arguments which have been advanced this afternoon. Standing Order 62(1) reads:

> This House shall not adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue, or of any tax or impost, to any purpose that has not been first recommended to the House by a message from the Governor General in the session in which such vote, resolution, address or bill is proposed.

It seems to me the arguments which have been put forward this afternoon by the two hon. gentlemen who have preceded me do not really hit home in their entirety. Surely, the funds involved here are not only part of the revenue of the federal government, but go back to the provinces; they are used, for example, by local school boards and I submit they are part of public revenue. It has been argued, apparently, that these funds are not paid out of consolidated revenue. Surely, they are. It is said they come from the Canada Pension Plan fund, a fund in which money must always be available in order that applications for payment may be met. I would point out, Mr. Speaker, that what are involved here are not only payments from the Consolidated Revenue Fund but payments by the federal government into the Canada Pension Plan fund on behalf of the 250,000 or 275,000 employees of the federal government. This contribution represents a direct expenditure on the part of the government and for this reason a recommendation by the Governor General is needed. I have no idea how many millions of dollars these contributions will amount to, but the total sum is bound to be a very large one.

It seems to me the hon. member for Winnipeg North Centre (Mr. Knowles) really tipped his hand when he said he and his friends wanted to see this done without a recommendation in order that in private members hour they could bring in bills to amend the Canada Pension Plan.

Mr. Knowles (Winnipeg North Centre): Or to amend this bill.

Mr. Foster: The Canada Pension Plan is an integral part of the social security program of the present government or, indeed, of any government, and I suggest it is the government which must take responsibility for it. It should be the prerogative off the government to bring forward amendments. It is not something which can be done by a private member. After all, we do not have a congressional system here. The government has to be responsible for legislation, especially where the expenditure of funds is involved, so it seems to me that the precedents by which we have so long been guided require the royal recommendation, and for good reason, and that the point of order raised by the hon. members should not be upheld.

Mr. Bell: Mr. Speaker, the issue has been well covered by the first two speakers in this discussion, but in answer to the query which has just been raised regarding the application of Standing Order 62(1), I suggest that the Canada Pension Plan as now established amounts to a 100 per cent private scheme, operated freely by a trustee which happens to be the state. I believe this is the answer to the last argument which was put forward. The other two points have been ably advanced, so the case rests.

We do take this matter seriously, Mr. Speaker, and, I trust I can say without being misunderstood that if the Chair does hide behind the royal recommendation we have a democratic right to make certain that the other point of view comes forward.

Mr. Lalonde: I shall be very brief, Mr. Speaker. Listening to the learned arguments put forward by the hon. member for Edmonton West and the hon. member for Winnipeg North Centre, I was reminded of advice given to me when I was a young lawyer—the weaker your case, the longer must be your argument.

The only point I wish to stress is that the funds are collected by the Receiver-General of Canada and put into the Consolidated Revenue Fund. The hon. member for Winnipeg North Centre may, indeed, have let the cat out of the bag when he quoted that section of the Canada Pension Plan legislation which refers to the Canada Pension Plan account. It is true that there is an account, but there is no such thing as a Canada Pension Plan fund, that is, a whole lot of money put into a special corner where no one can touch it. It is merely an accounting format.

Mr. Knowles (Winnipeg North Centre): There is no Consolidated Revenue Fund either; it is just a form of words.

Mr. Lalonde: Disbursement dispersion is made from the Consolidated Revenue Fund and, likewise, what is collected—

Mr. Lambert (Edmonton West): Is there a Consolidated Revenue Fund?

Mr. Knowles (Winnipeg North Centre): No. It is just a form of words.

Mr. Speaker: If there are no additional contributions to this very important and interesting procedural debate, I shall attempt to make a ruling. The hon. member for Saint John-Lancaster (Mr. Bell) has suggested that he, and the hon. members who sit around him, consider this procedural matter very seriously, and I expect them to do so because it is an important procedural point. It was raised some days ago by the hon. member for Winnipeg North Centre (Mr. Knowles), and it is in response to the caveat received from the hon. member for Winnipeg North Centre that the Chair undertook to make a thorough study of precedents and citations from learned authors to determine whether there was substance in the suggestion that the royal recommendation was not required in this particular case.

Hon. members appreciate the difficulty with which the Chair is faced. There is a long established principle at stake here, a principle which has been confirmed for many, many years, and in all instances, I may say, by Speakers who have preceded me. I hope hon. members will not expect the Chair to go into all those rulings. I have tried to come to what I consider to be the substance of the matter in order to reach a conclusion.

The hon. member for Winnipeg North Centre and the hon. member for Edmonton West (Mr. Lambert) raised this point in relation to Bill C-224 and to the royal recommendation, which reads as follows:

> His Excellency the Governor General has recommended to the House of Commons the present measure to amend the Canada Pension Plan to remove the limitation of two per cent in the annual increase in the pension index within the meaning of the Act, to fix the year's maximum pensionable earnings for 1974 at $6,000, for 1975 at $7,400, and to provide thereafter that increases in the consumer price index be fully reflected in the escalation of benefits payable under the Act.

● (1640)

Hon. members have suggested that there was no need for such a recommendation since, in their view, the expenditures which may result from the adoption of the bill would be paid out of the Canada Pension Account and would not be any charge on the treasury. This, at least, is the way I understood the argument which was suggested by the hon. member for Winnipeg North Centre when he first broached this subject, and the three hon. members to my left who (spoke) pretty well followed this line.

I have carefully studied Bill C-224 and have listened attentively to the arguments which were put forward earlier this afternoon. As I understand it, Bill C-224 seeks to change the Canada Pension Plan by increasing the year's maximum pensionable earnings for 1974 and 1975. As a result of the amendments proposed, contributions by both employees and employers would be increased. The federal government itself is an employer, and consequently its contribution to the fund would be increased. I say this with great respect, since I have much admiration for the wisdom of the hon. members who have taken part in this debate, but it seems to me that this is perhaps an aspect of the matter that they have not touched upon, at least in detail. Section 119 of the Act provides that contributions to be made by the Crown as employers' contributions in respect of persons employed by the Crown shall be charged to the Consolidated Revenue Fund and credited to the Canada Pension Plan Account.

The suggestion that this constitutes a charge on the treasury finds support in a citation from Sir Erskine May's Parliamentary Procedure, 18th edition, page 745 which reads as follows:

> The imposition of charges on funds, other than the Consolidated Fund or the National Loans Fund does not require the royal recommendation, unless it involves an increased payment out of those Funds, or increases the liability (e.g. through a guarantee) upon them, or automatically attracts a grant from moneys provided by Parliament. The National Insurance Fund and the National Insurance (Industrial Injuries) Fund are examples of this kind of fund; and proposals to increase the benefits payable out of them do not require the royal recommendation . . .
>
> But any increase in exchequer contributions to these funds or in the expenses incurred in administering them—even though ultimately recoverable by the exchequer must, of course, be recommended by the Crown.

This is where I have some difficulty finding in favour of the arguments advanced by hon. members. They suggest

that moneys paid out of the Canada Pension Plan account are not moneys paid out of the Consolidated Revenue Fund. Yet section 110, of the Canada Pension Plan Act to which hon. members have referred, clearly provides that there shall be established in the accounts of Canada an account to be known as the Canada Pension Plan Account; that there shall be paid into the Consolidated Revenue Fund and credited to the Canada Pension Plan Account all amounts received under the Act as or on account of contributions or otherwise. Subsection (4) of section 110 provides:

> No payment shall be made out of the Consolidated Revenue Fund under this section in excess of the amount of the balance to the credit of the Canada Pension Plan Account.

I fail to follow the argument proposed by the hon. member for Winnipeg North Centre, who quoted section 110(4) as evidence that no moneys will be paid from the Consolidated Revenue Fund. It seems to confirm that all payments actually made and authorized under section 110(3) of the Act would have to be paid out of the Consolidated Revenue Fund in accordance with section 110(4).

May I also refer hon. members to Bourinot's Fourth Edition, page 417, which reads as follows:

> Besides the grants voted in the estimates there are certain payments which have not been provided for annually, but are defrayed out of the consolidated fund in conformity with various statutes. These payments comprise: costs and charges incident to the collection and management of the revenue; interest of the public debt; salaries of governor-general, lieutenant-governors, judges, etc.; loans, grants to provinces under the Union Act; and all other permanent payments. Whenever it is necessary to make any changes with respect to these permanent grants, they must be introduced in the shape of resolutions in committee of the whole, and bills founded thereon.

It is a fact, of course, that the resolution stage of a bill containing charges on the public revenue is no longer part of our procedure, but the requirement of a recommendation of the Crown still forms a fundamental and essential part of our procedure. May I refer hon. members to section (2) of citation 246 of Beauchesne's Fourth Edition, which reads as follows:

> The Governor-General's recommendation to any resolution involving a payment out of the public treasury must be formally given by a privy councillor in his place at the very initiation of a proceeding, i.e., as soon as the motion has been proposed for the House to go into committee on the resolution.

All hon. members are familiar with the provisions of section (1) of Standing Order 62, to which hon. members have referred, which is based, of course, on the relevant section of the British North America Act.

Hon. members, particularly the hon. member for Winnipeg North Centre, have referred to private members' bills amending The Canada Pension Plan which either have been allowed or disallowed. I should like to refer in particular to a bill sponsored by the hon. member for Selkirk (Mr. Rowland) which came forward on March 29, 1972. After due consideration this bill was given the benefit of the doubt and allowed to proceed, even though it was moved by a private member and was not accompanied by a recommendation. The bill provided that housewives might become part of the plan where they contributed both for the employee and the employer. With respect, that was quite a different proposition from the one now before us. In addition, the Chair did enter a caveat about the possibility that the financial initiative of the Crown might be involved.

[Mr. Speaker.]

Hon. members have also referred to a bill which, I believe, was introduced by the hon. member for Hillsborough (Mr. Macquarrie) entitled "An Act to amend the Canada Pension Plan (Pension Index)", which by the way is another purpose of Bill C-224. This bill was ruled out of order on April 20, 1971 as infringing the financial initiative of the Crown. This and other precedents which were quoted for the guidance of the Chair were all instances where the amending bills were ruled out of order.

Hon. members have suggested that perhaps the time has come for the Speaker to overrule the former Deputy Speaker, and even to overrule himself, in relation to a decision which had been made in committee of the whole by the then Chairman, appealed to the Deputy Speaker in his capacity as Acting Speaker and confirmed by the Deputy Speaker in that capacity, and then confirmed by a vote of the House.

I suggest with great respect to hon. members that it is extremely difficult for the Chair to accept the suggestion that all these precedents should be disregarded and a different decision reached at the present time. I fully sympathize with hon. members regarding the ability of private members to introduce bills or to propose amendments, including amendments to the present act, but hon. members will appreciate and agree with me that the Chair is bound by precedents, particularly by the Standing Orders, which reflect the position proposed by the British North America Act, and by our practice and cutoms regarding the requirement when charges on the treasury are involved.

I am fully appreciative of the fact that I may not have dealt with all aspects of the arguments which were advanced, particularly the very interesting and forceful argument of the hon. member for Edmonton West (Mr. Lambert). But I doubt that the majority of hon. members would feel I would be justified in disregarding all the precedents and past practices of the House in reaching the conclusion that the royal prerogative in this case should be disregarded, that we should communicate with His Excellency and tell him that we would like to return his recommendation, that it is not needed and is superfluous in the present circumstances. Therefore, I must reach the conclusion that I should not entertain the point of order raised by the hon. member for Winnipeg North Centre (Mr. Knowles).

[*Translation*]

● (1650)

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am pleased this afternoon to launch the debate on Bill C-224. There are only a few minutes left before five o'clock and I hope I shall be able to go into details when the debate resumes later this evening.

Six months ago last Thursday, the government tabled its Working Paper on Social Security in Canada. This signalled the start of the joint federal-provincial review of Canada's total social security system that had been suggested by the government of Canada and the provinces.

Since this review began, legislation has been introduced to reform and substantially increase family and youth allowances in Canada.

Today, Bill C-224 deals with amendments to the Canada Pension Plan and we are about to debate it. It constitutes the third major piece of legislation the government is introducing as a product of this comprehensive review of Canada's social security system.

Shortly after I tabled the working paper of the federal government, I met with provincial Ministers of Welfare, and I conferred with them again two weeks ago on the reforms that should be made in the Canada Pension Plan. In the intervening period, federal and provincial welfare officials met on numerous occasions, and had jointly prepared a number of detailed studies to assist the ministers of welfare at their October meeting.

In addition, during this interval, I consulted with members of the Canada Pension Plan Advisory Committee, and representatives of labour and business organizations. The results of these extensive studies and consultations with the provinces and private organizations can be found in the communique which the provincial Ministers of Welfare and I issued on October 11, 1973 with respect to the agreements we had reached on the Canada Pension Plan and the Quebec Pension Plan.

Perhaps, Mr. Speaker, you would allow me to review very briefly the principal areas of agreement between the provinces and the federal government that are outlined in the joint communiqué. The government of Canada and the provinces where the Canada Pension Plan operates, and the government of Quebec, where the Quebec Pension Plan operates, have agreed that legislation whould be introduced so that, first, starting in 1974, pensions paid under both the Canada and Quebec Pension Plans will be fully escalated in response to increases in the cost of living; second, the earnings ceiling for pension calculations, and contributions to both the Canada and Quebec Pension Plans will be $6,600 for 1974, and thereafter will be increased by 12 ½ per cent a year until the ceiling reaches the average earnings of Canadian industrial workers. At the present time, the earnings ceiling is $5,600 under the Canada Pension Plan, and $5,900 under the Quebec Pension Plan; third, the level of earnings exempted from Canada Pension Plan contributions will be $700 for 1974 and thereafter will be set, under both the Canada Pension Plan and the Quebec Pension Plan, at 10 per cent of the earnings ceiling for Canada Pension Plan and Quebec Pension Plan contributions. At the present time, the level of exempt earnings is $600 under the Canada Pension Plan, and $700 under the Quebec Pension Plan; and, fourth, effective 1974, the earnings test which now applies to persons drawing CPP retirement pensions between the ages of 65 and 69 will be eliminated.

The federal and provincial governments also agreed that other issues which had been raised, in many quarters, in connection with the reform of the Canada and Quebec Pension Plans such as those relating to equality between men and women with regards to contributions and benefits, non-contributing spouses, early retirement provisions, and the level of survivors and disability benefits under the Canada and Quebec Pension Plans should receive priority attention.

These agreements, if enacted by the Parliament of Canada and the Quebec legislature, will have a profound effect on the Canada and Quebec Pension Plans. They mean, among other things, that maximum CPP retirement pensions, which now run at about $90 a month, could reach a level of $250 a month by the end of this decade.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Rocky Mountain (Mr. Clark)—Multiculturalism—Request for program to assist ethnic press in light of postage rate increases; the hon. member for Vancouver South (Mr. Fraser)—National Defence—Operational state of Air Squadron 442 based at Comox; the hon. member for Lethbridge (Mr. Hurlburt)—Agriculture—shipment of horses to Europe for slaughter.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions.

PRIVATE MEMBERS' MOTIONS

[*English*]

ADMINISTRATION OF JUSTICE

SUGGESTED ESTABLISHMENT OF PARLIAMENTARY COMMITTEE TO STUDY ALL ASPECTS OF CRIME AND ITS TREATMENT

Mr. David MacDonald (Egmont) moved:

That, in the opinion of this House, the government should introduce a measure to establish a parliamentary committee to investigate all aspects of crime and its treatment in Canada, which should have specific terms of reference to closely examine (*a*) the subject of crime prevention and the work of the Correctional Consultation Centre of the Solicitor General's Department (*b*) the subject of punishment—its deterrent value and relevance to the rehabilitative process—with particular attention to capital punishment, by collecting factual information and holding public hearings (*c*) the correctional process, including the Penitentiary and Parole systems.

He said: Mr. Speaker, in some ways I hope the debate we will have during this private members' hour will give us an opportunity to deal with some of the basic underlying problems we have dealt with in such an exhaustive, but not very effective, way during the prolonged debate this session on capital punishment. I do not want to spend too much time talking specifically about the motion, but rather would like to deal with the need for the passage of this or a similar motion. Let me explain at the outset that I am not committed to every phrase and nuance of the

motion which was in fact put down almost a year ago. Since that time, I have expanded on some of my own thoughts in respect of things to be done in our responsibility, and if I seem to be slightly in advance of the motion I hope this will be accepted in that fashion.

I want to begin by quoting from a book which I would recommend to each and every hon. member of this House. Indeed, if it were possible for members to read this book and not hear my speech I would urge them to do so. If any member wishes to read it now, and if I can get agreement now, Mr. Speaker, I will sit down. The book is entitled "The Crime of Punishment". It is written by Karl Menninger and was published about five years ago. I wish to quote from one section of his book which, in a sense, is a quotation from Dr. Hans W. Mattick, associate director of the Center for Studies in Criminal Justice at the University of Chicago. He says this about the present approach in North America to crime and punishment:

● (1700)

The most securely imprisoned population tnat exists is the general public that is uninformed about the nature and consequences of imprisonment as practiced in America today. They are imprisoned in a mass delusion which, in the long run, punishes society far more severely than society can ever punish a convicted criminal.

That is what I want to speak about this afternoon. I wish to say at the outset that our prison system, both federally and provincially, has failed miserably. I do not think there is any member of this House who could stand up and dispute that statement. I believe it is a shocking statistic. I know of no other branch of public endeavour that has such a high failure rate! Most of the people being turned out of penal institutions, both federal and provincial, come out not as reformed, rehabilitated individuals but as people who have grown exceedingly hardened to a life of crime. As late as today, I attempted to obtain the actual figures in respect of recidivism from the federal standpoint but it is impossible because there are so many different ways to define whether or not a person can be considered as being reformed or as being repentive of his criminal activity. We are told that roughly half those who serve time in federal institutions upon release will commit further and possibly more dangerous crimes, and will eventually be convicted and returned to an institution for incarceration.

We know that in many cases the list is as high as 80 per cent. I believe the Solicitor General (Mr. Allmand) said some months ago that roughly four-fifths of the inmate population, upon release, would commit further crimes, be detected and eventually reimprisoned. This statistic should shock and disturb every thinking Canadian. In fact, we can go so far as to suggest that the present penitentiary system is really nothing more than a crash course for some, and a continuing course for others, in a life of anti-social or criminal behaviour. Our penitentiaries, in fact, become postgraduate institutions in continuing crime. I think it is absolutely unbelievable that all of us on both sides of the House for years have regarded this as a normal and acceptable situation. We say we place men in prison in order to protect society, that we hope in the course of their imprisonment they will be reformed and

[Mr. MacDonald (Egmont).]

rehabilitated, but that if not we have at least offered some security to the general public.

But, what security have we offered when we have only given the Canadian public the assurance that, regardless of how long any particular man or woman serves in a federal institution, upon release three out of four inmates will commit further breaches of the law or heinous crimes. Does that offer security for your family or mine? I cannot see that it does. In terms of security, perhaps there is the short-term problem of whether or not someone will escape. If that likelihood is lessened, then perhaps it is a limited security, but not one that is particularly comforting to me. I do not believe it is particularly comforting to know that we have improved our security today so that we are ensured that instead of 100 people breaking out of institutions we may reduce that figure to 30. That is not the essence of the issue of security. The real security is to be assured that the largest a number of people who serve time in a federal institution will, in fact, be able to come out into society and act positively, constructively, responsibly and not in an irrational style or in an anti-social manner as is currently the case.

So there is no security worth recommending in our federal or provincial penal system. If our system has worked so badly, one may wonder whether we have been putting enough money into it. This is where, in terms of our responsibility, if we have exercised some measure of control over the public purse, the situation becomes almost ludicrous were it not so tragic because we know that on a per capita basis in respect of those serving time we are spending about $10,000 a year. This could be regarded in some perverse way as the first instance of a pretty well paid, guaranteed annual income but not a guaranteed income that would do much either for society or for the particular recipients involved. This is a guaranteed income plan about which we want to know a good deal more and possibly revise it.

Added to the aspects of breakdown and violence I mentioned, the one most disturbing of all is the rapid rise in prison population. It has increased this year by 14.5 per cent. I think the Solicitor General mentioned an increase of some 1300 prisoners in federal institutions this year over last year. There has been a particularly large increase in my area, the Maritimes, of some 20 per cent and an even more disturbing increase among women of some 30 per cent. This is not a large figure when one considers it is an increase from 108 to 152, but none the less it is a significant increase. What is the reason for this monumental failure in our prison system, federally and provincially? Why have we managed to deal with this aspect of society in such an inadequate way? I should like to say—and this is the primary purpose of my motion today—that we have not examined for some little time—I do not mean "we" in terms of some special group but rather generally and in terms of members of this House—such basic considerations as what is crime, how it is defined and what is the real function of our prison system.

I suppose some would say the reason we do not have an effective prison system today is that we have not thoroughly studied the problem and have not gone into it in detail. Here is where we come upon the most amazing paradox. Even though we have had problems in this coun-

try pertaining to language and culture, and problems in respect of adopting medicare and health care as well as introducing massive changes in our tax system and in each case have appointed royal commissions to estimate the task for us, in the field of correction and penalogy we have not had one royal commission but three since 1938. I brought the documentation along in order to show the weight. I am sorry the visual size cannot be recorded in *Hansard*. The first is the Archambault Commission of 1938, followed by the Fauteux Commission in 1956 and recently the Ouimet Commission in 1969.

Each commission in turn provided an enormous number of recommendations. In addition, if these royal commissions were not sufficient to impress us concerning the amount of headwork that has been done, at the present time we have a subcommittee of our own House and a major committee of the other place both studying various aspects of this question. There is an unbelievable amount of information available. But I suspect the information that is available has not, in most cases, been rationally considered but that the sort of snap responses of public opinion to violent events in the news and bizarre criminal aspects have been the operational principle in terms of governmental response.

● (1710)

People are just not aware—and I include people who make up the membership of this place because I think we had a pretty clear indication in the debates which ranged over the months on capital punishment—how little time and attention we have given to the general subject of crime and punishment, and specifically in relationship to the most difficult concept of punishment, that of capital punishment. I can think of no other area of public consciousness in which we have so misled and deceived the general public as that of the relationship of crime and criminal activity to judicial decision, to rehabilitative programs and to the effective protection of society. In a general way, I think that we have been confused about the difference between morality and crime, and perhaps as a clergyman I can say that we must get our thinking straight on what we mean when we talk about crime. While we may talk about the fact that the law treats all men equally, and we can report bizarre stories about multi-millionnaires and people in high-class positions being involved in crime for which eventually they are convicted and serve time, the fact of the matter is that 90 per cent of those serving time in federal institutions come out of seriously disadvantaged situations. There are so many reports on the subject that it is difficult to know from which to quote. Let me refer to the report of the Task Force on Community-Based Residential Centres submitted to the Solicitor General recently which contains the following statement in its opening paragraph on reasons or excuses:

> The members of the Task Force on Community-Based Residential Centres believe that most criminal conduct is spawned in the community, contributed to by the social, economic and political circumstances of the community. Thus, criminal behaviour is a function both of the offender and of the community, and the solutions must be sought in both.

I am afraid that we have been living with a great number of delusions about the nature of crime and its treatment, perhaps because it has been regarded as the kind of subject you do not talk about at the dinner table with your family. Crime, after all, in the parlance of most people is sinful; you do not expose children to it or indulge, in polite or genteel society, in a discussion of the facets of criminal behaviour. We have not really considered where morality leaves off and our whole concept of capital punishment debate is a good example of our failure to deal rationally with the subject. I would say to my fellow abolitionists who participated in the debate that we did not deserve to win that vote, because during the last five year period we have done damn little to explain why we should abolish capital punishment, and why there should be other sweeping changes in our whole judicial system as well as our system of penology.

I am not a prophet, but I would say that if we do not take the opportunity over the next five year period to explain how the abolition of capital punishment, in relationship to other changes in our prison system makes sense, then I doubt very much that the House of Commons, say, in 1978, will have the public support to extend the abolition or partial abolition of capital punishment. Fundamentally, what we need to do is to alter public opinion. I think that that must begin in this place. That is why I am suggesting that we need a parliamentary committee. I think it must be a special parliamentary committee which, I hope, would comprise members of this House and the other place, and would have suitable staff as well as a large computer which would be fed all the information presently available. Then, this material would be collated in some rational and sensible way. We must have the opportunity to educate both ourselves and the general public.

I really cannot be very hard on the Solicitor General, because he is caught in a very difficult situation. On the one hand, he has the general public, represented by many members of parliament in the House, ready to jump on him the moment there is any detection of a weakening of security procedures or any bizarre crime that occurs as the result of what appears to be a change, an adjustment in the present penitentiary system. On the other hand, he has a staff,—a very mixed staff I might say—some of whom would understand a great deal more than I would about the need for sweeping reforms in the penitentiary system, but many of whom have lived inside a very punitive set up. I refer particularly to those who serve at the very personal level, those who exercise functions of guards and security officers and who have come in—and I do not hold this against any individual—with a very limited amount of training and experience. Often, they have been caught up in the confusion that exists within the internal set up of the penitentiary service.

How in heaven's name can we expect any cabinet minister to function in that kind of set up and make the necessary changes to produce the improvements that must occur in our penitentiary system? I think that can only happen as we expose the question, and expose all this information, to the general public as well as expose ourselves as members of parliament to the essential issues involved. That is why, in spite of the fact that we have a parliamentary committee in this place and one in the other place doing things in a piecemeal manner, there is a real danger in piecemeal activity. I would suggest that one of

the reasons we have had a rapid increase in the prison population this year is the fact that we have had piecemeal changes, mandatory supervision, cutting down on paroles, stiffer sentencing, greater police efficiency, all of which has been brought about by certain changes or potential reforms in the system but done on an ad hoc basis. This method endangers the present structure because we have overcrowding in many federal institutions, and that has caused some of the disturbances and riots and may well cause more if we do not treat the situation as a total concept.

While it is true that, as members of parliament, we have a basic duty to reflect and exchange the views, ideas and concepts of the public we represent, we also have the basic responsibility to provide leadership. I can think of very few areas where leadership is required more than in the whole area of crime and the treatment of crime in our federal institutions. I know there will be a federal-provincial conference in December, but the trouble with so many of these conferences is that often they consist of the converted preaching to the converted. These reports are full of all kinds of notions. The Ouimet report, in the opening of the fourth chapter, contains the following statement:

> Throughout this report we stress the need for public understanding of the issues involved in crime and corrections and for direct citizen participation in the correctional services.

That is what we must achieve. But we will not achieve it just because we set up another royal commission or have another inquiry from the Solicitor General's Department or because a university group produces a report, and there are many such reports now. We must make the Parliament of Canada aware, we must sensitize it to the basic problems that exist within our penal system, and in that process we must have a dialogue with the Canadian people so that the reforms that must be instituted by this parliament can be achieved. I think that is our basic task, and I hope that the suggestion for a joint committee can go a long way toward achieving it. I will be very interested to hear the views of the other hon. members. I hope that they will, in a large measure, support this proposal.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I think that all members on this side of the House will generally agree with the suggestion which the hon. member for Egmont (Mr. MacDonald) has made with respect to the inadequacies of the prison system and the need for reform. In fact, we agree with this so much that the government which we support has, in effect, been doing all of the things about which the hon. member for Egmont has been talking. But there remains the problem to which he refers, namely, that there is insufficient public support to enable these reforms to go forward as fast as many of us would wish.

● (1720)

Without at this point getting into the fundamental question of value judgments, the value judgments which, say, the hon. member for Egmont and many other people in this country would make, we can at least agree that there is not really enough publicity given to these problems, and not really enough public awareness of the details such as

the actual situation in the prisons, the actual success of our rehabilitative practices, and so on. On the one hand, there is certainly some disillusionment with the work our prisons are doing, but on the other hand, obviously public opinion may be split between those who feel there should be a more repressive attitude taken in prisons and those who feel that the approach should be different and stress the rehabilitive rather than the punitive aspect.

The hon. member frankly stated at several points that, he did not want to be held too closely to the words of the motion that he has put before us. Yet at the end of his speech he did return to the substance of his motion, and so I think it is fair to look at the motion which he has put before us and to consider the debate in those terms, and not in the broader terms of reform of the whole prison system, which he also portrayed in his speech.

The exact motion which the hon. member for Egmont has moved is:

> That, in the opinion of this House, the government should introduce a measure to establish a parliamentary committee to investigate all aspects of crime and its treatment in Canada, which should have specific terms of reference to closely examine . . .

Here a series of particulars are given:

> . . . (a) the subject of crime prevention and the work of the Correctional Consultation Centre of the Solicitor General's department (b) the subject of punishment—its deterrent value and relevance to the rehabilitative process—with particular attention to capital punishment, by collecting factual information and holding public hearings (c) the correctional process, including the Penitentiary and Parole systems.

There appear to be several elements in the motion which we are being asked to approve today. The request is made that this committee should investigate all aspects of crime and its treatment in Canada. That would seem to suggest, if the words are taken literally, that in dealing with "all aspects of crime" we should be dealing with questions of law enforcement as well as questions of treatment of crime. But from the emphasis which the hon. member has given I would take it that the aspects he is particularly concerned about are those concerned with the treatment of crime in Canada, which somewhat limits the terms of reference.

The fact is that all of the recommendations which are made in this motion are actually under way, and in many cases have been under way for a great length of time. I will not take the time of the House to go through all of the ways in which we are now carrying out these various proposals. But I would draw the attention of the House, in slightly more detailed fashion than has been done by the hon. member, to the work of the special subcommittee of the Standing Committee on Justice and Legal Affairs.

This subcommittee has been actively involved now for some months, with some six or eight members, in visiting penal institutions across Canada. I understand they have visited the institutions in the west, and are now probably about to proceed to those in the eastern part of the country. They have received submissions from inmate committees and from many other people connected with prisons. They are concerned with the general problem of the administration of the penitentiaries. The hon. member for Louis-Hébert (Mrs. Morin), who has recently been the centre of much attention in this House as the sponsor of

one of the amendments to the capital punishment bill, is the chairman of that subcommittee. I am sure that under her able guidance the committee has been doing not only an excellent job of studying the situation but will make a report which will prove enlightening to the standing committee and to all hon. members of the House.

The Standing Committee on Legal and Constitutional Affairs in the other place has been equally involved with the study of matters which are recommended for our concern in this motion. That committee has had an examination of the parole system of Canada under way for some two years. It has heard roughly 115 briefs from after care groups, inmate groups, and from public organizations such as the Canadian Bar Association. I understand that the committee itself has not held public hearings outside Ottawa, but the staff of the committee has gone across the country to make a tour of the various prisons and to talk with officials and inmates. This committee is looking at all aspects of parole and other types of release, and particularly at such questions as temporary absence, day parole, mandatory supervision, the question of federal-provincial responsibility, the composition of the National Parole Board and questions as to whether it should be regionalized, parole eligibility, and also parole hearings and decisions.

This committee has not, I understand, studied the laws and practices of other countries as such, but it has looked extensively at the model legislation in the United States, and I have no doubt that after a two-year study of this kind, it will be coming forward with a report which will be very important indeed both for parliament and the country.

In sum on this point, all of the matters which it has been suggested here we should look at are being looked at, and in fact some of them are being looked at by parliamentary committees. This brings me to what I believe might be stated to be the second point of the motion, the first being the investigation of crime and its treatment in Canada. The second is that this should be done by a parliamentary committee. In a way, this is probably the most essential point which the hon. member is raising because he, himself, has remarked on the unbelievable amount of information which is available and yet, in contrast with the amount of information, the emotional and snap response which the public often makes to the information and to the situation.

In particular, he has commented on the failure of all sides of the argument to deal rationally with the subject of capital punishment. There is no doubt that this is a failing, but it is not one which is very easy to cure by a parliamentary committee or in any other way, because in fact what is involved in issues such as the capital punishment issue is a deep clash of values between various segments of our population.

Canadians simply do not all believe the same kinds of things and, as the hon. member has suggested, some are not seeing the evidence. One might even say they are not prepared to see the evidence that can be put forward on this subject. And since the result is one that comes from very deeply felt attitudes towards life, it is not easy to see how the work of a parliamentary committee, or indeed of parliament itself, could change such deeply seated views. Yet I would not want to be despairing of the expectation that any of us, indeed all of us, could change our minds on questions such as this.

Now, we really come to the question which the hon. member has most directly placed before us, the question of public understanding, and he has included in that the understanding of members of this House, of the issues. He believes that the best way to have an effective public understanding of all the issues connected with crime and its treatment would be through dramatizing the issues through the public acts of a special parliamentary committee. One thing which I cannot refrain from saying in a debate such as this, and I say it all the more because it certainly does not apply to the hon. member for Egmont, or indeed to any other hon. members I see in the House at the present time, is that there are some hon. members of this House who, it seems to me, for political advantage rather shamelessly exploit various aspects of the penal situation. When problems arise many of the members opposite will make political capital of them in a way which will inflame public opinion.

I believe this is one of the sources, perhaps one of the major sources for the continuation of this problem which we have, the fact that it is not something on which members of this parliament are showing positive leadership. This is a matter with respect to which some members are showing negative leadership. Only if that factor can be changed can we begin to make progress in guiding the public.

● (1730)

If a parliamentary committee is to be useful in resolving the sort of conflicts that arise in parliament and in the country generally on issues such as this, that parliamentary committee should not be a special committee. I think we should work through the ordinary standing committees of the House. After all, if the issue we are considering is one of the great issues confronting our country at this time, it should be brought before a parliamentary committee. Our parliamentary standing committees have been established to deal with such matters and they have been dealing with them for a long time.

Several years the Standing Committee on Justice and Legal Affairs, of which I was and still am a member, studied the penitentiary system. That study fizzled out. It was undertaken during the course of our study of the estimates. We went west and looked at some penal institutions. I think that experience was an eye-opener for many members of this House who had not been inside such institutions. We saw not only what was being done, which was all too little, but we saw the tremendous difficulties that are encountered in doing anything to rehabilitate prisoners in our institutions, especially in the kind of prisons which we have traditionally established.

Without pursuing all the details of that investigation, may I say the failure of that justice committee to pursue this matter adequately was the result of a failure of determination on the part of members of the committee. That failure should not be taken as an indication of what the standing committees of this House can or cannot do. For many reasons I feel that an inquiry such as the one suggested should not be undertaken by a special commit-

tee. The only advantage that I can see flowing from the establishment of such a committee would be that it would include members of the other chamber. This might be an advantage in helping us to co-ordinate all our views on the subject.

Quite apart from any considerations involving our committee system, I believe that even if we were to set up, first, a special committee which would look into the problem, we should still need to bring it back to the justice committee or whatever committee of the House may be most directly seized of this subject matter. The special committee somehow would need to involve the members of the Standing Committee on Justice and Legal Affairs. In other words, the justice committee being the committee that is charged with dealing with matters of this kind, it being the committee that works with the Minister of Justice and the Solicitor General, it would be the body which in the final analysis would have to see to it that progress was made. If that body was separate and apart from the body undertaking the investigation, I do not think the purposes which the hon. member has in mind as set out in the motion would be well served.

As many hon. members wish to take part in this debate I will say no more except to observe again that we on this side of the House share the hon. member's concern about reforming the system. Some of us harbour reservations about our ability to accomplish what the hon. member wishes. We do not think you can do it by setting up a special parliamentary committee. However, I would very much favour, as I know other hon. members would, giving such further terms of reference as are necessary on this subject to the Standing Committee on Justice and Legal Affairs to enable it to pursue investigations that are even more wide-ranging than those it is at present pursuing.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, when the hon. member introduced the motion standing in his name he spoke sincerely and, if I may say so without giving offence, he also sounded frustrated and in some ways disillusioned with respect to this subject matter. The parliamentary secretary went on at length recounting the work of the committees. He made special reference to the Standing Committee on Justice and Legal Affairs which has been seized of many matters coming within the general ambit of the motion before us.

As I listened to the hon. member for Egmont (Mr. MacDonald), who mentioned that three major royal commissions have looked into these matters since 1938, and as I listened to the parliamentary secretary and reflected on the various pieces of legislation and reports of various commissions with respect to which the committee reported to the Solicitor General, it seemed to me the last thing we need is another parliamentary committee to do what the motion proposes. It seeks the establishment of a parliamentary committee which would look into all aspects of crime and its treatment in Canada.

Much of the time, particularly in the last ten years, the attention of this House has been devoted to the investigation of crime and its treatment. Increasingly, people of this country have come to feel that this exercise is becoming more and more futile. Indeed, as I was listening to the hon. member I looked at a newspaper that had come from my constituency today. The headline, in big, black letters

[Mr. MacGuigan.]

reads, "War declared on vandals". The article which follows reads in part:

> Broken windows, garbage dumped in the street and other rowdy activities showing an apparent total disregard for law and order were typical of this group . . .

The article continues:

> The underlying problem, according to the Cumberland mayor, is that the 'laws are taking the teeth out of law enforcement.'

The article then refers to a recent letter sent to the Attorney General which blames—

> . . . 'the leniency of the courts and the lack of support given to the police by the courts' . . .

Apparently the matter was of great concern to the council. The letter continued:

> 'In many cases the police are severely handicapped in dealing with situations because of the permissiveness allowed and perpetuated by senior levels of government. Often, when violations do result in convictions, the penalties are so inadequate as to make a mockery of the whole process.'

I quoted that excerpt to illustrate this point: although parliament has been concentrating more of its efforts in this area, and although members are becoming more expert on the fine points of administering our penal system and developing new approaches to parole than at any time in our history, the kind of sentiments expressed in the article are on the increase. Dumping garbage on the streets is not a crime in the sense that committing murder is a crime; nevertheless, in many ways the two crimes are not so different one from another.

The hon. member's notice of motion has been on the order paper for some time. Certain events have taken place since it was first put on the order paper. I have referred to garbage being dumped on the streets and to acts of vandalism. In my view, the last thing that we need is a parliamentary committee, special or otherwise, which would spend further time looking into "the subject of punishment—its deterrent value and relevance to the rehabilitative process—with particular attention to capital punishment". Capital punishment has been examined in greater depth by this House than perhaps any other aspect of crime, probably with little or no effect on the incidence of murder.

● (1740)

Instead of trying to have a committee of this House look into all aspects of crime and its treatment, it might be a more useful exercise if this House, either as a body or through some special mechanism, spent a little time looking at crime and its causes. By and large we have completely ignored the root causes of crime in discussions about changes to our penal laws, parole acts and all the other matters which come under the administration of the so-called correctional system. We have not done anything in so far as focusing the attention of this House and the Canadian public on the whole question of the causes of crime.

Because I have not taken part in any of the committee meetings I wish to say a few words in this debate. Quite frankly, I am a little sick and tired at the fact that we have increasingly been conducting microscopic examinations into little changes this way or that in connection with the question of crime and its treatment. Perhaps that is one of

the main failures of governments of this country in the past ten years. In my view it is one of the basic failures of the whole outlook and thrust of action we get from Liberal governments.

While they tend to be composed of well-meaning, humanitarian-minded individuals, as is the hon. member for Egmont, they refuse to look squarely in the face the kind of society which has been growing in our country. They refuse to recognize that the very foundation of our society is greed which is surrounded by a halo of something, in sort of glorious quotation marks, called free enterprise. In the name of free enterprise we have built a society that is now starting to react increasingly in the way I have suggested. There is increasing vandalism. When I say we should start looking at the causes, I mean we should have an economic debate in this House. If we want to get at crime, let us get at some of the real causes of poverty and injustice which seem to be the nature of our society.

I am old enough to have been born in an age when 80 out of 100 Canadians were born on farms. Most of us lived in a rather healthy, rural kind of community. Unless we went to one of the larger centres we could go for years without ever seeing a policeman. Yet in the little village referred to in this newspaper article, the only thing that has happened is that they have increased the police force. We have become increasingly a people dispossessed of any real ownership or feeling of participation in what makes our economy tick. When people feel dispossessed, lost and rootless it is axiomatic, when they see others who have legally amassed great control and wealth and are sitting at the top, that there will be resentment against this basic injustice.

As well-meaning as the resolution introduced by the hon. member for Egmont is, I submit that setting up a committee to do the kind of job suggested would not accomplish anything. It would not accomplish any more than the other dozen standing or special committees, or royal commissions we have had in recent years. If the hon. member really wants to see a turnabout in this kind of attitude, as do we who have taken the position that murder by the state is not an answer to murder by an individual, he should be asking the House to concentrate upon these kinds of things. I know this is a nettle that people like the hon. member for Egmont do not want to grasp. But unless he is prepared to come to grips with and grasp firmly a desire to deal with these things and recognize this is a society whose foundation is based upon greed and the grabbing of profit, which is bound to breed crime among those who have been dispossessed, he will not achieve the purpose which in his heart I know he desires.

Mr. Rod Blaker (Lachine-Lakeshore): Mr. Speaker, it is with considerable sympathy for the motion of the hon. member for Egmont (Mr. MacDonald) that I rise to speak on this subject. While I tend to agree with some of the comments made by previous speakers that perhaps a special parliamentary committee on this subject is not necessarily the right way, it strikes me that many of the comments made by the hon. member are worthy of further thought and, certainly in my case, admiration for the consideration which went into his remarks on this problem.

I may be incorrect because I am working from memory, but I believe recidivism is approximately 80 per cent in the case of individuals who have been incarcerated for more than one year. Where they have been incarcerated for less than a year, the rate of recidivism is approximately 20 per cent. Taking another aspect of our whole concept of punishment of crime, it is almost stunning that in an effort to reform an individual—and surely punishment is not the only aspect we are interested in, in terms of crime—and to return him or her to a normal, productive life as a citizen, one of the big things we should think of is placing such an individual in the same building and in the same environment as hardened criminals.

There can be little doubt that whatever our intentions may be with regard to the correction of criminal mentality, it is none the less a fair accusation against the penitentiary system to say it constitutes a school for criminals. In all fairness, mention should be made of the other aspects of the penitentiary system and the very substantial efforts which have gone into correcting and improving that situation. However, there remains enough of a problem that I believe the comments of the hon. member for Egmont on that subject are perfectly valid.

I wish to underline the comment made by the hon. member for Windsor-Walkerville (Mr. MacGuigan), I say this with all due respect for the hon. member for Egmont, but I ask him at the same time to acknowledge that it is a very sad practice on the part of some members of the House to seek to derive political advantage from every escape which occurs. They play to the media. This attitude does none of us any good. It is certainly not good for society that we should use an escape from prison as an opportunity for political gain. It is most regrettable that this practice should continue.

I think it is most timely that the hon. member's motion should have come forward today. As he may know, commencing today and lasting for the next three days is a national conference on youth services in crime prevention which is being held at the government conference centre. This conference has representation from departments of the federal government, the provinces and volunteer agencies. This goes to the merits of what is suggested in the hon. member's motion. There is considerable hope that the experience gained from such a conference will be valuable in enabling us to make further advances toward the goal we have in mind, that is, to prevent crimes taking place and to prevent individuals becoming criminals.

I shall be more brief that I had intended, Mr. Speaker. I had thought to discuss action taken through the Department of the Solicitor General, in co-operation with other departments, in terms of crime prevention among young people. I shall only say that the broad activities of the department and of other departments are concerned with planning to prevent delinquency through the development of interventional procedures prior to a youth's entrance into the criminal justice aggregate, the expansion of relations between the police and the community, activities reflecting innovation in the police role, the expansion of community corrections and the development of manpower planning in diversifying the utilization of human resources in social defence. I might also in parentheses

mention the study to which the hon. member for Egmont referred.

A considerable amount of work has already been done, though work still remains to be done. There is a reasonable expectation, in line with the contemplated expenditure of close to $1 million in the next two years, of doing something along the lines proposed by the hon. member in terms of working out a new and refreshing way of dealing with the whole question of crime and punishment. The government and the department of the Solicitor General are well aware of the type of thinking which has been expressed in the House today. I certainly share with the hon. member for Egmont the hope that it will begin to change the almost Middle Ages mentality which exists today when it comes to the whole question of crime and punishment, particularly as it relates to young people who seem to be placed in the position of having virtually no hope of returning to a normal life once they have been convicted; at least, their chances of doing so are increasingly becoming very slim.

[*Translation*]

Mr. J.-J. Blais (Nipissing): Mr. Speaker, I can see that time is passing but I sincerely want to congratulate the hon. member for Egmont (Mr. MacDonald) for his motion.

I am not in favour of establishing a new committee. In my opinion, as stated by the hon. member, we are well enough documented to be able to reach a political decision with regard to penal reform.

Because of the lack of time, I will simply call the House's attention on a point which I consider most important. I have practised criminal law for seven years and I have always been irritated by all that time spent at determining conviction, determining whether someone was guilty or not while the sentence aspect was neglected, that is what to do with the accused once convicted.

I think that much time was devoted to conviction by opposition to sentencing because the lawyer could see the inadequacy of the penal system and of the means available to the criminals and found it advisable to tell his client not to plead guilty and be rehabilitated in those institutions but to plead not guilty so as to avoid the harmful experiences which are the current results of those institutions.

The Prévost report which was submitted to the Quebec legislature pointed out that we should have a distinction between the sentencing system and the convicting system and I am in perfect agreement. In closing my remarks, I think we should adopt the principle of two judges, one to determine conviction and a second specialized in sentencing.

Mr. Speaker, that was my contribution to this debate.

[*English*]

Mr. Deputy Speaker: Order. It being six o'clock, the hour for private members' business has expired and I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

[Mr. Blaker.]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CANADA PENSION PLAN (No. 2)

AMENDMENTS RESPECTING ANNUAL INCREASES AND LEVEL OF INCOME ON WHICH CONTRIBUTIONS WILL BE PAID

The House resumed consideration of the motion of Mr. Lalonde that Bill C-224, to amend the Canada Pension Plan, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Deputy Speaker: The Minister of National Health and Welfare (Mr. Lalonde).

Some hon. Members: Hear, hear!

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am sure that the applause you heard has very little to do with the present bill. None the less, I think we should go back to our business and carry on with consideration of Bill C-224 which I had begun to talk about shortly before five o'clock.

[*Translation*]

When debate was adjourned at five o'clock, I was saying that, if enacted by the Parliament of Canada and the Quebec legislature, the agreements reached at the last federal-provincial conference would have a profound effect on both pension plans. Among other things, they mean that maximum CPP retirement, which now run at about $90 a month, could reach a level of $250 a month by the end of this decade. They also mean that the bonds of national unity as they affect Canadians in their daily lives, now and in the future, will be strengthened in that differences which had developed early this year between the Canada Pension Plan and the Quebec Pension Plan with respect to contributions, retirement pensions, and the escalation of benefits will be removed for 1974 and future years. In other words, employers and employees in all provinces will, once again, be subject to identical CPP-QPP contributions, and citizens in Quebec and the rest of Canada will receive virtually the same retirement pensions, which in turn will be escalated in a common manner to take account of changes in the cost of living.

Clearly, this will contribute to the mobility of workers between all parts of Canada. Important differences between the two plans will still exist, notably with respect to the so-called flat-rate component of survivor and disability benefits, but these will be reviewed on a priority basis with my provincial colleagues.

The changes to the Canada Pension Plan which the federal government has developed in conjunction with the provinces, and which I am committed to place before

Parliament, present the government with a difficult dilemma.

As I mentioned a few moments ago, these changes will, if enacted, have a profound and long term effect on the Canada Pension Plan. Many Canadians, organizations, and Parliament will naturally wish to examine these proposed reforms thoroughly, and with a great deal of care. This is as it should be and as I would wish it to be. On the other hand, the government is anxious that increased benefits be placed in the hands of the 500,000 beneficiaries, who would immediately be affected by full escalation, in the earliest month possible, which is January 1974.

In addition, the government does not believe that 7 million CPP contributors and their employers should be placed in a long period of doubt as to the level of their 1974 contributions, nor should they be required to make retroactive payments to the CPP Fund.

This possibility could arise if enactment of the proposed earnings ceilings for next year is delayed beyond January 1, 1974.

To meet these conflicting objectives, the government has decided to split its legislation for amending the Canada Pension Plan into two bills—one bill would concern itself with the most urgently required changes, and the other one, with various other changes. The government hopes that with this approach, and the co-operation of Parliament and Canadians generally, it will be possible to meet the immediate needs of 1974 CPP beneficiaries and contributors, and at the same time leave Parliament and the people of Canada with ample opportunity and time to scrutinize the proposals that will have a fundamental and long-term effect on the Canada Pension Plan.

Bill C-224, therefore, represents the first of the two major CPP amendment bills which the government proposes to introduce, and contains the most urgently required reforms—that is, full escalation of CPP benefits, and increased earnings ceilings for CPP contributions for 1974 and 1975.

The second bill, which I hope to introduce later on, will concern itself with the other reforms mentioned.

[*English*]

The first major objective of Bill C-224 is to provide fully escalated benefits for the 500,000 persons who I estimate will be drawing CPP retirement, survivor and disability benefits as of December 31, 1973.

More specifically, the bill will achieve the following: Firstly, it would provide that from January 1, 1974 on, CPP benefits would be fully escalated according to increases in the cost of living. Secondly, it would fully restore the purchasing power of benefits which became payable between 1967 and 1973 and which are still being paid on December 31, 1973. In other words, for payments in 1974, the 2 per cent limit on the cost of living escalation of CPP benefits that now applies would be treated as though it had never existed for those monthly benefits still in pay. Thirdly, it would place the escalation of CPP benefits on a more current basis. At the present time, CPP benefits are adjusted according to movements in the consumer price index that occur over a 12-month period ending on June 30 of the previous year. This bill would advance this 12-month period to October 31.

• (2010)

In addition to allowing more current adjustments for the future, this amendment would require the 1974 benefit adjustment on the basis of a 16-month cost of living change. By referring to the bill hon. members will see the actual clause in that respect.

These changes, when taken together, mean that the retirement pensions that are being paid on December 31, 1973, would be increased in January, 1974, by rates ranging from 8 per cent to 20 per cent, depending upon the year in which they began. Perhaps for the record I should give these figures for each year, starting in 1967. I will not mention the individual years, but the years can be considered in ascending order. For retirement benefit, beginning in 1967, the January, 1974, escalation would be approximately 20 per cent, and in the subsequent years it would be 18 per cent, 15.5 per cent, 13.5 per cent, 11 per cent, 10.5 per cent and 8 per cent.

Orphans benefits would all be increased by about 20 per cent without regard to the year in which they first became payable. Basic orphan benefits would, therefore, rise from their present level of $28.15 a month to about $33.75 per month.

The effect of these changes on widows, disability and disabled widower benefits cannot be calculated as readily, for these benefits are comprised of differing combinations of flat rate components, which would be increased by 20 per cent, and earnings—related components which would be increased from 8 per cent to 20 per cent.

The increases for these benefits would, however, fall in the range of 8 per cent to 20 per cent for widows over 65, 13 per cent to 20 per cent for widows under 65; and 11 per cent to 20 per cent for disability benefits. Generally speaking, the largest percentage increases would apply to those drawing benefits for the longest period and to those drawing the smallest benefits. The cost of making these escalation improvements is estimated at approximately $30 million for 1974.

The second objective of the bill is to increase the earnings ceiling for Canada Pension Plan contributions for 1974 and 1975. The act, at present, provides that this ceiling which, to use the language of the act, is called the year's maximum pensionable earnings, is determined, up to and including 1975, by the consumer price index, subject to a 2 per cent annual increase ceiling. This formula would produce earnings ceilings of $5,700 and $5,800 for 1974 and 1975 respectively. The government, through Bill C-224, is proposing that these ceilings be raised to $6,600 for 1974, and to $7,400 for 1975.

In my meetings with the provinces, with labour and business organizations and with members of the Canada Pension Plan advisory committee, I encountered the virtually unanimous view that the current earnings ceiling for CPP coverage is grossly inadequate. This view coincides with the one held by the government. Generally speaking, the view was expressed that the ceiling should move according to the movement of average wages in the Canadian economy, but different views were expressed as to whose wages should be used to adjust the earnings ceiling and how the adjustments should be calculated.

The issue of the criteria that should be used for adjusting the earnings ceiling on a continuing basis will be covered in the next CPP amendment bill. I might mention here that there has been unanimous agreement among the provinces and the federal government as to the basis for this adjustment. This present bill only establishes the ceilings for 1974 and 1975 only.

Although the proposed increases are substantial, it should be noted that they are still well short of reflecting the movement of Canadian wages since the inception of the plan. Average earnings this year are about $8,400. Next year it is estimated that they will rise to $9,000, and in 1975 to $9,600. The ceilings proposed have been determined on the following basis: for 1974, the CPP ceiling would be raised first to $5,900 to coincide with the one applying now to the QPP, and then by 12½ per cent to a level of $6,600. For 1975, the ceiling would be determined by increasing the 1974 ceiling by 12½ per cent to $7,400. In other words, the earnings ceiling for 1975 will, if the bill is enacted, be slightly in excess of the level that would have existed if the $5,000 earnings ceiling of 1966 had simply been increased by the full rise in the cost of living.

I should mention that establishment of an earnings ceiling for 1974 is an urgent requirement to enable employers to make CPP contribution payroll deductions from the start of 1974, and to avoid subjecting employers and employees to retroactive adjustments. However, establishment of an earnings ceiling for 1975 is also desirable to obviate an administrative difficulty for the Department of National Revenue.

To illustrate the problem I might mention that our desire to escalate CPP benefits in pay on the most current basis has led us to relate the cost of living adjustment of benefits to movements in the consumer price index to the end of October. The consumer price index, however, also determines, as the law now stands, the earnings ceiling for contributions up to and including 1975. While relating the adjustment of benefits to movements in the consumer price index up to October 31 is highly desirable, this date, if used for adjusting the earnings ceiling, would not allow the Department of Revenue sufficient time to give employers and employees adequate notice of payroll deduction requirements for 1975.

To remove this difficulty, the bill establishes the earnings ceiling for 1975 as well. Future arrangements for determining the earnings ceiling will be dealt with in the next bill which I plan to introduce on this question, and it may very well be that at that time we will want to repeat the provision for 1975.

The increases which the bill proposes in the earnings ceilings for 1974 and 1975 will have two important effects for new beneficiaries and contributors. That is, they will raise the level of retirement pensions and the earnings-related portions of survivor and disability benefits that will come into pay in the future. Secondly, they will increase total contributions for contributors who have earnings in excess of the present ceiling. The current contribution rates of 1.8 per cent for employees and employers, and 3.6 per cent for self-employed persons will, of course, not be changed by the bill.

I should like very briefly to illustrate the effect of these ceilings on retirement pensions. Under the present provi-

sions of the act, maximum retirement pensions will reach $90.71 a month this December, just before the bill would come into effect. With the new ceilings, and operation of the transitional features of the plan, maximum retirement pensions would reach $109.60 a month in December, 1974, and $134.96 a month in December, 1975. This represents an increase of approximately 50 per cent over a two-year period.

● (2020)

Increasing the earnings ceiling to $6,600 for 1974 will, as a byproduct, have the effect of increasing the contribution exemption from $600 to $700. This means that the contribution exemption level under the CPP and QPP will be the same for 1974. It also means that contributors with earnings of less than $5,700 in 1974 will find that the total CPP contributions they will have to make for 1974 will be slightly less than the ones they are making for 1973. Employee contributors with earnings in excess of $5,700 for 1974 will be required to contribute an additional 15 cents a month for each $100 of earnings in excess of $5,700, to a maximum additional contribution of $1.35 a month for 1974.

In other words, the maximum employee contribution for 1974 will increase from the current figure of $90 to $106.20. This would be matched by the employer. For the self-employed, who pay double rates, the maximum contribution would increase from $180 this year to $212.40 next year. On balance, it is estimated that the new earnings ceiling for 1974 will raise the level of contributions coming into the Canada Pension Plan fund during 1974 by about $100 million.

The most significant other provision in Bill C-224 is found in clause 8. This clause waives, for this bill only, the requirement that provinces must be given at least two years' advance notice of substantive amendments to the Canada Pension Plan. If this requirement were observed in this instance, it would not be possible to introduce full escalation of CPP benefits until January 1, 1976. The bill does, however, preserve the normal provincial consent provisions of the act, which means that if this bill were enacted by parliament it cannot come into force until two-thirds of the provinces having two-thirds of the Canadian population have signified their consent to the enacted amendments.

I might add, Mr. Speaker, that I fully expect that this consent will be given. In fact, the provisions of the bill before this House tonight have received the unanimous endorsement of all provinces at the federal-provincial conference of October 11, in Ottawa.

To summarize, Mr. Speaker, Bill C-224, if enacted by parliament, will increase the CPP payments now being received by some 500,000 Canadians by amounts varying from 8 to 20 per cent of current payments: it will increase the level of CPP retirement pensions and other benefits coming into pay in the future; and it will restore parallelism between the Canada and the Quebec Pension Plans in the areas of contributions, the escalation of current benefits, and future retirement pensions. I hope hon. members will agree that these important improvements should be passed on to Canadians as quickly as possible.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, it will hardly come as a great surprise to the minister if I say to him that I see little likelihood that we will be opposing this measure, fighting it to the death or in any other way trying to make difficult the passage of a measure which, as he pointed out, has already the unanimous approval of the provinces. This, of course, is one of the aspects to which I made reference not long ago, that there is something akin to a *fait accompli* when the House of Commons takes up measures which have been dealt with by two levels of government in executive conclave. Indeed, much of the administration of this country is moving into this particular area of dual governmental administrative procedure.

I must observe, also, that the minister's making a speech and my following him is becoming quite a habit, and I am wondering if none of his colleagues in the cabinet has any legislation to bring before parliament, or is he the only working minister in the whole lot? It seems we did have the Minister of Finance (Mr. Turner), in a rather gentle and detached way, presiding over the CN financing bill within the last few days; but we all know that bill has been around for several years and one has to look through one's notes in order to recall when it was first brought to the baptismal font of this legislative cathedral.

Although it is not because I want to go out and hear the Quebec election returns, because I do not think there is a great deal of contention about them, I wish I could stand up and say in a few sentences that this is an excellent measure and we are for it. However, we live in times and under conditions whereby measures of this kind, measures that are very commendable, even in the process of their discussion, agreement and presentation become outdated. It is not possible, it seems, under current dispensation for this minister who is working very hard in this particular area to keep up with the needs of the people.

The problem is that this change was decided and agreed upon some months ago. I believe these figures came out, certainly in the orange paper and perhaps in the Speech from the Throne. One wonders, in view of escalating living costs, whether they have become somewhat unrealistic.

I quite agree with the minister's statement—I do not know whether or not he was quoting the provincial ministers—that the ceilings were grossly inadequate. They certainly were, and the movement upward is to be heartily commended. Certainly we want the movement upward in respect of these pensions not delayed for one single day. Needless to say, I rejoice in the departure from that unrealistic and iniquitous 2 per cent figure. We on this side of the House are not recent converts to that particular point of view. My distinguished colleague, the hon. member for Simcoe North (Mr. Rynard), in the previous parliament, on one of the allotted days under Standing Order 58, moved a no confidence motion which read as follows:

● (2030)

That this House condemns the government's failure to contribute to pensions, allowances and other benefits granted or administered by the government a yearly percentage increase corresponding to the percentage increase in the consumer price index for Canada.

That is what my colleague moved in 1972 in the month of March, some months before a certain event took place in October. In 1971, as was alluded to this afternoon in that very interesting discussion on procedure in which the minister made a brief intervention and I, with greater caution, made none, reference was made to a bill which I brought before the House which, had it been in order, had it been accepted and passed, indeed would have put into effect the actual cost of living increase two years ago instead of at the present time.

So, with all the modesty which I always display, I may say that I personally am not a recent convert to the idea of knocking out that unrealistic—now pathetically unrealistic—figure of 2 per cent. I can assure the minister that we all are behind him in this or, perhaps if we want to be nasty, he is behind us; but it does not make any difference who is behind whom—we are all trying to help the Canadian people, and that is what really counts.

One notes the minister's suggestion that we have yet another Canada Pension Plan, No. 3, and that we should therefore move to discuss and pass with reasonable expedition, this bill dealing with the raising of the ceilings in effect and making realistic the cost of living increase. I think that is a good way of proceeding, although it means that he and I again will become the workhorses of the House of Commons in the legislative sense. So there will be a time for ampler discussion on broad concepts with particular reference to the question of the Canada Pension Plan and, indeed, the whole question of the social security system of the country generally.

I was impressed by the reference in the dominion-provincial communique, to which I believe the minister made an allusion this afternoon, to the following effect:

... effective in 1974, retirement pensions will become payable at age 65 to any person who has ceased to contribute to the plan, regardless of his or her earnings. Thus the earnings test which has been applied to people between 65 and 69 will be eliminated. The Government of Quebec has already liberalized the earnings test under the Quebec Pension Plan.

This is something which we look forward to discussing with great seriousness. I have said before in the House that I think this country has reached the stage where its citizens should be able, if they wish, to withdraw from the active labour force at 60 years of age. I think also—and I have said this before—that it is not incumbent upon the government either to put people at that age out to pasture or on the shelf, whichever metaphor one prefers. But I think there should be that level of security from this state that they may be able voluntarily to withdraw from the active working force, and the state should be able to provide them means whereby they can live a full and interesting life, one without fear of economic disaster.

I believe that that is a very important goal. I have always been slightly intrigued by the situation under the Canada Pension Plan where, if you carry through with some brittle logic, you would say that we discourage the guys from 65 to 69 from working, but it is quite all right for the fellows from 70 to 99 to enter the working force and they will not suffer. Of course, that is carrying the logic to a brittle conclusion.

Another thing which is obvious in the structure of the Canada Pension Plan, as we talk about ceilings and as we compute pension rates, is that so many people will find that as they carry through the Canada Pension Plan they

will get no uplift; if they are in poverty, they will remain there. Of course, this is the flaw if the potential return is geared solely to earnings, and this is an aspect which requires careful consideration.

I know we do not assume that the whole program of security is vested in or rests upon the Canada Pension Plan, but I was looking through the latest report a while ago and I saw some figures which were pretty upsetting. The average amounts of monthly benefits in March 1971 were as follows: retirement pension, $23.03. We know the CPP had not run its full course, but $23.03 is a pretty small amount. The widow's pension was $59.38. Even the improved figures—and we welcome and salute them—which the minister mentioned tonight, and I presume I have them somewhere in my voluminous files, show a maximum of $109.60 in December, 1974.

According to my arithmetic, the figure is something like $1,619.52 a year. I think that the Senate poverty report set out $2,650.00 a year per person as the poverty level, plus OAS if he is old enough. As I said earlier, I am not suggesting that the whole plan rests upon this, but we have to realize that we are not dealing here with any great generosity. I do not think the minister can be accused by anyone of recklessness. I think these projected figures are by no means too high, and indeed we must constantly improve the lot of the people of this country, and especially of those in the upper age bracket.

Another group which we must consider—and it is always a pleasure to look at this group—is the group of women in our society. I think that in this age of enlightenment—I look at a particular expert on this, the President of the Privy Council (Mr. MacEachen) who was so well honoured in his native province the other day—we must look into our existing legislation. I do not believe it is sufficient to say that the housekeeper, the mother, the wife is not in every way entitled to become a full-fledged participant in the Canada Pension Plan. I do not think that she need be tagged in there as a dependent. I would like to see the housewife become, not the dependent of the male wage earner but enter into the plan in her own right.

● (2040)

I think that is not only the proper treatment for a very important segment of the kind of society which we believe in and which we have, but the people who know these things in an actuarial way, my business friends and colleagues in my party who have learned how to make money—something I have never been able to do—and who understand economics tell me that this would strengthen and improve the plan itself. Certainly it would do a great deal to recognize—to use an old-fashioned expression, and I do not know whether it is adequate at the present time—the equality of the sexes. This is an area I am looking forward to discussing in greater detail. I am sure my colleagues, particularly the hon. member for Kingston and the Islands (Miss MacDonald), will want to express views further to and in elucidation of those which have already been advanced by her.

Although I know other ministers are not bringing forward very much legislation, I think this minister, with his activity, is allowing the House, indeed prompting the House to take a careful look at the whole question of care

for the aged. Last week it was legislation for the young, for the children. We have got miles to go in reference to the disabled. I do not know whether it is because the two parties are nearly in balance now, whether the people of Canada believe that it will not be too long before there may be changes, but I have found an absolutely phenomenal increase in my correspondence. My staff have found it too, as a matter of fact. The magnitude of the problems people are facing in this field is simply overwhelming. I think it is well that we are dealing with these questions, trying to make the best of what is available, to bring our best thoughts to bear on improving the lot of our people.

I would say that we are just beginning to get into the orange paper. When I first spoke on it some months ago, I said then that the references to the Canada Pension Plan and to family allowances were the two things I could detect as tangibles. We have to go a lot farther than that. I think in this country we will have to move into more serious consideration of integrating our whole concept of the well-being of our citizens. I think we will have to look into private pension plans. I think we will have to consider carefully those people who are excluded from existing plans. We must look with far more generosity and compassion on the disabled. I received a letter just last week from a man who cannot get out of his bed, who has one retarded child, two other children and a wife working at low wages. He gets $60 a month. How do you answer a man like that? What do you say?

So I say to the minister—I know some of my colleagues will be picking up the detailed provisions in the bill—that he need not worry about passage of this measure. I enjoyed his remarks very much. I think, from what I can gather, that the meetings which he had with the provincial ministers were fruitful and useful. I was impressed by the communique. We will be asking some further questions in committee, but we want to expedite this measure, to help the 500,000 people he has mentioned to gain some improvement in their status, to give them some support in their attempts to cope with the cost of living situation which is very painful, very prevalent; and for so far as this goes to improve the lot of our fellow citizens, naturally we support and will support the passage of the bill. We look forward to the minister's next performance, and we will give him that same attentive, sincere, impartial, non-political assistance which we have always vouchsafed him in all his efforts.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in spite of my effort this afternoon to get a procedural ruling that would permit private members to make amendments to this bill, and in spite of the fact that we may still try, I want to say at the outset that we very warmly welcome Bill C-224. I noticed the valiant effort of the hon. member for Hillsborough (Mr. Macquarrie) to say that in reverse. I thought he succeeded in doing it very nicely by saying he was not against the bill. He leaves me no option but to come right out and say that we welcome it; but of course I can always add the phrase "so far as it goes".

I noted the minister's statement on why he is presenting two bills to deal with the matters to which the federal government and the provinces have agreed, namely, that the items in this bill are so important, and that it is so

urgent to get them onto the statute books before the end of 1973, that it was better to bring them in now rather than waiting until the finishing touches had been added to the other changes that are proposed.

The importance of removing the 2 per cent ceiling and of raising the yearly maximum pensionable earnings on which persons can contribute is such that I accept the minister's word on this point, namely, that this bill should not have been delayed until the other points were completely resolved. But I urge him very strongly to get that other bill in just as soon as he can. I was not very happy some days ago when he said something to the effect that he might not be able to get the other bill introduced before Christmas. I still hope he will find it possible to do so, because some of the other points that are going to be dealt with in it are likewise very important.

As an incidental benefit from this bill, I wish to share in the sense of satisfaction that it puts the Canada Pension Plan and the Quebec Pension Plan back on parallel paths. As the record will show, I expressed considerable concern during 1972 at the extent to which these two plans were following separate paths in certain respects. The then minister of national health and welfare did not seem to think it was terribly serious. At any rate, I did. I am glad that now, with respect to such things as the escalation formula and the yearly maximum pensionable earnings, the plans will again be parallel with each other.

Sir, the minister has outlined in very clear terms the things that this bill does. Therefore, it is not necessary for me to go over them as we sometimes do just to make sure that we understand. I do want to say how welcome is the decision to abolish that 2 per cent ceiling on the annual escalation of pensions and other benefits paid under the Canada Pension Plan.

● (2050)

I suppose it is inevitable that because there are four parties in this House we should all want to get the inside track or be the ones to have made the first pronouncement. I was interested to note that the hon. member for Hillsborough pointed out that the proposal to remove the 2 per cent ceiling was actually made in 1972 by the hon. member for Simcoe North (Mr. Rynard), and in a bill proposed by the hon. member for Hillsborough in 1971. There is some argument, therefore, as to which one of the two main parties was before the other in making this suggestion.

May I remind both the Liberals and the Conservatives that when the Hon. Judy LaMarsh in 1964 or 1965 first announced the escalation formula of 2 per cent and made the statement on motions, it was my privilege to respond on behalf of my party. Accordingly, that very day I criticized and attacked that 2 per cent limit as grossly inadequate. When we got the first Canada Pension Plan into the joint committee and dealt with it, I did my best to persuade the government of the day that it was not good enough, for example, to apply the wage index to the escalation of pension entitlement before retirement and then to use only the cost of living index up to a 2 per cent ceiling with respect to the escalation of pensions payable after retirement.

So while my friends on both sides of the House are arguing as to which of the two old parties is ahead of the other, when they talk about 1971, 1972 or 1973 let me remind them that we were fighting against the 2 per cent ceiling in 1964 and 1965. In a sense, since we have had to wait that much longer to win, I suppose the joy in our camp is all the greater.

The past state of affairs has been a disgrace, especially in the last few years when the cost of living has been mounting by a much larger percentage than the annual increase in Canada pension benefits, limited as that increase has been to an annual increase of 2 per cent. The value of the Canada Pension Plan which is, without doubt, a most important piece of social legislation has been severely tarnished by that 2 per cent limitation. I congratulate the Minister of National Health and Welfare (Mr. Lalonde) for having been able to persuade his cabinet colleagues to remove that ceiling altogether. I congratulate him for getting rid of the ceiling and for the formula under which there is to be established a catch-up factor, the result being that in January, 1974, benefits under the Canada Pension Plan will increase not just by the actual percentage rise in the cost of living in the previous year. For those who had been getting Canada Pension Plan benefits in earlier years there will be a percentage increase, going back to 1967, which will make up for what those people did not get during earlier years.

I thank the minister for putting on the record the actual percentages for each of the years in question, so that persons who are drawing benefits will be able to determine what their increase will be this coming January. It will range from 8 per cent for those whose pensions began in 1973, up to 20 per cent for those whose pensions began back in 1967.

As I say, this is a significant development. A significant step forward has been taken by removing the 2 per cent ceiling and relating pensions to actual cost of living increases. But I must not let this part of my remarks go by without saying to the minister that, although he has the honour and privilege of being the head of his department when this particular battle is being won, he must remember that this is not the end of the matter. He knows that under the Canada Pension Plan, the formula for escalating entitlement during the years that contributors are working is based on the wage index which, over the years, has moved up faster than the cost of living. He knows, also, that a very important joint committee of the Department of Veterans Affairs and organizations representing veterans some months ago recommended that veterans pensions should escalate, not just by the rise in the cost of living but in accordance with the rise in the standard of living.

One of these days, when we have won this cost of living principle across the board, the new crusade will begin. Actually, it is already under way but it will really get going when we push for pensions to reflect, not just the full rise in the cost of living but the full rise in the standard of living. I have pressed that point a good many times and I am doing so again tonight. Wonderful though it is to have pensions escalate by the full percentage increase in the cost of living, it is not good enough to say to our older and retired people, "All you will get in your retirement years is enough for you to be able to buy the same total package of goods and services that you were able to buy at the time you retired."

Those who happen to be working are earning or seeking to earn not just enough to cope with the rise in the cost of living; they are earning or seeking to earn enough to enjoy the rise in the standard of living. I contend that that is a right which belongs to our retired people as well. This is not the end of the story, important though it is to get all pensions to the point where they escalate by the full rise in the cost of living.

I do not detract one iota from the congratulations which the minister deserves for having brought us to this point. Let him, let the government, let this House and let the country know that there is an even greater battle yet to be won, that of escalating pensions by the full rise in the standard of living so that our older and retired people will be part of our total society, our total community, and not segregated into a group which has to do with less than those who are still working. As I say, we welcome most warmly the step which has been taken. The House will hear further from us about the crusade that must yet be carried on.

We also welcome the increases that are now proposed in the yearly maximum pensionable earnings, the YMPE, and the consequent adjustment that will take place in the yearly basic exemption, the YBE. This piece of legislation is as full of alphabetic symbols as American life was in the days of F.D.R. In particular, the raising of the YMPE to $6,600 in 1974 and to $7,400 in 1975 will, as the minister says, put us on the road toward an YMPE that is closer than is now the case to the average earnings of our people. Surely, if a pension plan is to be really worthwhile, it should be based on average earnings and not on just a small portion of those earnings. I will have something to say about this later when I come to the things that I want to propose to improve the bill further. At the moment I simply say that we welcome these increases. I thank the minister for explaining how we get to the figure of $6,600 for 1974 and to that of $7,400 for 1975.

● (2100)

I look forward to that other bill yet to come which will put a formula into the act so that we will know several years in advance what is going to happen to the YMPE. When we use these alphabetical phrases, some may wonder what this is all about. Even when one turns YMPE into yearly maximum pensionable earnings, one may wonder what is the significance of that.

The minister pointed out that this represents the level upon which employees may make their 1.8 per cent contribution, which is matched by the employer. However, even more important, it is the figure that determines the maximum pension a person can get at the time of retirement. After all, the maximum pension one can get out of the Canada Pension Plan is a 25 per cent factor of what one's earnings have been through his career, escalated by the formula that is in the act. The higher we get the level of earnings on which one can contribute the 1.8 per cent, the higher is the pension prospect at the end of the road. I hope to see this go up quite a bit yet, but I will come to that later in my remarks.

The minister has also done a service by telling us about the details in the act. The arrangements and the special clauses in the bill, under which anyone who starts drawing a pension or benefit under this act during the year 1973 will get the benefit of the full escalation, are excellent.

I have examined the bill with a fine toothcomb. As an opposition member it is my duty to see whether anything has been missed in terms of these details. As far as I can ascertain, a pretty good job has been done. This bill, considering the extent to which it goes, is welcomed by us. Like the hon. member for Hillsborough, I can say to the minister that he need not look for much trouble in getting this bill through. Of course, if he wants to look for trouble the way he can do that is by stalling the bringing in of the other bill. We will be glad to get this bill out of the way so the other one can be brought in.

After all these words of praise and welcome that both the hon. member for Hillsborough and I have given to the minister, we had better watch out or some people will be asking us if we are still members of the opposition. Accordingly, I move on to express regret that some of the things the minister promised are not in the bill before us. Some very important matters do not seem to be in prospect very soon.

I am glad to know the minister has the agreement of the provinces to remove the work test or the earnings from employment test from the Canada Pension Plan with regard to those who are between the ages of 65 and 69. As the hon. member for Hillsborough said in his delightful way, what is the logic of discouraging people between 65 and 70 from working and then encouraging them to work when they are between the ages of 70 and 99? I do not know why anyone who looks as much like a Father of Confederation as he does stopped there.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): There may have been some sense to that work test at age 65 when the Canada Pension Plan was first brought in, but there is certainly no sense to it now. If the minister has the agreement of the provinces to remove the work test, I do not know why it is not in this bill. If he is holding it back as a bargaining piece, he might say so. I do not think he needs to do that. He is getting along very well with the provinces. If it was agreed to, why is it not in this bill? If we can persuade him to put it in when the bill is in committee, that would be a good idea.

Let me say quite frankly that one of the reasons I am glad to see the work test removed for those between age 65 and 69 is that I feel very strongly, as I have argued many times, that the time has come to lower the eligible age, both for old age security and the Canada Pension Plan, to age 60. In advocating that, I have said many times that I am prepared for it to be done on a voluntary basis. In other words, the only people who should draw old age security and Canada Pension Plan benefits at age 60 should be those who are out of the labour market. One of the reasons I am glad to see the work test removed between ages 65 and 69 is now, that we know how it works, it can be applied instead to those between 60 and 64.

Whether that precise test is applied or not, the point I wish to make in this connection is that I press upon the minister tonight, as I have pressed on him in every speech

on the subject of pensions I have made in the course of this session since he became minister, that this question of lowering the pensionable age simply will not go away. It is something that is held very strongly by members of all parties in this House. It is put forward in a number of ways. Some talk about lowering the age for women if it cannot be done for men. Others talk about lowering it for spouses, and so on. I think there will be real problems if it is done that way, because if it is done for spouses, what about widows and spinsters?

The fairest way to do this would be to say to everyone who is over 60 and out of the labour market, whether he has ever been in it or whether he gets out of it, that he is entitled to the pension. That would be a fair way of working it, and I push that on the minister very strongly.

I now come to a question to which the hon. member for Hillsborough also alluded. Others will do the same. He made some reference to what the hon. member for Kingston and the Islands (Miss MacDonald) might say in this area. I shall refer to what the hon. member for Vancouver Kingsway (Mrs. MacInnis) will say in this same field. I am referring to the rights of women.

There is one change, or one group of changes that I really think ought to be in this bill. I refer to those changes that would make things equal in the Canada Pension Plan as between a husband who dies and a wife who dies. Maybe you do not do much for women's liberation by being concerned about what happens to a woman after she dies, but surely if rights are to be equal, the rights that a wife leaves when she dies should be the absolute equal of the rights a husband leaves when he dies. This is a change in the act that could be made rather simply. I believe the interdepartmental committee that has been working on implementation of the Florence Bird report, the report on the status of women, is agreed on that. Frankly, I do not see why this kind of change is not in the bill before us tonight.

• (2110)

I think we ought to go a lot further. The hon. member for Hillsborough was on the right track in what he said in this connection. Some of my hon. friends have argued that housewives be allowed to contribute to the Canada Pension Plan. Some people I know who are professionals or technocrats in this field say it cannot be done because the Canada Pension Plan is an earnings-related scheme. Even in those terms, is it not a fact that when a man and wife decide that one of them is out in industry or business and the other is at home doing what has to be done at home, the income which the one of them brings home is the joint income of both of them? Surely it is the family earnings. A married man who goes out to work knows that what he earns is not his alone; it is the income of both of them.

This being the case, it would not take much wit on the part of those who work in the Department of National Health and Welfare—and I can say there is a lot of it in that department—to amend the bill before us in such a way as to permit contributions on the total income of both spouses, so that pension rights are there in equal terms for both husband and wife on the basis of their total income whether it is made by the husband alone, or by the wife alone, or by both of them. This business of constantly treating the wife or the widow as having only such rights as flow from her husband is certainly a far cry from equal status as between man and woman. In discussing what I have just proposed, it is sometimes suggested that wives might make special contributions, or that husbands might make extra contributions. Difficulties arise, one way or another. But I see no difficulty in accepting the concept that even though the contribution may have to be increased above 1.8 per cent to some higher percentage, pension rights should be equal as between man and woman.

I digress for a moment. I think the whole question of survivors pensions for widows under the Public Service Superannuation Act, the Members of Parliament Retirement Allowances Act, the Canada National pension plan, and all others across the board, need to be reviewed. We have grown up with this concept and accepted that it was perfectly in order to approve pension plans which provide for what we call 100 per cent pensions to a man on retirement. If his wife dies first, he continues to draw the 100 per cent; but if he dies first, her pension drops to 50 per cent. The sense of this escapes me. I suppose the idea is that the widow needs only a 50 per cent pension because she might pick up another husband, and that the hushand needs the 100 per cent in order to look after another woman if she picks him up. But it really belongs to a mythology of the past.

I do not know why women's lib does not have more to say about this. I expect I will get some letters now saying that women's lib has been pointing these things out. But in the public service, male employees pay 6½ per cent and have survivor benefits, while female employees pay 5 per cent and have no survivor benefits. It does not matter whether a female employee is married or whether the male employee is a bachelor. I suppose this was all right when pension plans were first set up in the public service around a century ago, but certainly it should not apply now.

I am saying that the problem is one which goes beyond the Canada Pension Plan, but certainly within the Canada Pension Plan equality should be established. I hope that in the other bill which the minister will bring in before 1973 is over there will be an increased measure of equality as between men and women. And if the minister does not solve the whole problem then, I trust he will get the very capable people in his department to work on the question of how to operate the plan in such a way that the earnings of man and wife represent a unit on the basis of which each of them has rights which in my view must be equal.

I move, now, into another area in which I believe work should be done by those who are deeply involved in improving the Canada Pension Plan. I relate this to the growing sense of dissatisfaction and concern about private pension plans. One of my hon. friends says too many of them are rip-offs. In too many cases employees at the point of retirement find they are getting much less than they thought they were going to get. There have been various examples of the money not being there. Some improvements have been made. There is the Pension Benefits Standards Act which covers all pensions coming under federal labour jurisdiction, and four provinces have passed similar legislation affecting plans under their own juris-

diction. But these measures really do not go far enough. And even if, by improving the Pension Benefits Standards Act, you could cut down on the number of defaulters and bring about improvement in the plans which some of these employers operate, the plain fact of the matter is that for the masses, for the great majority of Canadian people, the best old age security they have is the security provided by the state.

At the moment it is a combination of old age security and the Canada Pension Plan. Everyone 65 and over qualifies for old age security. If I have my way, that will soon apply at age 60. But I feel the plan should be enlarged in a number of ways so as to try to meet the need which for so many has not been filled by private plans. That is why, when I referred earlier to the YMPE and to the fact that pensions are 25 per cent of one's average earnings, I suggested that pensions paid under the Canada Plan ought to be higher, say 50 per cent of the average earnings, or maybe even more. The minister might tell me that this would involve a higher percentage of contributions than 1.8. I would agree to a higher percentage.

One of the difficulties that would arise is that some people are making payments into private plans and if you require too many percentage points there is not enough left to live on. But surely some way of integration between private plans and the Canada Pension Plan could be worked out. Surely some way could be found whereby employees who are in employment where there is no pension plan in operation at all could pay double that 1.8 per cent and have the prospect of a better pension at the end of the road.

It is fair to say that society will move in this direction. It has taken a few decades to build up the idea that pensions are a social right. People will want this right to be more secure in the years ahead, but they will not get it out of private plans. They will only get it out of a state plan, out of still further improved old age security legislation and a still further improved Canada Pension Plan. I do not look for this massive improvement to appear in the bill the minister will be presenting, hopefully, at the end of this year. But I do ask the minister to put the people in his department to work on this problem of arranging for the Canada Pension Plan to take over in many areas, and certainly to provide the much broader pension protection that all Canadians desire. Many Canadians are in private plans which are unsatisfactory, or do not have anything else except their potential old age security and their potential benefits under the Canada Pension Plan.

• (2120)

Not many were expressing ideas like this when the Canada Pension Plan was first brought into being, because at that stage it was experimental and one could not ask for too much. Now it has proved successful. It has proven itself as the best way of supplementing old age security so that people can have adequate pensions, and I submit that the principles and practices of the Canada Pension Plan should now be greatly enlarged.

As I said at the outset, Mr. Speaker, we welcome this bill and the things it does. It escalates all Canada Pension Plan benefits on a basis equal to the full percentage increase in the cost of living, and it raises the amount of earnings on which contributions can be paid, which means greater pensions at the end of the road. We look forward to the other bill that the minister will be bringing in, I hope soon.

In addition to that, I hope the minister will put his people to work on the task of making the Canada Pension Plan a plan that really treats men and women on a basis of absolute equality. I hope the minister will also make the Canada Pension Plan one that will solve the problem of adequate pensions for all our people, bearing in mind the inadequacy of so many private plans. We welcome the progress that has been made in the field of pensions and social security in the last 40 to 50 years, and we look to still greater progress in the years that lie ahead.

[Mr. Knowles (Winnipeg North Centre).]

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, I am very pleased to join in the hearty praise of this legislation that was so eloquently expressed by the hon. member for Hillsborough (Mr. Macquarrie) and the hon. member for Winnipeg North Centre (Mr. Knowles). This legislation is important and it is certainly praiseworthy.

Bill C-224, an act to amend the Canada Pension Plan, is such an acceptable and popular piece of legislation that any protracted debate of its principle is really quite unnecessary; therefore, my remarks in support of these amendments to the Canada Pension Plan will be appropriately brief.

The sharp rise that has taken place in the consumer price index over the past several months has been a matter of very deep concern to all hon. members of this House and to the government. Inflation has been of concern to all of us because of the squeeze it has put on the budgets of most Canadians, with its oft-times serious effect of eroding the value of their savings. In an inflationary economy the fixed income situation must be eradicated. This is especially so in the case of persons who, as a result of inflation, find themselves in desperate financial circumstances.

Bill C-224 is one of the several responses by this government in its determination to deal with inflation by restoring the purchasing power of those who have been adversely affected by the rising cost of living. These amendments to the CPP will raise to a more acceptable level the pension benefits that have become payable between 1967 and 1973, and will continue to escalate those benefits in accordance with the consumer price index and the growing incomes of the wage and salary earners of Canada.

These amendments to the CPP are further examples of the progressive social legislation of this Liberal government—

Mr. Nielsen: Ugh!

Mr. Penner: —and are in keeping with the well-established traditions of Liberalism to give leadership in social programs that help all Canadians regardless of where they live and work.

Some hon. Members: Hear, hear!

Mr. Crouse: Ugh!

Mr. Penner: I hear a few guffaws from the other side of the House. I can only say that there are a great many Canadians who would be frightened of the day, if those members opposite are ever given the opportunity to sit on social legislation programs, when they would be taking no further action.

Mr. Crouse: So you admit the day will come.

Mr. Penner: Bill C-224 represents another step along the way in the federal government's comprehensive overhaul of Canada's social security system. More particularly, all hon. members will applaud the good effects of these changes as they apply to the benefits paid to widows and to those who are disabled. These are especially worthy of applause by all hon. members, as are the other aspects we are considering.

Some hon. Members: Hear, hear!

Mr. Penner: Certainly I must commend the government for the open approach it has taken in the preparation of this very important legislation. The bill now before us is the result of very active consultations with the provinces, with labour, with business organizations, as well as with members of the Canada Pension Plan advisory committee. It truly represents a Liberal approach to law-making and helps to explain why our party more than any other political party, in the drafting of social legislation that helps to upgrade and improve the quality of life of our citizens, has the confidence and support of the Canadian people.

In his working paper on social security in Canada, the Minister of National Health and Welfare (Mr. Lalonde) has endeavoured to take into account the whole sweep of social security policy in this country and to develop a more comprehensive, logical and imaginative approach. This working paper is the federal government's contribution toward a joint federal-provincial review of Canada's total social security system. The aim of the exercise is to find new, workable and constitutional arrangements in order to achieve the kind of integrated social security system that will best serve the needs of the Canadian people. The document to which I refer is more than just another study; it is a working paper which establishes some immediate priorities, such as the increase in the family allowances from what was close to $8 to $20 per child per month, and changes to the Canada Pension Plan.

With regard to pensions, the Government of Canada and the provinces have agreed that pensions paid under both the Canada and the Quebec Pension Plans should be fully escalated in response to increases in the cost of living. They have also agreed that the levels of earnings upon which benefits and contributions are based should be raised.

● (2130)

The new strategies which are outlined in the working paper on social security seek a nationwide consensus. They are not being unilaterally imposed by the federal government. It is the aim of our government to ensure national minimum standards while allowing for provincial flexibility in setting priorities. It is not the intention of this government to suggest "cut and dried" or "take it or leave it" proposals. Legislative steps and administrative arrangements must be satisfactory to the provincial governments as well as to the federal government.

Co-operation with the provinces is vital and necessary, greater flexibility and more innovation are needed and consultation and negotiation are expected; but none of these ought in any way to diminish the role which the Parliament of Canada must continue to play in further development and improvement of our income security system. We in this House have a responsibility to combat poverty by way of a fair distribution of income disparity across the country.

The Minister of National Health and Welfare (Mr. Lalonde) has given this country outstanding leadership in proposing and bringing forth legislation to change, in necessary ways, our social security system. The launching of such a social security review, however, is in no way an indication that our present system is fundamentally unsound or in need of total tranformation. Such is simply not the case. The truth is that Canada's social security system is one of the most advanced in the western world, and this is thanks to the continuing efforts of a succession of Liberal governments in Canada.

Our system of social security today provides a very solid foundation upon which to build, in the context of today's needs. Such is the case with the Canada Pension Plan, an excellent plan now being amended or adjusted to make it an even better plan, more suitable to present circumstances and conditions.

I noted with satisfaction, as did the hon. member for Hillsborough and the hon. member for Winnipeg North Centre, that the minister will shortly be proposing other changes to the Canada Pension Plan, including further boosts in earnings ceilings for pension calculations until these ceilings reach the average earnings of industrial workers in Canada.

I am also delighted with the minister's assurance that the earnings test, which now applies to persons receiving Canada pensions on retirement between ages 65 and 69, will be eliminated. I hope, as well, that the minister will give most serious consideration to provision for the participation of housewives in the Canada and the Quebec Pension Plans. It is true, of course, that these plans at the present time do not entirely ignore housewives since they provide for a pension for a widow of a contributor, but further steps are required. I draw the attention of the House to the report of the Royal Commission on the Status of Women in Canada which in one of its recommendations states the following:

> The housewife who remains at home is just as much a producer of goods and services as the paid worker, and in our view she should also have the opportunity to provide for a more financially secure future. Canada has given some of its workers an opportunity to do this through the Canada and Quebec Pension Plans. To neglect to do the same for some three and one-half million other workers in the home is to ignore the essential nature of their work.

I personally favour an approach which would permit a housewife to build up a pension by means of the contributions she herself makes. If anyone doubts that the housewife is an earner, I suggest that he or she stay home for a few days and try to carry out the chores with which she has to cope.

Mrs. MacInnis (Vancouver Kingsway): Where does she get the money?

Mr. Penner: To conclude, Mr. Speaker, in passing this bill we are increasing the level of Canada Pension Plan benefits now being received by some 500,000 Canadians, and we are raising the level of Canada pensions and other benefits coming into pay in the future. In brief, we are improving a government-sponsored plan, a part of our social security system, a part which benefits Canadians who hold to the value of independence or self-dependence. Most Canadians expect to meet their own needs through their own efforts and they expect others to do their best to do the same. The new, improved Canada Pension Plan helps to make that possible. This plan is no welfare scheme but is an earnings-related plan which benefits those who contribute to our economy and so also contribute to the plan, thereby providing for their own retirement and their own future.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I feel somewhat inadequate in speaking on this bill tonight following the deliberations of my two illustrious colleagues, the hon. member for Hillsborough (Mr. Macquarrie) and the hon. member for Winnipeg North Centre (Mr. Knowles), both of whom have a record in this distinguished chamber of speaking on this matter many times before over the ages—and the hon. member for Winnipeg North Centre goes as far back as confederation! Of course, I have not such a record in this House, but I am happy tonight to be able to join the crusade to which the hon. member for Winnipeg North Centre has referred.

I also feel somewhat inadequate because the preceding speaker from the Liberal Party outlined all the answers and all the problems. I am not so capable, nor is any member of my party nor anybody else in Canada. I must give that hon. gentleman credit for taking so much for granted.

Let me join my colleague the hon. member for Hillsborough in congratulating the minister for this bill. I hope its passage will be swift. I am particularly happy that he is able to assure the House of such an eloquent record of consultation with the provinces and such unanimity in his approach to this further step in the over-all field of security. I have some reservations. The minister said he requires the assurance of the provinces that they all agree to waiving the consent provisions, but he admitted in his speech that he does not have this assurance. I hope the deliberations and discussion in this House will not be meaningless if it should happen that the provinces do not agree to waive this provision. I am also happy that this bill and the one to come are designed to restore parallelism, as the minister calls it, with the Quebec Pension Plan. That will certainly be a step in the right direction.

● (2140)

We are again indulging in what I am sure will be a long debate. We will be discussing a broad range of benefits, welfare matters, social matters, old age pensions, security of the underprivileged, and so on. There is, however, another segment of our society to which I should like to refer. This includes those people who formerly depended on their savings, such as perhaps housewives or persons who were fortunate in their early years and did not fulfil the 60-year commitment to the Canadian labour force. Of course, because of the inflationary trends in our economy, the savings of such people are eroded and eventually they will have to look toward a pension plan to provide for their future.

I came across an interesting article by an illustrious Canadian economist who speaks about such savings. In one paragraph he says one should never buy government bonds. He states that the cost of government will escalate, that there is a limit to the tax burden people will carry, and thus that governments will finance to deficits through the sale of bonds to those innocents who will buy them. He says that these people will be taxed on the interest they receive and will be paid back in devalued dollars. Further, he states that the more the government borrows, the more it will contribute to inflation and the less real purchasing power it will pay back to the unhappy bondholder. He suggests the bonds should be left to people who can afford to lose money.

A previous speaker touched on these unfortunates who have lived the dream that one could accumulate some savings in this country and provide for oneself. Eventually they have to live on some kind of social assistance handed out by some form of government. This bill certainly is an improvement. I cannot argue with the legislation it provides. However, the bill, again, is designed by the same people whom I sometimes call intellectual socialists. I define these people as those who think that the provision of money is the solution, really, to all problems in Canada and in the world. They believe, in other words, that if there is a social problem, the question is how much does it cost to make people happy; or if there is any other kind of problem, how much does it cost.

We talk about old age pensions and argue whether the amount of the pension should be $95, $100 or $105 and each party takes credit for suggesting the greatest amount. I recall the other day when the hon. member for Winnipeg North Centre said that if it were not for him and his party, the old age pensioner would still receive $35 a month. It disturbs me that we should be talking about money all the time when we also talk about a comprehensive plan such as the minister has called social security. These intellectual socialists are people who simply do not recognize that in Canada there are such fundamental inequities as hunger, illiteracy and exposure to the elements. They refuse to believe there are small towns in Canada the economy of which is based, to the extent of from 30 per cent to 50 per cent, on some form of social assistance which its citizens receive every month.

These intellectual economists refuse to believe that one-third of our population lives on some kind of social assistance, and that we are wasting 20 per cent of our human resources by not demanding and ensuring that they achieve some stage of life in which they can be productive and make a contribution to the life style which we have established for ourselves.

If we continue to use money as a basis for a solution to our social problems, it seems to me we must motivate some more people to work, particularly the 20 per cent to which I referred a little earlier. It would seem that only if more people in Canada become productive can we generate or

can the government generate sufficient money to pay the cost of the welfare state which we are about to establish in this great land of unlimited opportunity.

There are a great number of people in Canada who are keeping us on our knees. They demand from government the right of a decent living. The right the government owes them is the right to work, a chance to participate. For some, the measures contained in this bill are totally meaningless. The steps the minister has proposed have not, and will not, solve the problem of those people unless the cheques, no matter from which department they come, are accompanied by a blueprint for living in our complex society. This should be a package of brotherly love and understanding, which is perhaps the old-fashioned way.

Perhaps the cheque should be accompanied by a commitment from the government to find a way in which we can help those citizens who are deprived, so that they may find a way in which to make a worth while contribution to the productivity and prosperity of our land. It must be a way which does not necessitate the punching of a clock, because these people would never do that or go to the trough at a given time. However, a way must be found to provide these people with an opportunity to experience the pride of accomplishment and joy of giving, instead of receiving.

When we do anything for these people, Mr. Speaker, we must consider whether there is any more horrible or disastrous situation that this 20 per cent of our citizens could live under anywhere else in the world. It is much harder to be poor in Canada than anywhere else in the world because our standard of living ranks among that of the leading nations. The potential in Canada is much higher than it is anywhere in the world. It is so much tougher to be poor in Canada, because there are so many rich people. I know the pain that a mother or a father must endure knowing that their children know their deficiency, and the pain of knowing they cannot get off the path they have made through the snow, a path that leads nowhere, a path with no purpose, no beginning and no end.

● (2150)

In light of that, does the bill go far enough? Perhaps the welfare cheque that we are paying out should include enough money so that the Canada Pension Plan premiums could be paid with it. Perhaps the old age security should be amalgamated with the Canada Pension Plan some day, so that when a person reaches a certain age it should not matter what kind of contribution he has made in earlier life because, again, we are basing everything on this productivity and the dollars he has earned during his productive years.

In looking at the bill, I find that the removal of the 2 per cent ceiling is certainly a step in the right direction. Our senior citizens, however, would have liked it much better if we could have found a solution to the problems posed by the ever-increasing cost of living and inflation. They would have liked it much better if we could have managed our affairs in such a way that the increase would not have been necessary.

I, too, would like to exchange ideas regarding the retirement age. The bill, of course, does not provide for the gradual reduction of the retirement age down to the age of 60. I would like to qualify this by stating that I do not think we should make it compulsory for a person to retire at any age, but we should certainly make it possible for a person to retire at the age of 60 if he wishes it, and not penalize him for making way for a younger person who wishes to put his shoulder to the wheel.

I think that the monitoring agency should make an annual report instead of a report every five years, as is the case now. The way things are going, it is not adequate to assess the functioning of this fund every five years. I would have liked to explore the possibility of making all Canadians eligible for retirement benefits. In that respect I would like to echo what all my colleagues have said, that is, I would like to think it possible that women in our Canadian society be given an equal chance of receiving equal benefits to those received by men when they reach a certain age.

In light of that, we should not overlook the fact that this would be a saving to the fund because under the plan it would not be necessary to provide benefits to a widow who has not contributed. In 1967 we started to pay benefits to retired contributors, which are now being made to pensioners at the age of 65. As I said, we should have kept going; but it is not too late now, and I hope that the minister in the next bill he will introduce will have the foresight to consider very seriously allowing people to retire at the age of 60.

There should have been an assessment of the plan in order to find a solution to the problem which unwed mothers, and single-parent families face. We should examine the contributions which the provinces have made to the deliberations to which the minister referred earlier. People from Newfoundland, and particularly Anthony Murphy, believe that programs of this kind contribute to one's security and enhance one's sense of independence. It would be a wonderful thing if pensions and social insurance were universal and sufficiently adequate to meet the basic needs of all Canadians in their retirement or in their disability.

There are thousands of Newfoundlanders and thousands of Canadians in other parts of the country who do not contribute to the Canada Pension Plan or, indeed, to any other pension plan, and until they have the means and the opportunity to do so they will remain in a disadvantaged position. I hope we can do something to strengthen our Canada Pension Plan and other programs and make them the hub of our social security system. I take it from his statement that Anthony Murphy feels as I do, that some day we will not need many other programs if we round out the opportunities that the Canada Pension Plan provides.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

Adjournment Debate

MULTICULTURALISM—REQUEST FOR PROGRAM TO ASSIST ETHNIC PRESS IN LIGHT OF POSTAGE RATE INCREASES

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I want to turn to a matter which was first raised in the House on June 18. That, you will recall, was when the country discovered the Minister of State who is a little bit responsible for multiculturalism. You will recall that the minister spent about one-tenth of his total budget on an advertisement which featured a campaign picture of the Prime Minister (Mr. Trudeau) and purported to advertise a program of grants which was already oversubscribed. To add to the excitement, the minister had been chastised by the assistant undersecretary of another department who, it turned out, had more authority over the minister's program than did the minister.

That storm has blown over. The minister's assistant who authorized the ads has disappeared. The assistant undersecretary has remained firmly in control. The minister has come back to the House, anxious to resume any responsibilities anyone will give him. An agency, controlled at least 50 per cent by prominent Ontario Liberals, is counting its commission on the account, and the most enduring momento of the affair is the response of the Minister of State who, having been asked why no tenders were called on the ads, said that he was "not aware of any tendering procedure for advertising programs of the federal government".

That flurry erased several important issues. One of them was the attitude the government should take toward the ethnic and periodical press of the country because, apart from patronage and politicking, the other reason for the ads was that they provided a means by which the government might provide some tangible support to the Canadian ethnic press. I want to argue their case tonight, not just in relation to the ethnic papers which generally deserve and require support, but also in relation to the community press generally in Canada which serves needs which larger media cannot meet and which has special problems, some of them caused by the government.

Government support to the community press should be open and above board—by the front door, rather than by occasional back door subsidies in the form of the extravagant and pointless advertising program we saw this June. In passing, I should also point out that even the present program of advertising in the ethnic press seems to treat some periodicals, like the Toronto Jewish press, in a less favourable way than other periodicals.

● (2200)

Mr. Haidasz: That isn't true.

Mr. Clark (Rocky Mountain): There are two kinds of newspapers operating in Canada today, the large and the local. They are generally distinguished by their size, their wealth and by the intensity with which they serve their particular readership. The dailies might help us to understand the world; the weeklies help us to understand ourselves. They are called ethnic or community papers and they are particular to a heritage or a place. Both kinds of papers need ads to live.

[Mr. Oberle.]

At one time, governments and other advertisers treated both kinds of papers almost equally. But in the 1950s and 1960s, as our attitudes became more urban and international, the people who place and pay for ads became bemused by mass markets, and the so-called "institutional ads"—the ads an editor could get a loan on—drifted away to mass media. That was done thoughtlessly, without examination either of the relative impact of an ad in a local or a mass medium, or an examination of the effect upon the vitality of the particular communities these local papers serve. The government was as guilty as anyone.

There are signs that times are changing, and I want to take this opportunity to congratulate the government for giving the community press a fair shot at the ads concerning both the new tax form and the LIP program. But those cases are exceptions; they are not a policy. I understand that the President of the Treasury Board (Mr. Drury), that great progressive, has a proposal before him to gather data on the effectiveness of advertising in the community press. Member papers of the CCNA were enthusiastic about the proposed study and were geared up to co-operate, but the President of the Treasury Board is sitting on the initiative and the enthusiasm of editors is beginning to wane.

There are other problems. The Post Office has established a so-called free zone within a 40 miles radius of small communities and within that zone cheap postal rates apply to local papers. But in Ontario and British Columbia, changes in provincial law have created new local government boundaries, incorporating several towns. They change the status of a town but not its nature, and the Post Office Department, legalistic to the last, has denied free zone status to small towns so incorporated.

Again, newspaper plants which do not have a printing press are disqualified from eligibility for IDB loans, yet the offset revolution, leading to a different style of printing, means that most plants ship out their printing to a central press and so cannot go to the Industrial Development Bank. These are accidental prejudices, just as it was accidental that advertising shifted to mass markets and made survival more difficult for local papers.

We need these local papers, just as we need a multitude of strong ethnic groups and places which have a distinctive sense of community. I ask the government to recognize that need directly and to encourage the various local media of Canada at least as much as we encourage book publishing, the arts and other activities which contribute to a sense of Canadian identity.

Hon. Stanley Haidasz (Minister of State): Mr. Speaker, I welcome this opportunity, replying to the hon. member this evening, to speak about certain aspects of advertising, particularly advertising by the various government departments in the ethnic press and especially as this concerns the policy and programs of multiculturalism.

As the hon. member knows, the Prime Minister's statement on October 8, 1971, announcing his government's official policy of multiculturalism revealed that a study would be undertaken to determine what more could be done to assist the ethnic press. This study was included in the survey on language retention and an evaluation of it is being conducted at the present time.

On May 17, 1973, I announced in the House that the multicultural programs are being expanded to a considerable extent. I also mentioned that we will be devoting a very substantial amount of funds to assist the ethnic press and to use the ethnic press to convey our messages and information to the Canadian people. It is, of course, of the greatest importance that an awareness of these multicultural programs and of the programs of other federal departments be extended to all citizens of Canada. An important role in this increased information program will be played by the ethnic press as well as by the weekly periodicals.

So far as advertising the program of multiculturalism is concerned, I am happy to say that we included the ethnic press which is printed in languages other than English and French, as well as Jewish newspapers, and other ethnic newspapers which are printed in English and French. All in all, about 125 newspapers were used to inform the Canadian public of the federal government's policy programs on multiculturalism. Many other federal departments and government agencies are also participating in this increased effort on the part of our government to convey essential information to our citizens. I may mention for this year in particular the extensive programs of the Department of National Revenue, the Department of Manpower and Immigration, and the Department of National Health and Welfare. The Canada Ethnic Press Federation has been assisted with federal grants in the holding of meetings and the carrying out of surveys. Recently, the Ethnic Press Club of Manitoba was assisted with a multicultural grant.

I am sure that this program of information and of special projects will facilitate our task in communicating with all Canadians, as the hon. member suggested in his remarks. It also provides increased financial assistance to the ethnic press and enables them to continue in fulfilling an important role in Canadian society. In the meantime, of course, we will be awaiting the reports and special studies being carried out at the present time. I am sure the President of the Treasury Board (Mr. Drury) and other ministers who are especially involved in matters of communication will be able to come up with improved programs.

NATIONAL DEFENCE—OPERATIONAL STATE OF AIR SQUADRON 442 BASED AT COMOX

Mr. John A. Fraser (Vancouver South): Mr. Speaker, on Thursday last, October 25, I raised a question in this House concerning the operational capability of Squadron 442 which is based at Comox and which has a large role to play with respect to search and rescue in the 690,000 square miles of British Columbia and the Yukon. My question was based on the premise that the squadron is unable to meet normal operational tasks because of worn-out aircraft and lack of parts. The question is recorded at page 7213 of *Hansard*. I asked: "Can the minister advise what immediate steps will be taken to correct this situation?"

The minister, who is present in the chamber this evening and who has shown us the courtesy of not asking his parliamentary secretary to reply, answered: "Mr. Speaker, I do not accept the premise of the question." Nothing would please me more than hearing that the premise of my question was wrong. Let me point out, however, that the premise of my question is based on a newspaper article which appeared in the Vancouver *Sun*. It is dated October 20, 1973, and was written by Mr. Odam. According to the article—

> In two recent major air searches in B.C., 442 Squadron was unable to throw in all its resources right away . . .

The article further says:

> When pilot Neil Carey of North Vancouver was reported missing September 18, one of the Buffalo aircraft was being overhauled at Comox—an overhaul that became extended because maintenance crews had to wait for parts to arrive from eastern Canada.
>
> Another Buffalo was unserviceable in Whitehorse, where it had just come off another search. The third Buffalo was taking parts up to Whitehorse so the second could be repaired.
>
> The next day, when the search should have been in full swing, only one Buffalo was available—the one which had been on the parts run.
>
> Of the squadron's three helicopters, one was undergoing a routine inspection; another took the searchmaster as far as Williams Lake before having to turn back to Comox because of bad weather. The third did get into the search.
>
> It was not until September 28—ten days after Carey went down somewhere on a flight from Quesnel to Terrace—that 442 Squadron was able to put all its six aircraft out at the same time.

Further examples are given as follows:

> When a light plane with two people on board went missing last Saturday on a flight from Nelson to Edmonton, two of the three Buffalo aircraft were unserviceable and the third was engaged on a mercy flight.

● (2210)

> Two of the three helicopters were available in Comox, the third had left for a major overhaul in the east and is not expected back for six months.
>
> The following day, one of the helicopters left Comox at 1 p.m. to join in the search, which was handled initially by the rescue centre at Edmonton. One Buffalo was still being overhauled, one was unserviceable until 3 p.m. and the third was on another mercy flight.
>
> On Monday, 442 Squadron was able to throw two Buffalo and one helicopter into the search. A second helicopter joined them the following day after crews at Comox changed an engine overnight.
>
> By then . . .

This is important.

> . . . three days had gone by since the light plane disappeared in bad weather in the East Kootenays.

Further examples are given. I again quote from the article:

> For three days at the beginning of September, 442 Squadron had none of its Buffalo aircraft available to fly . . .

It goes on to describe why that happened. If we look into the records that are contained in this article, between April 1 and October 15, a period of 198 days, one Buffalo aircraft was unserviceable for 74 complete days and 46 part days. The article continues:

> The second buffalo was unserviceable 46 whole days and 38 part days; the third, 58 full days and 44 part days.
>
> Of the three helicopters, one was unserviceable 30 full and 23 part days; one, 61 full days and 18 part days, and the third for 40 full days and 25 part days.

The Minister of National Defence (Mr. Richardson) said he rejected the premise on which I asked the question. I think it is very important that the minister, who is in the House tonight, completely answer the charges that have been made in this article. They were obviously made by somebody who was able to look at the logs and records of this particular squadron.

I want to make it perfectly clear that in no way do I criticize the personnel, the squadron leader, the efficiency or the effectiveness of the people in that squadron. As a matter of fact, in the article that drew this to the attention of the public in the province of British Columbia there is no suggestion that anyone in our armed forces in that particular squadron was not doing everything he could to make the squadron as operational as possible.

The fact of the matter is that because of apparent budget savings the spare parts are kept in Toronto. There are long delays in bringing them from Toronto to Vancouver. There are further difficulties getting them into commercial aircraft to fly them to Comox. The budget saving means we have limited the number of aircraft available for search and rescue in this area.

The minister says the record of the squadron and Canadian armed forces' squadrons generally is very good in terms of search and rescue. But the question is, what is the minister now going to do about these allegations? Has the minister looked into them? Is the minister going to give an answer which will satisfy the public as to the competency of this particular squadron in terms of materiel to carry out its allotted task? I think we are entitled to the minister's answer. He has had time to look into this matter.

I think the minister ought to advise us tonight whether similar situations exist anywhere else in the country. I am sure the minister realizes that this is a serious matter; I gather so from his presence in the House. It is indeed a matter of life or death for lost pilots.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, in reply to the hon. member for Vancouver South (Mr. Fraser) may I first of all say I am always pleased to learn of the interest of any member of the House in the very important subject of search and rescue.

This is an area of our work to which the Canadian forces are particularly dedicated, and I believe also an area in which they are particularly proficient. Some of the search and rescue operations in which Canadian forces personnel have been involved are among the most heroic and the most selfless passages in our national life.

As this may perhaps seem to be an overstatement, let me provide some facts. I am sure the hon. member for Vancouver South will be encouraged to learn that out of a total of 130 aircraft searches last year, only four aircraft were not found. This outstanding record is even more impressive when we realize that unfortunately some aircraft go down and disappear into lakes and rivers and are beyond the technical capability of even the most dedicated and efficient search teams. During the same year, the Canadian forces flew a total of 5,230 hours in search and rescue work and contributed either directly or indirectly in the rescue of 122 people.

[Mr. Fraser.]

In this respect I would be remiss if I did not acknowledge the outstanding support contributed by civilian flyers who participate enthusiastically and effectively in search operations. As evidence of their contribution, let me say that of a total of 126 aircraft successfully located in 1972, 40 were located by civilian aircraft participating in the search.

As to the serviceability of the aircraft employed, the question the hon. member raised in connection with 442 Squadron, I am able to confirm that the serviceability of the Labrador helicopters belonging to the squadron averaged 73.7 per cent, and that during some period serviceability of up to 90 per cent was achieved. For a complex, rotary-wing aircraft this is a good serviceability ratio by any standards, military or civilian. The serviceability ratio of the Buffalo aircraft went up from 45 per cent in 1971 to a current level of 63.1 per cent. This is an availability factor almost 10 per cent higher than is set for this aircraft by Air Transport Command.

I believe these figures demonstrate not only a standard of serviceability but also a level of efficiency which is a credit to 442 Squadron and to the aircraft and the service personnel of this west coast unit.

AGRICULTURE—SHIPMENT OF HORSES TO EUROPE FOR SLAUGHTER

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, on May 30, 1973, I asked the House for unanimous consent to amend the Criminal Code, asking that all horses shipped to Europe be first inspected under the terms of the Canada Shipping Act. I was very sorry to see that several hon. members left the impression of being inhumane.

On June 6, the Prime Minister's office sent a letter to a woman in Ottawa stating that as of June, 1971, all shipment of horses to Europe by sea were banned: following a review by officials of the Department of Transport and the Department of Agriculture and the adoption of a special code for shipboard transportation of horses, shipment was again permitted in 1972. The code states that horses must be in good health and not older than 16 years before being transported. Veterinarian officials must be present during the marshalling to examine them with respect to age and fitness to travel.

● (2220)

The Minister of Agriculture (Mr. Whelan), in a letter to the Ontario Humane Society, also stated that it was the policy of the government of Canada that horses would only be allowed to be exported for work or breeding purposes. Yet everyone in the business knows that most of the animals go directly to the slaughterhouses. The cruelty lies in what the horses have to go through to get there. They have to be trucked in, branded, haltered, loaded on trucks or trains, unloaded, then reloaded on a boat with whips or cranes. From the time a horse leaves its home, it never eats the same again. It gets homesick and fevered up. It cannot stand long trips. Some of the horses brought from the United States to Canada for slaughter barely make it to the plant. Just think what they go through, Mr. Speaker, to get to Europe.

It is illegal to send live horses from the United States to France, so they are brought to Canada, mostly to the province of Quebec, and after a couple of weeks are certified as Canadian horses and shipped off. When a horse is shipped live, it must have a certificate of health for a preceding period. But how can anyone tell, when the horse has been in the United States for most of the time? It is a tragic joke.

The inspectors of the last shipment of horses were representatives of the Ontario Humane Society and the Canadian Wild Horse Society. These inspections and observations were carried out independently and proved beyond all doubt that the majority of the horses that were shipped from Canada on the steamship *Athene* were in fact slaughtered immediately upon arrival in Europe.

How much longer are we going to accept trade in horses across the Atlantic? The Government of Canada has defended the trade by stating that they see nothing wrong in the principle involved so long as the animals are in satisfactory condition to ship. Obviously, the Government of Canada is not concerned with the welfare of the animals after they arrive at their destination. With the modern processing methods that we have today, it is most inhumane to ship slaughter horses live to Europe.

With unemployment running rampant as it is today, we could very easily set up another industry in Canada; we could have our own plants that could ship dressed meat to Europe. I would have no reservations about suggesting that this would take some people off the already confused and blinded unemployment insurance rolls. As a man who has shipped thousands of head of livestock to eastern Canada, Mr. Speaker, I can tell you it is bad enough shipping to eastern Canada, let alone shipping to Europe.

Adjournment Debate

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, this is a topic which was debated once before in this House not too long ago. I draw the hon. member's attention to the parliamentary secretary's statement on this matter which can be found on page 4926 of *Hansard*.

I have stated that I, too, share the concern of all hon. members with regard to the humane treatment of animals. With respect to the shipment of horses to Europe, the Department of Agriculture has instituted a program designed to ensure the humane treatment of horses shipped by sea. This program, which began in the fall of 1970, consists of a seven to ten-day preconditioning period around the port of loading and requires that the horses be less than 11 years old, in good condition and free from sickness, that mares not be in a state of advanced pregnancy and that a veterinarian accompany any shipment of more than 25 horses.

The hon. member also spoke of the Canadian processing industry. As I have said before in this House, Canada's trade in horsemeat to Europe has increased dramatically in recent years, and appears to be growing. The movement of live horses has not increased by the same amount. For the information of hon. members, 5.3 million pounds of horsemeat were exported to Europe in 1969-70, whereas in the 1972-73 fiscal year 19.1 million pounds were exported. During the same period the number of horses shipped declined.

It is our position that the livestock trade is an important part of Canadian agriculture. Rather than ban the movement of any type of livestock, we feel it is in the best interests of Canada's farmers to do everything possible to make certain that shipments are efficient and humane.

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

HOUSE OF COMMONS

Tuesday, October 30, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

ANNOUNCEMENT OF PARTICIPATION BY CANADIAN TROOPS IN UNITED NATIONS PEACEKEEPING FORCE IN MIDDLE EAST

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the Security Council of the United Nations demanded on October 25 by resolution 340 that an immediate and complete ceasefire be observed in the Middle East and that the parties return to the positions they held on October 22 when an earlier Security Council resolution had first called for a ceasefire. In the resolution of October 25 the Council decided to set up immediately, under its authority, a United Nations emergency force. Canada was asked to participate in this force by a note from the Secretary General dated October 27 and in a further note of October 29 the Secretary General confirmed that this request was acceptable to both sides to the conflict. The government gave this request the most serious and urgent consideration and toward this end a team of officials from the Department of External Affairs and the Department of National Defence joined the Canadian delegation to the United Nations to consult with officials of the United Nations Secretariat about the precise nature of the contribution requested from Canada.

According to the report of the Secretary General, which was adopted by the Security Council on October 26, it is intended that this force be of a temporary nature to assist in facilitating conditions under which negotiations toward a settlement can take place. The force is to supervise the implementation of the ceasefire and the return of the parties to their positions of October 22. It will use its best efforts to prevent a recurrence of the fighting. The force is an impartial peacekeeping force composed of formed military units which will be interposed between the parties: it will thus operate on the assumption that the parties to the conflict are taking all necessary steps to comply with the relevant decisions of the Security Council. The force will be under the command of the United Nations, vested in the Secretary General and under the authority of the Security Council. The command in the field will be exercised by a force commander appointed by the Secretary General and responsible to him. The force is to be of a defensive character only and is not to use force except in self-defence.

The force at full strength will probably number about 7,000 men. Aside from Canada, Austria, Finland, Sweden and Ireland have been requested to provide troops and the first contingents of Austrians, Finns and Swedes arrived in Cairo from Cyprus on October 26. The only areas of operation contemplated at this time are the east and west banks of the Suez Canal system from Port Said through Ismailia to Suez. In the fulfilment of its tasks the force will have the co-operation of the miltary observers of the United Nations Truce Supervisory Organization.

On October 27 Canada was asked by the Secretary General to provide the logistic component of the force including, in particular, air support, transport, communications, ordnance and related logistic facilities. The Secretary General considers it vital to the efficient and effective operation of the force that Canada provide the logistic support.

Canada has consistently stressed a number of conditions for its participation in peacekeeping operations and observer missions. A basic condition is met by the fact that the United Nations will be the continuing political authority to which the force reports. Moreover, the Secretary General will make his reports public. He has listed the following essential conditions for the force. It must (a) have the full confidence and backing of the Security Council; (b) operate with the full co-operation of the parties concerned; (c) function as an integrated and efficient military unit; (d) enjoy freedom of movement and communication and other facilities that are necessary for the performance of its functions, and (e) be granted all relevant privileges and immunities provided for by the United Nations convention on privileges and immunities.

Given these conditions which lead us to hope the force should be an effective one and able to contribute to a climate in which negotiations between the parties can take place, the Canadian government has decided to inform the United Nations Secretary General, in response to his request, that Canada has agreed to participate in the United Nations emergency force for the Middle East for the initial six-month period described in the Secretary General's report. I am further informing the Secretary General that the Canadian contribution will consist of a logistics component in accordance with his request and with the conclusions reached after discussion of details of this contribution between Canadian and UN officials. Finally, I am informing the Secretary General that we intend to conclude with him financial and other arrangements to regulate Canadian participation and that the treatment accorded Canada should be no less favourable than that accorded to other contributing countries.

We shall be placing on the order paper a resolution seeking the approval of parliament for the government's decision to participate in the UNEF.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Saint-Hyacinthe.

Some hon. Members: Hear, hear!

● (1410)

[*Translation*]

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I can hear shouts of glee from the other side of the House. I would point out that we all rejoice about the fact that the federalist option has prevailed over the separatist option.

However, Mr. Speaker, seeing the smiles of my friends on the other side, I fear that the leader of the Social Credit Party of Canada (Mr. Caouette) does not share the same impression.

Mr. Speaker, it would have been better a few moments ago if the Secretary of State for External Affairs (Mr. Sharp) had given us his statement in time so that we could consider it. Unfortunately, as usual, we received it two minutes before the House met and we have been unable to read through it. I think that hon. members will end up rising on a question of privilege. If members of all parts of the House wish for dialogue and solidarity, they on the other side of the House will have to extend to us a minimum of courtesy.

Generally speaking we are in agreement with the statement of the Secretary of State for External Affairs. Once more, the world nations called upon Canada and once more Canada is prepared to serve. The parties involved must admit Canada's impartiality on the national scene.

On Monday, October 22, my party, through my colleague from Hillsborough (Mr. Macquarrie) welcomed with the Secretary of State for External Affairs the cease-fire requested by the Security Council under the joint auspices of the United States and the Soviet Union. Made again since then, this call for a cease-fire received a positive answer. The cease-fire is really a first step and fruitful negotiations may be expected now.

The application of the cease-fire calls for the co-operation of unbiased countries, of competent and representative countries at the world level.

We are delighted by the fact that Canada meets those sets of criteria and may contribute to the cease-fire and bring peace back to this part of the world.

It will be noted that, this time, important factors should be considered which distinguish the government's position from that we occupied at the time of the Viet Nam crisis, since today first the cease-fire exists, second, the UN, an international organization, is playing a major role in the application of the cease-fire and, third, the parties involved through normal diplomatic channels have clearly stated their position, expectations and reserves.

We approve Canada's participation to the extent of our resources and competence, both in the logistics field and in the communications field, to the peace effort in the Middle East. My colleague for Hillsborough stated as recorded on page 7075 of *Hansard* for October 22, 1973 and I quote:

[*English*]

I am sure all the people of Canada would want us, their representatives, to indicate that this country is prepared to make some efforts and, indeed, some sacrifices if, under the proper auspices and with reasonable hope for success, the kind of force the minister mentioned should be set up. I believe we should sacrifice something for peace in the Middle East because in doing that we would be doing much more. We would be sacrificing something for the peace of the whole world.

[Mr. Speaker.]

There is no question that Canadians are desirous of a lasting peace and a lasting settlement in the Middle East. In this regard any participation on the part of our government through which we can assist in bringing that settlement about is worth while. Our previous experience in the Middle East and our experience in Viet Nam surely make any warnings I could offer the minister redundant. The perils of involvement without acceptance from both sides are obvious and clearcut. As my leader has stated, we have a duty to participate in any reasonable effort to bring peace in the Middle East. The government has a duty to satisfy itself that our involvement in the peacekeeping force will represent a meaningful contribution that cannot better be made by some other country. If that is the case, then involvement in the peacekeeping force is more than justified.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to preface my remarks with a brief and mild protest over the fact that we received this important and sensitive statement about two o'clock as we walked into the House.

Some hon. Members: Shame!

Mr. Brewin: However, Mr. Speaker, we in this party welcome the decision of the government to bring up for approval in the House this commitment by Canada to contribute to a peacekeeping force in the Middle East. In our view a commitment which involves Canadian personnel, substantial Canadian expenditures and risks outside Canada should be approved by the elected representatives in parliament even though the government may have the responsibility of making the decision in the first instance. This obligation is particularly clear in the situation of a minority government which we have at the present time.

Having said this, I can now say it is our view that the government's decision to participate as requested by the Secretary General of the United Nations is a decision which we will support. We think the government has a right to insist upon any such commitments being made through the United Nations which would have the moral authority of the Security Council and, through it, of the world community as a whole. Second, we think such a commitment should rightly be only undertaken with the consent of the immediate parties involved. We agree with the third condition made by the government, namely, that there should be some prospect that the peacekeeping force can serve a useful purpose. In our view these conditions have been fulfilled and, therefore, the commitment should be made.

The primary reason for saying this is that it is a contribution toward preserving the peace in one of the most explosive areas in the world. It is not simply that we deeply deplore the hostilities between Israel and her neighbours, not simply because we wish Israel in accordance with her creation as an independent state by the United Nations to continue to exist as an independent state and a state whose security is guaranteed by agreed and secured boundaries and the commitments of the world community as well as her neighbours, but also because the

continuance of deeply felt differences between Israel and her neighbours is a threat to the peace of the world.

It is only through the maintenance of peace by the interposition of an international force that the process of negotiations between Israel and her neighbours will be made possible, and in turn it is only through such negotiations that a settlement of the deeply divided issues facing Israel and her neighbours can be resolved.

We think it appropriate that it should be the United Nations which acts in this matter. We all know that the United Nations is imperfect and that it can be no better than the decisions of its members. Many people have become disillusioned with the United Nations, but we believe that the present crisis has shown once again that the United Nations is indispensable. Anything that strengthens the United Nations is of vast importance to the very existence of a peaceful world.

We know that previous peacekeeping efforts have sometimes been attended by frustration rather than by the settlement of basic disputes. It is often forgotten that without the intervention of these peacekeeping forces bloody wars might have broken out or would have been continued. One illustration is Cyprus.

● (1420)

The conflict between Israel and her neighbours is so deepseated that we do not believe the mere existence of a peacekeeping force will be an adequate guarantee of peace, although it will aid in the creation of a situation in which peace is at least possible.

For these reasons, and because of Canada's experience, ability and knowledge in respect of the important logistics contribution we are asked to make, we believe Canada can make an effective contribution to such a peacekeeping force and we approve of the Canadian contribution. We do not do so without deep anxiety and a recognition that the existence of such a force cannot by itself guarantee a lasting peace, but we believe it can contribute to it. It would be entirely inconsistent, in our view, with Canada's reputation as a good member of the world community to refuse to accept the invitation of the Secretary General of the United Nations, speaking in this instance on behalf of the world and in the interests of world peace.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, since I represent a constituency in the province of Quebec, I hope you will allow me to comment briefly on yesterday's provincial elections.

Mr. Speaker: Order, please. I hope that the hon. member will be able to keep his comments for another time. I believe that at this time his comments and those of all other hon. members should pertain to the statement made by the hon. Secretary of State for External Affairs. I admit that the hon. member for Saint-Hyacinthe took the liberty of saying a sentence or two in reply to the reactions of others. The hon. member for Abitibi will certainly understand that it would be preferable if we could keep to the statement made by the minister, at least for the moment.

Mr. Laprise: I thank you for your comments, Mr. Speaker. As Quebec is still in Confederation I thought I could make such a comment.

Mr. Speaker, as the two previous speakers opposite, I received the statement of the Secretary of State at 2.10, precisely when he had finished reading it.

However, it was difficult for me to study it thoroughly, but on behalf of my party I approve the decision taken by the Canadian government to support the dispatch of a force to supervise the truce in the Middle East, because we feel that this decision is valid. However, I remain quite pessimistic considering the requirements laid by the Security Council of the UN to the belligerents. In the statements made at the Security Council and during the numerous debates which followed and which I heard at the UN, I felt sorry that no mention was made of the heart of the problem existing in the Middle East since the establishment of the State of Israel, that is the Palestinian refugees. Unfortunately, it seems that this essential point was forgotten over there. In the declaration handed out by the Secretary of State for External Affairs, and according to resolution 340, there is mention of the decision taken in the night of October 21 to 22, I believe, and of resolution 338 regarding the ceasefire and the return to the boundaries set on that date.

Once again, Mr. Speaker, the events of 1967 are forgotten. I think that the war of 1967 was the prime cause of the resumption of hostilities in October 1973. Once again the recommendation of resolution 242 is forgotten. Mr. Speaker, I think that even a force of 7,000 fully-armed men, with all possible communications equipment, would find it difficult to maintain peace in this part of the world because the basic cause is still present.

I am nevertheless happy, Mr. Speaker, that the United Nations have stated that Canada is considered as a possible participant in the force and that it is the only country with the military means and experience. So, I think this is something which should not necessarily cause us to brag about: our armed forces have experience not only in the Middle East but also in the international field. They are known everywhere for their efficiency.

Mr. Speaker, in my opinion we should go far beyond the Security Council's recommendations if we really want to restore peace in that area and that is what everybody wants.

We approve such a decision and we would like very much to do much more in this line than what is now being done.

* * *

[*English*]

PRIVILEGE

MR. O'CONNOR—BUILDING OF CINDER BLOCK WALL ACROSS ENTRANCE TO OFFICE

Mr. Terry O'Connor (Halton): Mr. Speaker, I rise on a question of privilege. On returning to my office after lunch today I was confronted by a crew of workmen constructing a cinder block wall across the entrance to my office in the Confederation building. The workmen could offer no explanation except that they had tendered the job

last Friday and were ordered to have it completed by today.

On election to this position exactly one year ago today I assumed it was to last for more than one year. In fact, I assumed that the job would last until I was defeated in a subsequent election, until I resigned, or until I died. So far as I am aware, none of these events has occurred. I would suggest that this action constitutes a breach of my privileges and I ask you Mr. Speaker, to order it stopped.

Mr. Speaker: I am sure the hon. member has a very valid question of privilege. If I were Caesar I would say: let the wall come down. But I will only say that the matter will be looked into. I am sure there must be a misunderstanding somewhere. The hon. member can count on my co-operation to ensure that the matter will be looked into forthwith and I will report to him within the next few minutes.

* * *

● (1430)

AIR CANADA

DISCONTINUANCE OF SERVICE BETWEEN SUDBURY AND TIMMINS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, in view of the severance of Air Canada's service between Sudbury and Timmins, and also in view of the CTC's refusal to make a decision until December 31, 1973, regarding an alternate carrier, and in view of the hardship and inconvenience this places on residents of Northern Ontario, I ask leave of the House, under the terms of Standing Order 43, to move, seconded by the hon. member for Brant (Mr. Blackburn):

That this House instruct the Minister of Transport to order Air Canada to maintain passenger service between Sudbury and Timmins until the CTC makes its decision.

Mr. Speaker: The hon. member's motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

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AGRICULTURE

GOVERNMENT POLICIES RESPECTING GRAIN AND CATTLE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, I rise on a matter of urgent and pressing necessity, under Standing Order 43. Because of the distress, disruption and confusion caused to the grain farmers and cattlemen of Canada by federal government policies devised and implemented by academics with no practical experience on the land, I therefore move, seconded by the hon. member for Red Deer (Mr. Towers):

[Mr. O'Connor.]

That the government institute an internship program whereby academics who are devising and setting agricultural policy be required to spend at least two years on a farm, ranch, or feed lot every seven years so as not to lose touch with the practical problems of farming and new developments in the agricultural industry.

Some hon. Members: Oh, oh!

Mr. Speaker: The motion is proposed under Standing Order 43. As such it requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

ORAL QUESTION PERIOD

[*English*]

ENERGY

VOLUNTARY PRICE FREEZE ON PETROLEUM PRODUCTS—EFFECT OF INCREASE IN PRICES IN QUEBEC BY ONE COMPANY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources arising out of the announcement of the Prime Minister on September 4 that a voluntary price freeze would be imposed or adopted with regard to petroleum products in Canada except to the extent where, to the satisfaction of the minister, an increase in the cost of imported crude warranted an increase. I would like to ask the minister whether the increase announced yesterday by one Canadian company for prices in Quebec constitutes a breach of the freeze, and whether the freeze now stays in place?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in our view the announcement yesterday by the company does indeed constitute a breach of the freeze. The company had indicated its intention to do so. We specifically requested the company not to do so, and that it should await a government decision in this regard. I anticipate being able to make an announcement to the House in this regard on November 1. I regret that the company has not pursued the request that we have made, which has been honoured by all other companies, not to increase prices either east or west.

EFFECT OF LATEST INCREASE IN PRICE OF VENEZUELAN CRUDE ON PRICE FREEZE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, the minister indicated recently that, within a matter of weeks, the most recent increase in the price of Venezuelan crude imported into Canada would have a substantial impact on retail prices in Quebec and the Maritimes. I would like to ask him whether this indicates that the government is abandoning the freeze altogether

as a result of this substantial increase in petroleum prices or whether there is simply a partial thaw, and if it is just a partial thaw does the government intend to determine the amount of increase in retail prices that would be justified?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): As I said to the hon. gentleman, Mr. Speaker, I intend to make an announcement covering both the eastern market and any other possible changes on November 1.

Mr. Stanfield: Will the announcement to be made by the minister on November 1 indicate what will happen to gasoline and other petroleum product prices in the rest of Canada west of the province of Quebec? Does he intend to indicate, for example, that prices of petroleum products in Ontario and western Canada will increase by an amount corresponding to the increase in the east?

Mr. Macdonald (Rosedale): Mr. Speaker, my statement on prices will be quite full.

OIL—PROJECTED INCREASE IN DOMESTIC PRICES IN LIGHT OF LATEST VENEZUELAN INCREASE

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to direct a supplementary question to the Minister of Energy, Mines and Resources. On the basis of the minister's statement yesterday that the announcement made by this company yesterday of a one cent per gallon increase was based on the increase announced by Venezuela on September 1, or earlier is he in any position to project what might be the increase in a month's time, say based on the 56 per cent increase in the price of crude announced by Venezuela this past week?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Not at the moment, Sir. I think we will have to keep a close watch on the landed cost of oil at Montreal to make a more precise evaluation of the impact on the domestic price in Canada that this would cause.

SECURITY OF OIL SUPPLIES FROM MIDDLE EAST

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to direct a supplementary to the Secretary of State for External Affairs. In view of the fact he has said he has now contacted all of the Arab states that export oil to Canada, can he report to the House whether or not Canada will have security of supplies from all of the exporters in the Middle East?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I hope so.

Mr. Nystrom: In view of the very ambiguous answer of the Secretary of State for External Affairs, can he tell us when we will know for sure whether or not Canadians can expect security of supplies?

Mr. Sharp: Mr. Speaker, in this world most things are uncertain. I express once again the hope that Canada will continue to receive the oil which it usually gets from its sources abroad.

DETERMINATION OF EFFECT ON COST OF LIVING OF INCREASES IN PRICES OF PETROLEUM PRODUCTS—ACTION TO OFFSET

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct a supplementary question to the Minister of Consumer and Corporate Affairs. In view of the fact the increase in the price of Venezuelan crude and the breaking of the voluntary freeze on prices by one oil refinery will contribute substantially to the consumer price index by increasing the cost of fuel, gasoline and so on and also contribute to the increased cost of food production, what steps is the minister taking to determine the effect this will have on the cost of living in Canada, and what steps is the government taking to mitigate this increase?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, along with my colleagues, the Minister of Finance and the Minister of Energy, Mines and Resources, I am following the situation closely, and I am co-operating with them closely in their efforts in this matter.

Mr. McGrath: With great respect, Mr. Speaker, and in view of the fact that this will contribute substantially to the cost of living in an area of the country where it is now higher than in any other part of the country—I am referring specifically to the Atlantic provinces—does the minister intend to have this matter looked into with a view to providing the government with advice on action to offset this increase in the cost of living in the Atlantic provinces?

Mr. Gray: Yes, Mr. Speaker.

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PUBLIC SERVICE

POSSIBILITY OF INCREASE IN WAGE OFFER TO NORTHWEST TERRITORIES NURSES BECAUSE OF WORKING CONDITIONS AND COST OF LIVING—DANGER PAY

Mr. Wally Firth (Northwest Territories): Mr. Speaker, my question is addressed to the President of the Treasury Board. In view of the high cost of living in the north, and in view of the adverse conditions under which nurses in the Northwest Territories frequently work, is the Treasury Board thinking of substantially increasing its wage offer to these people to bring their pay levels at least to parity with those of nurses under western provincial jurisdiction?

Some hon. Members: Hear, hear!

● (1440)

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the pay arrangements for nurses have recently been determined by an arbitrator appointed by agreement of the parties. I think the hon. gentleman is aware that with respect to nurses serving in the north there are special allowances that are periodically reviewed to take into account changing cost of living standards.

Mr. Firth: In view of the much greater responsibility of nurses working north of the 60th parallel than that of other nurses employed by the federal government, such as working without a doctor's supervision and evacuating emergency cases in light aircraft usually under adverse conditions, would the minister give consideration to danger pay for this group of nurses?

Mr. Drury: Mr. Speaker, we are looking at the question of danger pay in respect of all those who are subject to it.

REQUEST BY NURSES IN YUKON AND NORTHWEST TERRITORIES FOR REOPENING WAGE NEGOTIATIONS

Mr. Erik Nielsen (Yukon): I have a supplementary question for the Minister of National Health and Welfare in his capacity as minister of health for the Yukon and Northwest Territories. Has the minister received a telegram, to which I referred a day or two ago when I asked this question, from the various nursing associations in the Yukon and Northwest Territories requesting the reopening of negotiations to see whether or not a more realistic accommodation can be made with respect to those now coming under his jurisdiction?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, indeed I think I did receive such representations, but as I have already indicated, bargaining for nurses' salaries does not fall within my jurisdiction.

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MANPOWER

LOCAL INITIATIVES PROGRAM—DATE OF SUBMISSION OF PROJECTS TO ADVISORY COMMITTEES IN CONSTITUENCY

Mr. René Matte (Champlain): Mr. Speaker, I would like to put a question to the Minister of Manpower and Immigration.

When will local initiatives projects be presented to the constituency advisory groups?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): To answer very shortly, Mr. Speaker, we have received in excess of 14,000 applications totalling an estimated $419 million. We are processing these applications for delivery to the constituency advisory groups and others as quickly as possible.

LOCAL INITIATIVES PROGRAM—HOURS OF SERVICE OF MEMBERS OF CONSTITUENCY ADVISORY COMMITTEES

Mr. Jake Epp (Provencher): I have a supplementary for the Minister of Manpower and Immigration. Can the minister indicate what action has been taken by his officials on the complaint that constituency advisory committees are being asked to meet during working hours rather than in the evenings as was the impression of many of them when they agreed to their nominations? Will he be advising his officials that these committees are to meet at such

times as are suitable to the committee members rather than to the civil servants as is now the case?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we are grateful to those people who have agreed to serve with these voluntary organizations. To the maximum degree possible we will try to accommodate the hours to their own working conditions, but we will on occasion possibly have to ask them to sacrifice some of that time since we are trying to meet fairly tight deadlines.

* * *

ENERGY

DETERMINATION OF PETROLEUM PRODUCT PRICES FOR EASTERN CANADA IN LIGHT OF PRICE FREEZE WEST OF OTTAWA VALLEY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the minister's answer to me yesterday that the request for an increase in the price of petroleum products would apply only to the eastern section of Canada, are we to assume that the government intends to retain the price freeze for the area west of the Ottawa valley until at least January 30 and that any adjustments in the eastern section will be permitted by order of the National Energy Board in compliance with any increase in the price of imported crude?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as I indicated to the Leader of the Opposition, I would hope to make an announcement on this question on November 1. One of the questions we have to consider with regard to the western section of the market is whether a price differential would be capable of creating a shortage of supply problem in Ontario.

OIL—RESULT OF MEETING BETWEEN MINISTER AND MEMBERS OF ALBERTA GOVERNMENT

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is also addressed to the Minister of Energy, Mines and Resources. Can the minister inform the House of the outcome of the meeting he held yesterday with ministers of the Alberta government in respect of the energy crisis? Were any new federal policy positions placed before the provincial ministers at that time?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I do not think there was anything new that had not been discussed with them before. I think I can say there was an exchange on the question of the taxation of the Syncrude project and also with regard to the disposition of the proceeds of the export tax. We were engaged really in discussions anent to negotiations with regard to the disposition of those proceeds.

Mr. Speaker: Perhaps the hon. member might be allowed a last supplementary and then I will recognize the hon. member for York East.

Mr. Lawrence: I have a supplemenatry question in relation to the disposition of the tax revenue. Can the minister inform the House if any firm offer has been made to Alberta on the disposition of this income?

Mr. Macdonald (Rosedale): Mr. Speaker, the matter was discussed on a negotiating basis only in consideration of other arrangements that might be made.

GASOLINE AND FUEL OIL—DETERMINATION OF ACTUAL COST INCREASES RELATED TO RETAIL PRICE INCREASES SINCE SEPTEMBER 4

Mr. Ian Arrol (York East): Mr. Speaker, my question is also for the Minister of Energy, Mines and Resources. The minister has assured the House that on November 1 there will be a comprehensive statement regarding gasoline and fuel prices. Has he requested the National Energy Board, under the provisions of the National Energy Board Act which grant him such powers, to determine, prior to the formulation of his statement, the actual cost increases related to retail price increases in gasoline or fuel oil that have taken place since September 4?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the National Energy Board has been working with officials of my department in determining the costs in this industry in its very general sense.

Mr. Arrol: Can the minister assure the House that he will not allow any such retail price increases to be made until a study of cost increases has been conducted and made public?

Mr. Macdonald (Rosedale): Mr. Speaker, that is what we have been studying and my intention is to make it public on Thursday.

GASOLINE PRICE INCREASE IN QUEBEC—VIOLATION OF GOVERNMENT GUIDELINES

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a supplementary question for the right hon. Prime Minister. In view of the statement made by the Prime Minister on September 13 supplementary to his initial statement on September 4 extending the price freeze requested by the Prime Minister to prices of gasoline, diesel oil and home heating fuel, would the right hon. gentleman confirm that the recently announced price increase is a direct violation of his government's guidelines?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Abitibi. Order, please. The hon. member for Brandon-Souris rises on a point of order.

[*Translation*]

I apologize to the hon. member for Abitibi for not recognizing him right now.

[*English*]

Mr. Dinsdale: In the applause, Mr. Speaker, I did not hear the Prime Minister's reply. Was it yes or no?

Right Hon. P. E. Trudeau (Prime Minister): The answer was no, Mr. Speaker, I cannot confirm that.

[*Translation*]

SUGGESTION THAT PRIME MINISTER DISCUSS WITH PREMIER OF QUEBEC REMOVAL OR REDUCTION OF PROVINCIAL TAX ON GASOLINE AND HEATING OIL

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would also like to ask a question of the right hon. Prime Minister.

Since a totalitarian government was swept into power in Quebec last night, could the Prime Minister get in touch with his Quebec counterpart and discuss the possibility of the Quebec government removing or at least reducing the tax on gas and heating fuel in order to prevent the forthcoming price increase?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the smiles which greeted the hon. member's question can be explained in the same way as those which greeted the remarks of the hon. member for Saint-Hyacinthe. We do not smile because of the Liberal victory but rather because of the hon. member's prediction at a press conference that the government elected yesterday would be a minority government.

Mr. Laprise: Mr. Speaker, I do not know whether I should ask a supplementary or return to the first question. I think the right hon. Prime Minister forgot to answer it.

Mr. Trudeau: No, Mr. Speaker. I just wanted to point out that there certainly is a difference between what the hon. member calls a totalitarian government and what the other hon. member calls a minority government.

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

Mr. Speaker: Order. The hon. member for Abitibi is rising on a point of order.

Mr. Laprise: Mr. Speaker, I think I asked the Prime Minister a fairly clear question, that is whether he would consider getting in touch with his Quebec counterpart in order to convince him to remove or reduce the tax on gas and heating oil, to avoid the imminent price increase.

Mr. Trudeau: Mr. Speaker, I believe I shall be meeting the Premier of Quebec very soon. First of all, I will want to congratulate him on his brilliant victory. I can assure the hon. member that in our discussions we will bear in mind the respective jurisdictions of Quebec and the federal government. I do not intend to suggest to him a particular course in the taxation field which comes under his jurisdiction.

Oral Questions

● (1450)

[*English*]

OIL—SUGGESTED ESTABLISHMENT OF MARKETING BOARD TO PURCHASE DOMESTIC AND FOREIGN CRUDE IN ORDER TO AVERAGE PRICE ACROSS CANADA

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources. In view of the fact that crude oil west of the Ottawa line is now at a lower price and hopefully will continue to be a lower price, while east of that line the price will be higher, is the minister giving consideration to establishing a marketing board that will purchase both domestic and foreign crude with a view to averaging the price so that all Canadians will pay the same price and, hopefully, a lower price?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No, Mr. Speaker.

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PUBLIC SERVICE

REPRESENTATIONS BY NURSES FOR REOPENING OF PAY NEGOTIATIONS—MEETING WITH PRESIDENT OF TREASURY BOARD

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I wish to direct a question to the President of the Treasury Board. As a result of the meetings between nurses under federal jurisdiction and ministers of the government, referred to Friday by the minister, can he advise whether the government is taking any action on their representations, and has the minister yet made any attempt to meet with representatives of the nurses?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, a meeting has been arranged of representatives of the nurses' association and myself for tomorrow.

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ENERGY

TAR SANDS OIL—RELATION TO TAXABLE INCOME OF PROVINCIAL ROYALTIES PAYABLE BY SYNCRUDE

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I have a supplementary arising out of a previous question to the Minister of Energy, Mines and Resources. Does the government accept the position that provincial royalties payable by Syncrude will be calculated as a pre-tax charge on income, and is the minister now satisfied that no federal impediment remains to the development of the Syncrude project?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, a question of taxation of that kind would relate to the responsibilities of my colleague, the Minister of Finance.

Mr. Clark (Rocky Mountain): Then I direct my question to the Minister of Finance.

[Mr. Trudeau.]

Hon. John N. Turner (Minister of Finance): Mr. Speaker, yesterday four ministers representing the government of Alberta, together with my colleague, the Minister of Energy, Mines and Resources and myself, reviewed the arrangements between the companies comprising the consortium called Syncrude and the province of Alberta to see whether they could be made to fit in with the announced guidelines for mining taxation policy. Further to that, officials met yesterday afternoon. I had a further meeting this morning with Gordon Miniely, the Minister of Finance of Alberta, and we will continue these negotiations.

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AGRICULTURE

BEEF—IMPORTS FROM UNITED STATES—PROTECTION OF CANADIAN PRODUCERS

Mr. William C. Frank (Middlesex): Mr. Speaker, my question is to the Prime Minister. In light of the placing last August of an embargo on Canadian beef going to the United States, which was considered by the government important enough to call a special cabinet meeting before putting it into force, why is it, considering the disastrous position in which Canadian beef producers now find themselves, a special cabinet meeting was not called last weekend to consider the steps necessary to protect these beef producers?

Mr. Speaker: Order, please. I have some doubt as to a question asked in those terms. The hon. member is not seeking information. He is presenting an argument in support of his case. Perhaps he would like to ask his question in other terms.

Mr. Frank: Is any special cabinet meeting now being considered as was the case when an embargo was imposed last August?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, cabinet meetings are called at my behest. The matter of time is one of internal administration. I call them as often as I find it necessary.

Mr. Frank: Mr. Speaker, I have a supplementary question for the Minister of Finance. In light of the minister's statement yesterday that he has been in constant communication with the Canadian Cattlemen's Association discussing imposition of a further tariff on American overfat cattle and dressed beef coming into Canada and in light of the Statistics Canada report that the farm input price index rose 7.3 per cent in the third quarter of this year, can the minister inform the House of any further results of those meetings?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have been in touch with my colleagues, the Minister of Agriculture and the Minister of Industry, Trade and Commerce. If there is anything to be said changing current policy, it will be said.

GRAIN

INQUIRY AS TO SALE OF FEED GRAINS BY WHEAT BOARD TO MANITOBA MILLS AT LOWER PRICES THAN SET BY PROVINCIAL COMMISSION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the minister in charge of the Wheat Board. Is the Canadian Wheat Board offering feed grains for sale to feed mills in Manitoba at prices lower than those set by the Manitoba Feed Grains Commission? If so, is it violating the regulations of that provincial commission?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I am not sure the regulations would have any effect. The price at which the Canadian Wheat Board is prepared to offer is based on its selling price out of Thunder Bay, less freight. I am not sure exactly what price is being charged or set in Manitoba by the government because it seems to change that price quite frequently. I will determine the comparative levels and try to get an answer for the hon. member.

Mr. Ritchie: In view of the fact the Manitoba Feed Grains Commission set the price on barley at $2.24 on Monday, considerably less than the Wheat Board, who has jurisdiction over the price of feed grains in the province?

Mr. Lang: Mr. Speaker, obviously that is asking for a legal conclusion.

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PENITENTIARIES

BRITISH COLUMBIA—REQUEST FOR INDEPENDENT INQUIRY INTO RIOT

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Solicitor General. In view of the continuing tension at the British Columbia Penitentiary and the fact that a gun was found there last weekend as well as a box of shells, will the minister reconsider his position and set up an independent inquiry into the penitentiary riot?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, as I said in the House on a previous occasion, we do not think the answer to the problem at the British Columbia Penitentiary is another inquiry. I want to say that since last weekend we have transferred out of the B.C. Penitentiary 43 inmates in addition to the 60 already transferred. Also, included in the recent number of transfers were eight of the most difficult inmates. They were transferred to other maximum security institutions across the country.

Mr. Reynolds: Can the Solicitor General advise to which maximum security institution the eight of the worst offenders were sent?

Mr. Allmand: Mr. Speaker, four were transferred to the Ontario region, two who were French speaking were transferred to the Laval temporary maximum institution in Quebec and two were transferred to Dorchester, New Brunswick.

Mr. Frank Howard (Skeena): Mr. Speaker, I have a supplementary question. I pose to the minister the prospect that another inquiry into the penitentiary riot is not required but rather an independent inquiry into the headquarters staff of the penitentiary service here in Ottawa from where most of the problems emanate. Will the minister engage in that kind of inquiry?

Mr. Allmand: Mr. Speaker, there have been many inquiries of that nature. I repeat that last week we asked for an independent inquiry into the B.C. Penitentiary by the correctional investigator. I am awaiting her report.

Mr. Erik Nielsen (Yukon): In view of the apparent misinformation the minister has been supplying to members of the House, including the hon. member for Burnaby-Richmond-Delta and the fact that apparently this misinformation is funnelled to the minister by his own staff, and in view of the potentially explosive situation requiring urgent attention at the B.C. Penitentiary, will he consider the prospect of an independent inquiry, not only into present conditions there but into the apparent breakdown in the administration of that penitentiary, before something really serious happens and the place becomes a parking lot after the next incident?

● (1500)

Mr. Allmand: I would be interested to know what misinformation the hon. member alleges I am giving to the House. We have been taking action at the B.C. Penitentiary. We have held two inquiries since the summer. We have transferred 100 inmates or more. I might say also that the director of the penitentiary will be retiring shortly, a new director will be appointed. Improvements are being made at the institution.

Some hon. Members: Oh, oh!

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ENERGY

LEGISLATION COVERING OIL EXPORT TAX—DATE OF INTRODUCTION

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I direct my question to the Minister of Energy, Mines and Resources. In view of the fact that notice of a ways and means motion dealing with the oil export tax has been before the House for over a month, and in light of the fact the government has been collecting this tax without the approval of parliament for 30 days, can the minister tell the House whether legislation is being prepared in this regard and when we can expect it to be brought down?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Sir, legislation is being prepared. This is one of the questions now under discussion with the government of Alberta. I would want to clarify the position taken by that government to a somewhat greater extent before we bring the matter forward for debate.

Oral Questions

NATIONAL DEFENCE

COMPOSITION OF CANADIAN ELEMENT IN MIDDLE EAST PEACE FORCE—EFFECT ON OTHER COMMITMENTS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I should like to direct a question to the Minister of National Defence relating to the statement we heard this afternoon about the sending of a force to the Middle East. I think the House and the country would like to know the composition of this contingent, which units and support services have been selected, what materiel they will be required to take with them by way of aircraft, communications equipment and so on, and where they will be stationed.

Hon. James Richardson (Minister of National Defence): I believe we will be able to give the hon. member and the House this information in great detail during the debate. I can say, however, that the organizational structure of the force being sent overseas will be based on the Canadian Airborne Regiment in Edmonton. Other specialists will be added to that structure. We will be sending trucks, some aircraft and also communications equipment.

[*Later:*]

Mr. Doug Rowland (Selkirk): My question is supplementary to that asked by the hon. member for Esquimalt-Saanich. Can the Minister of National Defence tell the House exactly how many troops this Middle East commitment will involve? Is it 1400, as reported, or is it less or more than that figure? Can he also tell the House whether the provision of such troops engaged in logistics support will in any way comprise our operations in Canada, Europe, Cyprus or anywhere else where they are stationed?

Mr. Richardson: The planning is still proceeding. The exact number of troops is not known but it will be at least 1,000 and not more than 1,500, so the figure of 1,400 mentioned by the hon. member is in the range. The equipment and personnel we will be sending will not adversely affect our operations in Canada or our commitments to NATO.

Mr. Speaker: Order, please. I notice there are perhaps five or six members who are seeking supplementaries on this subject. I wonder whether hon. members ought not to feel they are anticipating an order of the day since it is my understanding there is to be a debate or a statement on motions. It seems to me hon. members are seeking information which normally ought to be given by way of a statement on motions which I hope will be made very soon. Perhaps we should try not to ask too many supplementaries on this subject.

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ADMINISTRATION OF JUSTICE

SEIZURE OF PINBALL MACHINES AND GAMBLING DEVICES—POSSIBLE INVOLVEMENT OF MAFIA

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address a question to the Solicitor General arising from conflicting information concerning the seizure of pinball machines and other gambling devices. Has this action been ordered by the federal government, and is there any evidence that the Mafia is involved?

Hon. Warren Allmand (Solicitor General): I have no information regarding that matter, Mr. Speaker. I will check and give an answer to the hon. member later.

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FISHERIES

DATE OF REPORT ON EFFECT OF CLOSING EAST COAST PORTS TO FOREIGN FISHING FLEETS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, this question is addressed to the Minister of the Environment and Fisheries. When can we expect a report on the special study into the possible effects of closing east coast Canadian ports to foreign fishing fleets, presently being carried out by Mr. Ernest Weeks, Chairman of the Canadian Saltfish Corporation?

Hon. Jack Davis (Minister of Fisheries): Toward the end of the year, Mr. Speaker.

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COMMUNICATIONS

BELL APPLICATION B—REQUEST FOR ASSURANCE NO APPROVAL PRIOR TO HEARING

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I should like to ask the Minister of Communications whether, in view of the fact Bell Canada is currently installing equipment which can only become operational upon the approval of its application B, he is in a position to assure the House that Bell Canada has not received any prior indication that any part of this application will be approved by the CTC?

Mr. Speaker: While that question is being considered, the Chair will recognize the hon. member for Lisgar.

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AIR TRANSPORT

BILATERAL AGREEMENT ON ROUTES WITH UNITED STATES—SUGGESTED RENEGOTIATION TO MEET MANITOBA'S REQUIREMENTS

Mr. Jack Murta (Lisgar): Mr. Speaker, I wish to direct a question to the Minister of Transport. In light of the recent statement by the Manitoba Minister of Industry that the recent air route agreement falls short of meeting Manitoba's regional requirements as discussed at the Western Economic Opportunities Conference, will the minister renegotiate the terms of the agreement which allocated 28 routes to the United States and only 18 to Canada?

Hon. Jean Marchand (Minister of Transport): This is something I intend to look into, Mr. Speaker.

Mr. Murta: In view of the fact that Transair Limited of Winnipeg has been denied the opportunity to compete with Northwest Airlines Incorporated of St. Paul, Minnesota, on the Winnipeg-Minneapolis route, and in view of the fact this perpetuates Manitoba's dependence on United States carriers, will the minister do more than simply look into this? Will he work on behalf of Manitoba by competing for these economically beneficial routes which would certainly help the province?

Mr. Marchand (Langelier): This is a matter which is related to the bilateral agreement with the United States which has not yet been ratified either by Washington or by Ottawa.

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AGRICULTURE

FERTILIZER—ALLEGED SHORTAGE IN BRITISH COLUMBIA—GOVERNMENT ACTION

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is for the Minister of Agriculture. Last Thursday the minister stated that the fertilizer association had told him there was no shortage of fertilizer in Canada. In view of the fact that farmers in the Okanagan Valley are presently short 1,000 tons of fertilizer, with no commitments received from the manufacturers, would the hon. gentleman cause an investigation to be made into the shortage of fertilizer in British Columbia?

Hon. E. F. Whelan (Minister of Agriculture): We have already finalized our meetings with the fertilizer manufacturers. I am asking for reports on fertilizer shortages and tracing these shortages down. We had found none up to the time I entered the House.

Mr. Whittaker: It is the users and distributors of fertilizers that are short and the manufacturers are not entering into any commitments with them. Would the minister check with the users and the distributors and carry out an investigation of the shortage in British Columbia?

Mr. Speaker: Order, please. I assume that is a representation. The hon. member for Toronto-Lakeshore might be allowed at this point to return to his earlier question to see whether a reply is forthcoming.

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COMMUNICATIONS

BELL APPLICATION B—REQUEST FOR ASSURANCE NO APPROVAL PRIOR TO HEARING

Mr. Terry Grier (Toronto-Lakeshore): Thank you, Mr. Speaker. My question to the Minister of Communications is: In view of the fact that Bell Canada is currently installing equipment which can only become operational upon the approval of Application B which is shortly to go before the CTC, is the hon. gentleman in a position to assure the House that Bell Canada has not in fact received any prior indication that this portion of its application will in fact be approved?

Hon. Gérard Pelletier (Minister of Communications): Apologizing for my absentmindedness a few moments ago, I think I can give such an assurance to the hon. member.

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AIR TRANSPORT

BILATERAL AGREEMENT ON ROUTES WITH UNITED STATES—POSSIBLE CONCESSIONS—REQUEST FOR PROTECTION OF CANADA'S CHARTER POSITION

Mr. Elmer MacKay (Central Nova): I have a supplementary to the question asked by the hon. member for Lisgar. In light of the statement made by the Minister of Transport yesterday to the effect that Canada will have to make concessions in relation to the air agreement with the United States, can the hon. gentleman briefly indicate the nature of those concessions or tell us when he will be doing so?

Hon. Jean Marchand (Minister of Transport): Of course not, Mr. Speaker. Negotiations are being carried on right now and I do not intend to say what kind of concessions are going to be made.

Mr. MacKay: Keeping in mind that the air charter routes are more beneficial than direct routes because of present traffic patterns, will the minister assure us he will stick to his guns and commit himself firmly to hard negotiations affecting Canada's charter position?

Mr. Speaker: Order, please. Again, the hon. member has made a representation. We might try to allow two or three quick questions before the end of the question period. The hon. member for Assiniboia has a supplementary, I believe.

● (1510)

BILATERAL AGREEMENT ON ROUTES WITH UNITED STATES—POSSIBLE RENEGOTIATION OF ONE ROUTE FOR SASKATCHEWAN

Mr. Bill Knight (Assiniboia): Mr. Speaker, my supplementary is directed to the Minister of Transport. In view of the fact that in the negotiations regarding air routes with the United States the province of Saskatchewan was entirely left out in terms of any north-south routes, and in view of the fact the Attorney General of the province of Saskatchewan has tabled with the minister a complete economic study showing why these routes would be feasible, would the minister inform the House whether he has taken it upon himself to attempt to renegotiate at least one route for the province of Saskatchewan, either from Saskatoon or Regina?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have been briefed by the government of Saskatchewan on this and it is something we are now studying, but to relate the whole negotiations to that particular aspect is quite difficult at this moment.

Oral Questions

POST OFFICE

RURAL MAIL CARRIERS—ACTION TO INCREASE PAY IN LIGHT OF HIGHER COSTS

Mr. Maurice Foster (Algoma): Mr. Speaker, I have a question for the Postmaster General. In view of the rapidly increasing price of motor fuels and other costs of rural mail carriers, does the Postmaster General plan to take any action to improve the financial situation of the rural mail contractors to compensate them for the effects of inflation?

[*Translation*]

Hon. André Ouellet (Postmaster General): Yes, Mr. Speaker, I hope to be able to announce measures along this line within a couple of weeks.

* * *

[*English*]

NATIONAL REVENUE

REQUEST FOR SUFFERANCE WAREHOUSE IN RENFREW—GOVERNMENT POSITION

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. In view of the fact that communications and correspondence relating to a sufferance warehouse in the town of Renfrew have been going on since March of 1973 between the minister and me, and for two years prior to that with my predecessor, would the minister indicate whether or not permission for such a warehouse will be granted?

Mr. Speaker: Order. I think that question could be put on the order paper. If there is urgency, perhaps the hon. member would not mind giving me notice and he would be given priority on the order of business for the adjournment debate.

Mr. Dick: I rise on a point of order, Mr. Speaker. With respect, I did try to indicate that not only have I written to and communicated with the minister, which is just as good, I think, as putting a question on the order paper, but there has been no response on this question which is vital to this community and has been for two and a half years.

Mr. Speaker: That is hardly a point of order. I appreciate the hon. member's point, but that is the very purpose of what is referred to by hon. members as the late show. When the Speaker is judged to be wrong, as he very often is, hon. members have an opportunity of giving notice that they wish to have an urgent matter considered a few hours later. If the matter has waited two and a half years, perhaps it could wait a few more hours and I will ensure that the question is given priority.

Mr. Stanbury: Mr. Speaker, I have a point of order. I do not suppose Your Honour knows what it is yet so perhaps I can at least state it.

Mr. Speaker: The minister rises on a point of order.

[Mr. Marchand (Langelier).]

Mr. Stanbury: Mr. Speaker, I do not think the impression should be left that I do not answer the hon. member's inquiries. The answer, unfortunately, has been no.

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BUSINESS OF THE HOUSE

DATE OF DEBATE ON CANADIAN PARTICIPATION IN MIDDLE EAST PEACE FORCE

Mr. Bell: Mr. Speaker, may I assk the government House leader whether he can tell us when we should prepare ourselves for the debate on Canada's participation in UNEF.

Mr. MacEachen: Mr. Speaker, it would be my intention, if a debate is required, to put the resolution before the House on Friday so that hon. members would have an opportunity to prepare.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

CANADA PENSION PLAN (No. 2)

AMENDMENTS RESPECTING ANNUAL INCREASES AND LEVEL OF INCOME ON WHICH CONTRIBUTIONS PAID

The House resumed, from Monday, October 29, consideration of the motion of Mr. Lalonde that Bill C-224, to amend the Canada Pension Plan, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, last night before the adjournment hour I had pointed out to the House, as had some of my colleagues previously, that the bill does not offer a solution to the problems faced by one or other partner in a family unit who outlives his or her spouse. This is particularly true of the housewife who is denied the privilege of participating in the fund since society has never considered her activities important enough to qualify for recognition as a member of the labour force. I also pointed out that the fund must provide in the future for those people who have not worked up to the age set by the fund but have felt that their savings would carry them for the rest of their days. Those people in our society must also be allowed access to the fund.

I congratulated the minister for his apparent success in dealing with his provincial counterparts, but I would point out to him that some of the concern expressed by my colleagues and myself was also expressed by the provincial ministers. For example, Norman Levi, the minister from British Columbia, had this to say:

In particular we would like to see alterations to the Canada Pension Plan to provide for substantially higher retirement,

widows, widows with dependent children, and disability pensions. We would also like to see consideration given to the possibilities of extending coverage to spouses of contributors and to a lowering of the age when retirement benefits can be made available.

Other provinces pushed for three basic objectives. First of all, they asked for a substantial increase in benefits and contended that Canada Pension Plan benefits should be increased significantly to bear a realistic relationship to the needs of pensioners as living costs and wage levels increase. Second, they asked for immediate steps to be taken to reorient the CPP to more adequate pension levels. With regard to parallelism, they contended that in order to rebuild national pension harmony the third objective should be to re-establish parallelism between the Canada Pension Plan and the Quebec Pension Plan. This objective should be sought in line with, not at the expense of, the first two objectives.

The province of Ontario proposed that the earnings ceiling be raised to $9,500 in 1975 compared with the federal proposal of $7,800. Under the Ontario proposal, the maximum pension would be $192 a month beginning in 1976, compared with $160 a month under the federal proposal. The Ontario proposal also called for the elimination of the earnings test for pensioners between the age of 65 and 69; for CPP retirement pensions to be made available to people between the ages of 60 and 64 on a reduced basis; for increased benefits for widows aged 60 and over; and for equal treatment for men and women with respect to survivors benefits.

The Hon. Bruce L. Stewart from Prince Edward Island said that this plan should provide a one step benefit station, without the need for further resources, to provincial assistance schemes or other benefit plans. This, of course, is in line with what I said last night, as did others before me, namely that some of the OAS and CPP schemes be amalgamated. Numerous other suggestions were advanced by the provinces and, hopefully, the minister will consider them at the time some of the final steps in his total social security program are taken.

Looking very briefly at the performance of the fund over the years from 1965 and 1966 and the present day, we find that many or all of these proposals are possible for the future. At the present time the fund has an excessive amount of money in it. In order to keep my figures correct I shall come back to this later; I cannot find them in my notes at the moment.

The task force on social security said of Canada's pension plan that it had had little effect on poverty in Canada so far, and questioned whether the plan will ever have the effect that the government expected it to have and which the minister said it would have. Even if the plan were to reach maturity in 1973 the combined annual income from the CPP, the QPP and the OAS would only be $2,600 per year, and the $1,400 CPP or QPP pension would preclude anything but a token payment under the guaranteed income supplement program. The combined total of payments under CPP and QPP and OAS do not compare very favourably with the 1973 Senate poverty line for a single individual which is set at $2,650.

● (1520)

As an anti-poverty measure the CPP suffers from the same basic defect as unemployment insurance because benefits are related to income. Therefore, if you tend to live in poverty before retirement this pattern will be perpetuated by the pension scheme. It should also be noted that in the calculation of eligibility for the income-tested guaranteed income supplement CPP and QPP benefits must be counted as income and, hence, for every dollar received through these programs there is a 50-cent reduction in the guaranteed income supplement.

The task force also makes a serious analysis of the dilemma in which housewives and divorced mothers find themselves, and points out that CPP and the QPP are designed to complement old age security but displace and improve upon the guaranteed income supplement for the aged who have been in the labour force. However, this raises a serious question as to why housewives are not included in the pension plan. Housewives are now eligible for both old age security and the income supplement. Should a woman, therefore, who has spent the better part of her life raising children and tending to family matters be excluded from the Canada Pension Plan? If a wife is predeceased by her husband who is eligible for CPP or QPP payments, the wife can claim a widow's allowance, but what of women whose husbands have deserted or divorced them? A wife who is divorced by her husband loses all rights to the widow's pension and, under these circumstances, has to fall back on the acknowledged inadequate payments offered by old age security and the guaranteed income supplement.

My distinguished colleague, the hon. member for Hillsborough (Mr. Macquarrie), paid tribute to the Minister of National Health and Welfare (Mr. Lalonde) last evening for the diligence with which he applies himself to his job. He has in this parliament been more productive than any of his colleagues. He has introduced several bills all designed to push up the ceiling on some things. He has dealt twice this year with old age security measures, and has made adjustments to the family allowances program as well on two occasions. This has all been done in order to protect those unfortunate Canadians from the growing cancer in our economic system, inflation.

Maybe this bright new star in the government ranks could be motivated to assist his colleagues in the serious dilemma in which they find themselves, and in finding a solution to the increased cost of living and inflation problems. I give the minister credit for not repeating what his colleague, for instance the Minister of Manpower and Immigration (Mr. Andras), has done. The Unemployment Insurance Commission had a ceiling of $800 million on its borrowing from the government when parliament commenced this session in January. Rumours have it now that contributors and taxpayers will have to find some $2,400 million to keep some of Canada's work force idle. These are the hard facts, regardless of how the statistics are adjusted, seasonally or otherwise. The minister has pushed up the ceiling so high he has not yet realized that the lid has blown off and the roof has caved in. I just worry about how we will ever face the impossible task of cleaning up the mess after Canadians have had the opportunity of relieving the present government and their

friends to my left from their jobs, in which they have displayed a high degree of incompetence.

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, I should like to begin by repeating briefly what has been said very thoroughly by the hon. member for Winnipeg North Centre (Mr. Knowles). We wish to compliment the Minister of National Health and Welfare (Mr. Lalonde) on this piece of legislation, as far as it goes. Let me say that it does move in a direction very much to our taste. We like the idea of fully escalating the benefits, which I understand will run from the beginning of the plan as though there never had been this 2 per cent ceiling. We also like the new earnings ceilings which have been established for 1974 and 1975. This is a good feature of the new bill.

Let me now say something about the Minister of National Health and Welfare which has not been said during this debate. We worry a good deal about the stresses and strains which tend to pull the provinces apart. When I heard the minister state yesterday that the changes to be made by this bill had been agreed to unanimously by the provinces, I made up my mind to express the feeling that this minister is doing more than any other member on the other side to achieve a measure of unity in this country. He has not tried to browbeat the provinces like recalcitrant children, but has outlined his schemes to the provinces. He has not acted like a father who knows best and suggested they would have to sign on the dotted line, but has asked for their opinions, their suggestions and proposed amendments. Furthermore, he has listened and taken account of their suggestions in drafting his legislation. I believe he has done a great deal for this country, allowing us to realize that no matter what the differences of opinion are, and they are very deep and dividing among the provinces, there is a possibility of making social security measures work in a co-operative way by finding common ground among the provinces.

If a minister of national health and welfare had risen in this House a few years ago and said there was unanimous agreement in respect of a social measure of this type, we would have been inclined to think he was dreaming or that we were dreaming. This minister has proven that this can be done and I compliment him on his method of working with the provinces. I hope this method will be extended to many other fields. Before I complete my remarks I will be pointing out some of his shortcomings, but I wanted to make those remarks today because I firmly believe them.

One thing which seems most regrettable in connection with this piece of legislation is the fact that it is being considered as the type of bill the opposition will not be able to amend. I think it would be a very good thing if it were left open for us to move appropriate amendments, which could be considered in the committee and then later in this House. I know the point of order involved to the effect that this involves the expenditure of money, but anything that is worthwhile in this House does involve such an expenditure. It would be better if members were given leeway in respect of moving amendments instead of having to plead with the minister to introduce certain amendments which he might find it difficult to do.

[Mr. Oberle.]

• (1530)

If we could introduce amendments we might even have some hope of getting them through, but if we should ask the minister to introduce amendments, most of which perhaps he has been pressed to introduce already and has turned down, then I do not think there is a likelihood of having them adopted. However, I should like to mention some of the important amendments we have in mind. I wish to begin by pointing out that the main amendment that is necessary is one to provide equality in the Canada Pension Plan for women along with men. I realize this point has been discussed, but I wish to go into it more thoroughly. I believe it is not only a bad oversight, but is a very definite wrong to the women of this country not to include this amendment in the Canada Pension Plan bill which is before us.

It is three years since the Royal Commission on the Status of Women completed its report which was tabled in this House. At page 81 of this report I find the following:

> The most significant sex difference in the Canada Pension Plan lies in the benefits provided for the spouse and children of a contributor. The husband of a female contributor is not entitled to any pension unless he is disabled at the time of her death and was being maintained wholly or substantially by her before her death. Nor are children of a female contributor entitled to any benefits unless 'the child was, in prescribed circumstances, being maintained wholly or substantially' by her. Under section 527 (1) of the Canadian Pension Plan Regulations, being maintained 'wholly or substantially' means that 'the support in cash, kind or services, other than services provided by way of normal household or family duties as a mother or wife, that a deceased female contributor had provided for the necessaries of life, health, welfare, care, education or advancement of her dependent child or her disabled husband was, in the opinion of the Director, equal in amount or value to more than 50% of any such support provided for those purposes by (a) all persons in respect of her dependent child; or (b) all persons except his or her dependent child, in respect of her disabled husband.'

I have read this because it is three years since, in very clear and unmistakable language, the Commission which travelled all over Canada and registered the opinion of the women of Canada laid down the principle that the survivor benefits under the Canada Pension Plan should be made equal in respect of men and women. This, I believe, was a very clear and unmistakable line of operation.

Since that time the ministers in charge of implementing measures concerning women have said they are studying the matter. We know that this proposal to have the survivor benefits equal as between men and women has been discussed, not only at the departmental and ministerial levels but also with the provinces. So far nothing has issued from these discussions. We know that every large womens' organization in the country has been seeking this particular measure. Just yesterday the National Council of Women, probably the largest and best known of any womens organization in this country and certainly I believe the most representative of the various types of women across this country, said this in a précis of its brief:

> In the matter of fringe benefits and pension plans, Council asks that all references to sex and marital status be eliminated so that women would benefit equally under the provisions of the Canada Labour Code.

The National Council of Women, the Status of Women Organization, the Business and Professional Women and

all womens' groups have been pressing for this amendment. What does the government do? The government welcomes these women with open arms and, while it folds them to its heart, it says no so far as giving them this equality. This is not good enough. The women of this country want an amendment to the Canada Pension Plan now to provide that, following the death of one spouse the benefit of the Canada Pension Plan will be paid to the surviving spouse and the dependent children on the same basis, regardless of the sex of the surviving spouse. That is what they want. It is perfectly clear.

Not very long ago the Liberal convention made very clear that this is indeed what it wanted. It was the same thing. I shall quote from some information that was sent me following the meeting. They say, for example, in respect of the Canada Pension Plan a man's dollar buys a pension for his widow if she has dependent children or if she is over 25 or if she is disabled. They say further that a woman's dollar buys a pension for her widower only if he is disabled, was disabled at the time of her death and was dependent on her for support prior to her death. For example, a man's orphans get benefits if they can prove relationship; a woman's orphans get benefits if they can prove relationship and if they can prove that there was major financial dependence on her. So, the resolution of the Liberal Party was that the Canada Pension Plan be modified so that the survivors of all contributors receive equal benefits.

That is the first amendment I would ask the minister now to consider bringing to the Canada Pension Plan. We opposition members are precluded from so doing by the rules of this House. In other words, under the Canada Pension Plan when a woman is on the paying end she is equal, but when she is on the receiving end she is second class. Women wish to receive the same benefit in respect of their payment into the Canada Pension Plan that men receive in respect of their payment. I do not think there is any excuse for this being denied any longer.

The second amendment I would like to see is an amendment to make full benefits under the Canada Pension Plan available to the surviving spouse of a contributor who, by reason of illness, injury or death was prevented from making sufficient payments to qualify for a pension under the Canada Pension Plan. All of us in this House have received many letters of distress from people who point out that the payments made by them or their spouse were not sufficient to qualify for pensions under the Canada Pension Plan. In all justice, I believe this situation should be corrected because many people are in a position where benefits are not received automatically in the face of injury, disablement or death. When a man contributes to the Canada Pension Plan, immediately he dies the full benefits go to the widow and the dependent children, but if a woman contributor dies these benefits are not automatic. They go to the estate, and then all those conditions which I earlier laid out are very carefully looked at. This is not right. We must have equality or the pension plan is not fulfilling its purpose.

The third amendment is the one on which I believe we must place the greatest stress. This is the matter which has been dealt with already by a number of members, although they have not all dealt with it in the same way. It is in respect of the situation where there is a married couple, one of whom is out earning the bread and contributing to the Canada Pension Plan, while the other is doing the work of the home. But it is only the one person who is covered under the existing legislation. There are members of all parties who now say where there is a married couple and where the housewife, mother or partner is at home, he or she should be entitled to share in the Canada Pension Plan as a contributor and as a full recipient.

● (1540)

There is a difference of opinion as to how that should be done. Yesterday, one hon. member said that the housewife should be able to contribute herself, pay the contributions herself. I ask you: how many housewives with small children at home are in a position to pay their share to the CPP? That is the good old question that used to be asked of our party so often: where will they get the money? I suppose they could go through the old man's pockets if he is unwary enough to leave his money lying around where they can have access to it—if there is anything left, which is another matter. However, I do not think that is a fair position in which to put a woman. She has no money of her own, but why should she have to go to her husband and ask him for enough money to allow her to contribute to the CPP? Women are not of that type any more.

Perhaps there used to be women who just adored getting down on their knees and begging their lords and masters for a few cents with which to buy something they really needed. But that type of woman disappeared a long time ago; she no longer exists. The present day woman wants to stand on her own feet, economically and emotionally. I see the minister shaking his head. Oh, yes, she does. If any of you have the other kind of woman, watch out because she will not stay that way long in the modern world. They are changing very quickly. The hon. member for Winnipeg North Centre (Mr. Knowles) put the matter in the correct perspective, in my view, when he said that marriage is a partnership. Any decent kind of marriage is. When one of the partners is out in the community doing work and the other one is doing work at home, they are none the less both carrying a fair measure of the work of that partnership and both of them should be entitled to share fully in the benefits of social security in all its phases.

There are many people in the minister's department who could very well work out ways and means of achieving that. For example, we could take the joint income of the couple. In some cases the woman has a job; perhaps she has part time work. Let the incomes of both husband and wife be put together, and let them together make a contribution from whatever joint income they have. Let this be considered as a partnership in respect of the CPP. If the woman has no other source of income, heaven knows that she is doing her full share with a group of small children at home, looking after the home, her husband and his needs, and that kind of thing. If that is not satisfactory, why not take another look at my proposal from away back, which is to make available to that woman a salary for the work she is doing in bringing up the future citizens of this country? If she is given a salary, she will be able to pay her own way in CPP and she will have her own money with which to do it.

Let the minister not think that he will get away much longer with having these groups of women coming patiently down here to Ottawa, groups such as the National Council of Women, the Business and Professional Women's Association, and the Status of Women groups from all across the country, being polite and impressed with what they hear. Furthermore, they will not go on believing him because for three years now they have been told: "we will seriously consider the matter. There are many ways in which the matter of pensions can be looked at". That is what the orange paper said, and the white paper said something similar. The women want their recommendations embodied in the Canada Pension Plan now.

Something has occurred to me, Mr. Speaker, and now I must put in a word of criticism. I think that yesterday the minister was very cavalier and offhand in the way he treated the delegation of the National Council of Women when they came to ask that old age security pensions be raised to $150 a month. After all, they are asking for something that has already been requested, something that is popular in many sections of this country. Indeed, in the province from which I come a pension of about $200 is assured to elderly people who have no other means of support. So, these women were not asking for something impractical. Yet, according to the newspapers—perhaps the newspapers are wrong and I hope they are—the minister brushed them off with impatience saying that this would cost a big sum of money and was not practical.

I was around here long before the minister, and I remember the very first time members of the small CCF group here asked that jobs be made available and means be provided to keep the unemployed from starving. They were told by the then minister of labour—who unfortunately met his untimely death in an airplane accident since then, a fine man—that this could not possibly be done, that to put the unemployed to work would cost $25 million and would bankrupt the country. Later, whenever proposals for social security measures were put forward, they were fought on the same grounds, that they were not financially possible.

In this case the minister said that the women had not done their homework. Perhaps they have been doing their homework but the minister has not been in the home long enough to do some of his. The minister must know that $150 is not unreasonable for our senior citizens. Furthermore, unless the minister and his government can find a way of coping with inflation, the demand of these women will be renewed, and I predict that it will not be very long before it is granted, no matter what government is in power. So, I regret that the minister brushed them off in that cavalier way. Had he said that undoubtedly this will come before very long because we are having to consider measures for shoring-up income, that would have been a different story because the minister has been doing that in many fields. I do not like to hear the minister give stereotype answers which go way back to the time of the Ark, when it has been proven time and time again that the demands have been met when they have been strong enough.

There is one thing that I like about the minister's outlook, and that is that he is considering the matter of social security, not as a group of unrelated measures but as an interrelated concept. That is what we must have. I wish that my colleagues to my right would stop being so schizophrenic. They make me smile because, first, they start pushing a measure forward, such as old age pensions, the Canada Pension Plan, and so on, and half way through they become frightened and say to themselves that they cannot go on with it because of the effect it will have on the tax rate. Later, they forget and go back to it, saying to themselves that we must have more of these things so that people can live.

Let me suggest to my friends to the right, hon. members in the Progressive Conservative party, that if they could only forget the second half of their name and become a little more progressive they would realize that when you impose a tax you are not throwing money down the drain. When you consider the paying of taxes, you must look at the value of what you get for the taxes you pay. If you get peace of mind and physical comfort for the elderly people, you get something worthwhile. If you get a chance for women to stand on their own feet, economically, politically, socially and emotionally, you get something for which it is worth paying money. If you are getting all these things, it is worth while paying money for them. Just consider that before you become frightened at the idea of what these measures will cost the taxpayers, because so long as the large corporations make the kind of money they are making these days there are some taxpayers who are not paying nearly what they should.

• (1550)

These are the things I wanted to say today, Mr. Speaker. I wish the minister would provide us with a large and pleasant surprise, realizing our inability to move these amendments because of the rules. I wish he would take a sober second look at the Canada Pension Plan and, if he cannot make these changes in this bill, at least tell us that he intends to make them when he gets around to introducing the promised second bill. If they will not fit into that second promised bill, let him tell us they will be incorporated in another bill. Anyway, as long he gets these things done before Christmas nobody will worry. That would be a nice Christmas present this year.

Let me urge on the minister that it is not good enough for the government to go around giving lip service to the rights of women. We have not begun to touch most of the major recommendations in the report of the Royal Commission on the Status of Women. The government may not have too long to do this before it plays the death bed scene. It is not a moment too soon for it to begin going through this bible of women's rights and seeing which recommendations can be implemented now. The Canada Pension Plan is an excellent place to start.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I welcome the opportunity that is given to us to consider all steps taken by the House of Commons in the field of pensions since the opening of the present session last January.

This form of security has been considered as very important, first in the Speech from the Throne and then in details on January 11 by the Minister of National Health and Welfare (Mr. Lalonde), whe even dealt in with family

allowances and all welfare measures for disadvantaged families and adult citizens continuously unemployed.

The speech of the Minister of National Health and Welfare, delivered on January 11, 1973, gives a summary of the results of many studies that have been carried out over 40 years in the whole field of public social security.

I think we must be grateful to the minister and his close assistants for the real effort that was made this year in this House to clear up this complex area of both personal and family social security, which is the main subject of our parliamentary work.

Looking at it from the point of view of ordinary citizens, those who most need these pensions, grants and allowances of all kinds, I note three main expressions of everyday's language: all these plans are much too sophisticated, we do not understand anything in them; despite all the increases, we are not better off; notwhthstanding increasing misery, companies are expanding.

That is what the people say, this is their everyday way of speaking. Here now is how the Minister of National Health and Welfare put it, as recorded on page 197 of *Hansard* for January 11 in his maiden speech as member of Parliament of Canada, and I quote:

> ... that the Canadian people have clearly indicated to the House of Commons ... that the social security system which the federal and provincial authorities built over the years as a patch work job no longer meets their wishes. ... They also see in it contradictions and even some confusion and, moreover, weak spots unequal to the needs the system is supposed to meet.

Mr. Speaker, we see that the minister is well aware of the disorderly situation concerning the administration of social security measures in Canada. If there is general confusion in the pension plan, subsidies and allowances, can we say that things are clearing or clouding up furthermore?

In the amendments now before us, for instance, is the escalation of pensions based on the cost of living increase a process likely to satisfy the people who need this legislation?

I draw to the attention of the House the one following point. Even though, in the past, pensions were increased by 2 per cent where the increase in the cost of living was 6 or 7 per cent, we see here a slight improvement in that the increase will be proportionate to the cost of living increase without a 2 per cent ceiling. But after thinking about the fact that this piece of legislation is aimed at helping those on low income we noticed that here again they will least benefit from higher pensions and the rich will get more out of it. With that 7 per cent raise those with an annual income of $7,400 will get an increase of $500 a year whereas those receiving allowances of $12 a month will be richer by only 84 cents a month.

● (1600)

All that is part of the same government policy which is felt at all levels. For example, they never fail to increase big salaries from $40,000 to over $50,000 or $60,000 for departmental officials. Interest rates range between 5 per cent and 7½ per cent on government bonds which means that a millionnaire will receive an interest of $75,000 a year on his million instead of $50,000, an increase of 50 per cent.

I also point out those two striking examples to save time but I could quote a host of other items which show that it has been the policy of this government for many years always to help the rich and large corporations to the detriment of human beings, families, and small or middle companies or co-operatives.

All this shows quite well that the time has come to make a more thorough investigation not only of our whole system of social security as it affects underprivileged individuals and families living on a single man's salary but the whole system as revenues, expenditures, surpluses, reserves and privileges granted to national or multinational, millionnaire or multimillionnaire companies. That is the essential point on which I felt I had to bring the attention of this House if the national economy is to be really straightened out for the benefit of all Canadians. If during the last 30 years the government of Canada agreed to administer old age security pensions and family allowances according to simple and very understandable formulas for the citizens who needed it most, why not go on administering in the same way instead of submitting these pensions and allowances to a very complicated and incomprehensible system of comparisons, indexes and algebraic ratios which ordinary citizens cannot fathom?

I quite agree that the superior knowledge of the government is useful to great specialists who launch satellites towards the moon. They can use their mechanical or electronic brains to figure out the millions and billions of dollars but when it comes to cents and dollars to ensure or to complete the personal guaranteed income of Canadian citizens without work or capital, I think the people would be more appreciative of the government if it used clear figures and fixed amounts within the grasp of the intellectual faculties of interested citizens.

Everybody knows that pensions in 1944 stood at $20 a month and today they amount to $100, with a supplement of about $70, which makes $170. But now the pension amounts to $179.16; we do not know how or why and Canadians are beginning to grumble precisely because we no longer know where we are going. I think these remarks have some weight because they are the expression of the people's language which we should try to understand, even when one becomes Minister of National Health and Welfare. I mean no harm to the minister or to his close officials who certainly have all the university degrees recommending them to the qualified authorities.

Let us leave great complicated works to high science and keep simple and accurate figures for the essential needs of the people who give their naive confidence to university graduates who control governments and big national and multinational, private or public companies which have millions and billions of dollars. All this would be possible by being simple with simple people, even if we like complicating reasonings and laws with the help of learned and complicated citizens. The greatest causes of misunderstanding do not lie between languages, but between various levels of communication within the same language. The second remark of the people concerning pensions, grants or allowances is as follows: In spite of all increases granted, we are not better off.

Indeed, Mr. Speaker, when aged people received their pension cheques last month and when people on welfare

got their allowances, it was thought appropriate to eliminate the monthly increase of $9.46 that the federal government had granted them. They could therefore claim that they are never better off at any rate. What is given by one hand is taken away by the other.

Mr. Speaker, the people are right. It is up to us to realize it and to act accordingly. We are here to represent the people. If the people understand the millionaires and the large corporation presidents and directors, they also understand the citizens without job or capital and that segment of the population deserves all our attention.

I congratulate the present Liberal government which was the sponsor of the main legislation regarding pensions and family allowances at the request, of course, of the Social Credit Party which has been recommending the payment of these allowances for many years as well as their increase in various instances.

Today the question is whether or not we go far enough in those areas particularly if we intend to be fair by raising pensions, allowances and all kind of subsidies. Let us not forget—it is not my opinion but that of the population—despite all the increases we stay at the same point. The more we receive the more prices rise and we do not progress and only regress from one year to another.

Since 1958, Mr. Speaker, we have been talking about inflation. All university graduates are racking their brains to find formulas likely to satisfy the people, to control inflation, check unemployment and eliminate poverty. But despite all the sincerity and goodwill of those experts who manage the country and the large corporations we go backward instead of forward in every field related to poverty, unemployment and inflation.

Even if this is a universal problem it is one more reason to try to find a remedy. Because if it is a problem, we must correct it. For that we have to start somewhere, then why not here in Canada?

It was in 1934 during the international crisis of the 30's that the Bank of Canada was created with the support of American and European financial experts following many royal enquiries. We are living through another international crisis in 1973, forty years later, after World War II, and the prosperous years from 1945 to 1958, and we are still facing inflation, unemployment and poverty. Do we have to wait for another world war to recover our balance in Canada?

I hope, Mr. Speaker, that the government will find the solution to the present national crisis, before we come to the last solution, unwished for by the population.

Instead of being influenced by the international situation, let us see what can be done here for the population in order to achieve an atmosphere of peace, goodwill and economic balance between big and small, between individuals, families, and companies, big, medium, and small. While keeping everyone in his present position, even the Ministers of Consumer and Corporate Affairs (Mr. Gray), of Finance (Mr. Turner) and of National Health and Welfare, it would be possible to restore the national economic equilibrium for individuals, by a close study of the following four points which are the popular expression of everyday needs:

1. Family heads and single persons earn today equal salary for equal work.

2. Mothers today earn no salary for their housework.

3. Children and students are costly today and have no regular income.

4. Companies today make the highest profits and are taxed less than individuals.

● (1610)

Mr. Speaker, here is what could be used as a basis by the greatest scientists and university graduates in all their calculations to put some order at last between incomes, expenses and profits, between taxes—and reserves, between citizens, families and companies, between employers, employees and dependent citizens without work or capital, in order to provide them with a basic income, to provide them with at least economic, individual and family security, according to their particular case, in the center of our national economy which should respect life and the quality of life for any citizen, having regard to his language, race, religion, nationality, education, health or profession, and especially his age if he is too young or too old to look after himself.

Mr. Speaker, considering that situation, in spite of all the efforts of this government to iron out the difficulties in that field, I believe it is necessary at this stage of negotiations and of the drafting of legislation to come to a stop, to avail ourselves of the royal boards of inquiry, to analyze openly the particular goals that are to be reached in order to initiate the real national economic policy that will improve the quality of life for every Canadian.

Considering our outstanding national production, it should be possible to do much better than guaranteeing more than $20 a month to children from birth to majority, at 18 when everyone can earn his living, unless he would rather keep on studying so as to become a more informed and better educated citizen within society.

And even as a student providing services to society, does he not deserve a quality of life corresponding to his vital obligations and this strictly from a financial and monetary point of view, that is as far as a guaranteed personal income is concerned?

This is, Mr. Speaker, what should be established during our consideration of the amendments to Bill C-190 and Bill C-224 advocating increases in pensions, grants and allowances and their escalation based on the cost of living, especially if we want those who are asking for it to be satisfied.

Despite increased poverty, companies are developing. This is another word currently heard. I have to quote once again from a statement made by the Minister of National Health and Welfare during the speech he delivered on January 11, in the early days of this session. On page 201 of *Hansard*, we find this very wise comment and I quote:

> It is obvious that desirable goals whatever they may be, whether in the public or private sector, cannot be reached without the necessary resources. We have not discovered yet a magic wand or an alchemical formula allowing us to reach economical or social objectives effortlessly.

The government is forever torn between the natural reluctance of Canadians when faced with a tax increase,

and its concern for improving assistance to the underprivileged. Once again, Mr. Speaker, I think that we should reconsider the government's position with respect to our national economy and with regard to those who take advantage of any economic distortions such as inflation, unemployment and poverty, and those who suffer because of these economic disturbances and would like to see them corrected.

It is essential to consider seriously where the money needed for the welfare of citizens should come from.

Although I have been elected as a Social Credit member by the citizens of the Rimouski riding, who put their trust in me by giving me a clear majority over candidates of the other political parties, I studied all the existing laws and their amendments and I can assure this House that I do everything possible to think out and express my opinions as a citizen really present and living in the present monetary, economic and political systems.

I apply myself to look at things as they really are and not as if we were already in a system that we wish to see in the future, and if Canadians are really fed up because they are paying too many taxes, it is on account of the present system. I also know that even in the present system it could be possible for everyone to pay fewer taxes and even to participate more generously in the welfare of those citizens without a suitable or adequate income, in spite of a more than plentiful national production. Thanks to the knowledge we have acquired through the Social Credit doctrine, we are probably in a better position to see the shortcomings of the current capitalist system, shortcomings that as we know may be corrected even under the capitalist system without it being necessary to turn everything upside down, to fall into socialism, communism, separatism or narrow nationalism.

The earth belongs to all human beings. The sun shines for everyone. This is the ideal which our current capitalist system can fulfill immediately as soon as we agree to take a few specific measures or make certain provisions regarding the present distribution of income and taxes, of the amounts intended for capitalization over the next few years on the 1973 production achieved through the work and capital of the 9 million citizens making up the labour force out of 22 million Canadians. However, do the 13 million dependent citizens without work or capital deserve to be considered as full citizens in our capitalist society? Why are there poor and needy people among wealthy people and millionaires in an affluent country?

To reach a decent balance between rich and poor in Canada there is no need at all to take money from the income derived from the work or capital of producing citizens to pay a guaranteed income to dependent citizens without work or capital as is too easily suggested by the Minister of National Health and Welfare.

It is not necessary either to look for a magic wand, the philosophers' stone or an alchimic formula. No, we simply have to draw, year after year, from our plentiful national production the amounts needed to pay a guaranteed income to all dependent citizens, as we have found in this very same national production of the current year the salaries to pay for the work of citizens in the active labour force and to pay the interest or the dividends on the investments of capitalist interests also actively contributing to national production in the current year.

I do not perform miracles nor do I make exceptional discoveries, Mr. Speaker. I simply look at all the things that the Creator made available to us, the raw materials, the natural resources as well as the human intelligence which can be put to work not only in this government but also in each of our big or small businesses, in each of our houses, where Canadians would like nothing better than to produce to full capacity for the welfare of their countrymen and all the people in the world.

It is difficult to give further details, but it is the key to national economic equilibrium between individuals, families and companies. This is no mystery, or miraculous discovery, or alchemical formula, or magic trick. You have simply to go to the secret reserves of the large millionaire, multi-millionaire, national and multi-national companies and you will find all the money required to give a guaranteed annual income to everyone of the 13 million citizens dependent on welfare, who are also entitled to live a good life in a society to which they belong fully even though they cannot earn a sufficient income by working or by gathering the interests on their capital.

I can give you all the necessary figures to support this statement, but it would be useless to do so without a sufficient explanation. You have the basic solution, you only have to use it.

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I had written down my comments last Thursday, well before the opposition critics and some other hon. members took the floor yesterday and today.

So, any similarity with their remarks is sheer coincidence or, in fact, purely accidental. I do intend to reflect in my speech ideas, opinions and representations, or even requests made to me by many of my electors. I am pleased, of course, to take the floor once more during this session to support a bill which will benefit hundreds or even thousands of Canadian men and women when comes the day of retirement which is so much longed for and deserved. However, people who are already retired will see in this initiative of the government of Canada the will to provide adequately for the needs of the people as a whole.

● (1620)

In fact, we cannot help noticing the giants steps taken since the previous Parliament which had also been productive in the social field. Suffice to recall for example the major amendments to the Income Tax Act whose advantages we will certainly be able to see when we fill in the income tax returns for the current year and for subsequent years.

I am pleased to recognize the energy and the determination shown by the Minister of National Health and Welfare (Mr. Lalonde) in the pursuit and accomplishment of the main objectives of the government, whatever the yellow press from New Brunswick may say about it. The current series of discussions between the minister and his provincial counterparts are going well and it is normal that he be attributed a large part of the credit for the progress realized up to date.

Of course, some people can make sly comments; other people will want to claim all the credit for these measures, others will say we are not going far enough. One thing is certain: the government under direction of the right hon. Prime Minister (Mr. Trudeau) deserves credit for piloting all these good legislative measures which we are examining and which Parliament agrees to pass.

The bill we are studying aims at amending the Canada Pension Plan in order to remove the 2 per cent ceiling on the yearly increase in the pension index. It also tries to set at $6,600 the amount of year's maximum pensionable earnings for 1974; for 1975, the maximum will be $7,400. Now it amounts to $5,600. When the pension plan came into force in 1967, the maximum of allowable gains was $5,000. Until this year, the maximum has been increased to $5,600, which, according to the government, is not enough. In 1974 and 1975, the maximum pensionable yearly earnings will have increased by $1,800.

This bill will ensure that from now on the benefits will truly reflect consumer price index increases; 500,000 Canadians, some of whom receive a retirement pension and others who receive death or disability benefits, will gain from it.

The purchasing power of retired consumers will therefore be gradually restored. The setback suffered since 1967 following the fixing of a 2 per cent ceiling on increases will be corrected so that the people who received benefits between 1967 and 1973 and still receive them on December 31 will get increases ranging from 8 to 20 per cent according to individual cases. There is no doubt that most of my constituents, if not all of them, will be very happy about this government legislation. Of course, the maximum contributions will go up from $90 to $106.30 a year, and the employer will have to pay an equivalent amount. This means that the contribution of the self-employed worker will go up from $180 to $212.40

Unchanged in this regard, the act provides indeed that the employer and the employee each pay 1.8 per cent of pensionable earnings, and the self-employed 3.6 per cent.

Mr. Speaker, one can hardly find fault with the proposals contained in this bill. At the most, this debate allows those of us that wish to take this opportunity to discuss in general terms some aspects of the living conditions of our fellow citizens, the aged and the retired, and to indicate to the minister trends to follow in the future.

Which brings me to say that because of the rising cost of living and the reduced purchasing power, the government had to amend the Canada Pension Plan. The minister has seen the need and the government, as a good manager of the public welfare, has done its duty.

Even during the so-called normal years of economic activity, the purchasing power of the dollar is constantly being eroded by inflation, and I find it ridiculous that some politicians, in the hope of making some political capital, become unduly fidgety and easily shocked by that phenomenon.

I am almost 40, Mr. Speaker. I thank God for it and ask Him to grant me a long life. However, one does not need a doctor's degree to realize that the price of all goods and services tends to go up at any time throughout the world,

and that Canada is more successful generally in fighting back inflation.

I find the charges of the opposition too easy, too partisan and too childish, because they blame only the government for inflation for the increased cost of living and the erosion of the purchasing power of older citizens with regard to their present income.

I do not deceive myself, and I don't believe that a life insurance policy of $5,000 bought at 25 will help me to deal with inflation when I am 65. In this connection, I read in *Le Droit* last night an article by a financial columnist of the Canadian Press. I should like to quote it in full, because it gives us a lesson in respect of financial arrangements for our retirement years.

Whether we like it or not, we have to grow old, but generally, we don't know how to plan our future income.

It would be better to start planning a retirement fund as early as 40, since it is the most productive period of one's life. Of course, it has always been necessary to plan one's retirement, but it is even more important at a time of high inflation, in order to provide for a suitable income during the unproductive years.

At first sight, this seems complicated: however, a solution is possible if one works systematically towards a well defined objective.

According to the Canadian National Bank, sound financial planning must include:

—A deposit for current expenses;

—a reserve fund for contingencies;

—a life insurance policy to protect the family;

—a long term investment fund.

The trouble mostly is the difficulty of knowing exactly what one wants for the future.

In its monthly newsletter, the CNB states that the wisest thing to do is to plan early and to follow one's plans as closely as possible.

Actually, any person is inclined to raise his standard of living when his income increases: 65 seems so far away.

Take, for instance, a married man, aged 40, who earns $10,000 a year and intends to retire at 65. He thinks that he will then be able to live on $8,000 and maintain the same style of living because of fewer expenses.

But due to inflation, he will need in 1998 a $16,750 income to live as well as he is living now with $8,000. His pension will therefore have to be adjusted accordingly, which is not as difficult as one would think at first.

By that time, the old age security pension will probably amount to $5,000 a year. If our man earns more because of inflation or promotions, his firm will probably pay him a $5,000 pension.

Furthermore, if he has managed to invest $1,000 a year in a registered pension plan—which is not impossible—he should then have a capital of $80,000 which, converted into a life annuity, would yield about $9,500 a year. He would then have an annual income of $19,500, which would be more than enough to maintain his usual standard of living.

● (1630)

Of course, the government is aware of this situation, Mr. Speaker, and that is why it has taken a major step today through this bill, in order to ensure a greater income security to retired Canadians.

And to use the words of the press release issued by the federal-provincial conference held recently: The retirement benefits will no longer be subject to the eroding effects of the rising cost of living. This is a major breakthrough, as I said, almost as important, I think, because of its scope, as the setting up of the Canada Pension Plan in

1967, and as the minister said on pages 5 and 6 of his statement:

> ... these changes will (...) have a profound and long term effect...
>
> ... proposals that will have a fundamental and long-term effect on the Canada Pension Plan.

Since I referred to the press release of the recent Federal-Provincial conference of the ministers of Social Affairs, I should also like to make one or two remarks on the last two paragraphs of that press release. I was particularly happy that the ministers should have expressed their concern for the equality of contributions and benefits between persons of both sexes and especially with regard to spouses who did not contribute and who, therefore, do not now qualify for benefits.

When we touch upon this matter, we evidently do not speak about anomymous persons, that are merely considered as statistics. In fact we think in real terms, of people we come into contact every day and especially about our mother, wife, sisters and fellow workers. It sometimes happens that some bureaucrats find it difficult not to think in abstract terms about human facts. Politicians who have become fully aware of those realities of our daily life in view of the fact that they receive many telephone calls, letters, and personnal representations, understand better the need to further improve the present plan.

My wife, Mr. Speaker, like all good mothers, runs a house, a home, a training school, most of the time without the help of the father who is busy discharging his legislative, parliamentarian and electoral responsibilities. Many men are not only chauvinist but they are prejudiced against the woman who stays at home. Women's lib sometimes goes too far, even in the opinion of many women, and I remember some remarks made recently by the hon. Thérèse Casgrain. But on the other hand, this so-called Women's Lib has the advantage of making us aware of the social status of women, and in that respect, it is worthwhile.

The inquiry on the status of women in Canada found out a great many facts on the inferior situation of women as compared to men, on the labour force, their working conditions as social partners of men; above all it was demonstrated that we still have laws openly discriminating against them in addition to the fact that they are the constant object of the lowest prejudices mainly on the part of men.

This government has obviously undertaken to correct abuses, to eliminate discrimination and very substantial progress has already been observed, especially where matters coming under federal jurisdiction are concerned. I will not recite all those measures today, Mr. Speaker, because I wish to concentrate my remarks on the subject before us and, besides, I already had the opportunity to deal with that question during the election campaign last year and I believe that a great majority of my constituents appreciated the government's intention in that regard.

Surely I am in favour of a serious study designed to bring about major changes in the Canada Pension Plan so that our wives and mothers may become eligible to the same extent as the main family support, where contributions and benefits are concerned. I may also add at this point that during its recent political convention, the Liberal Party readily recognized such a need and asked that women, housewives, be admitted to the Canada Pension Plan on a contributory basis. But the law says that two thirds of the provinces have to be in agreement. It will be interesting to see how the provinces will respond to that suggestion.

I suggest that the Ministers of Social Affairs should tackle that problem which in my opinion amounts to social inequity, and that they should do so as soon as possible. I am happy to see that such is the intention of the Minister of National Health and Welfare and I am happy about it.

To sum up my remarks, and that is not the least of my concerns, Mr. Speaker, I should like to deal with what the minister in his official statement has described as the need to enact certain provisions concerning advanced retirement under both plans. I was quoting from the French text. The English text is still clearer and I quote:

> The suggestion that early retirement provisions should be built into the Canada and Quebec Pension Plans.

If I translate this technical language in brayon, the language spoken in the Republic of Madawaska that I have the honour to represent in this House, this simply means, for all practical purposes, lowering the eligibility age for retirement benefits down to 60. This is the suggestion that is often put forward by an increasing number of my constituents. I have dealt with it recently in a speech on family allowances and I also referred to it in this House on October 19, 1971, I think.

Of course, some people will say that a few arguments support this matter, which I am most concerned about as others work against such a proposal. But I suggest that experience is the important factor in this regard. All I ask is that this matter be carefully considered and that we be given once and for all the reasons, if any, that prevent us from including these advantages in the Canada Pension Plan or, as the case may be, from taking immediate steps to amend the Canada Pension Plan in order to satisfy the public's request.

Workmen of my region who work in the forest, who perform farming or manufacturing chores, who work for railways during very hot summers and very cold winters, in pulp and paper plants, in sawmills and who often have been working since they were 20 years old and sometimes less, are physically worn-out, tired out unable most of the time to do a job that becomes increasingly difficult for them when they reach the age of 55 or 60.

I feel that these people who have worked so hard for so long to build up a country would deserve that more consideration be given to their wish for early retirement without being obliged to undergo a series of exams that I consider as red tape.

I have found most advisable the minister's intention to eliminate for the contributors to the Canada Pension Plan aged from 65 to 69 the obligation of undergoing this series of examinations.

I am therefore glad that the government of Canada is studying this proposal with the provinces and I am looking forward to the findings of this study. But I think it would be a good thing for a parliamentary committee to ponder over this proposal some day, either before the

examination of this matter with the provinces, or immediately after, before reaching a binding conclusion.

Mr. Speaker, this is what I have to say for the time being about the Canada Pension Plan. I will keep my remarks for a later debate and I wish to conclude by again congratulating the minister and assure him of the best sentiments of all my electors and constituents who are quite in favour of this measure.

[*English*]

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I listened with interest to my young friend from Madawaska-Victoria (Mr. Corbin) and his suggestion about retiring every member at 60. We will soon have to get rid of the Prime Minister (Mr. Trudeau), the Leader of the Opposition (Mr. Stanfield) and a few others. I would have gone long since.

Mr. Corbin: No, that was not my suggestion.

Mr. Rynard: Then I apologize. I thought the hon. member was saying he would retire people from here at 60 and suggested this should be done. I suggest to him that as long as we are able to work it would be a lot better if we kept on working, because we would continue to pay money to the government which would provide the very pensions that we are talking about. The one thing he should not forget when he brings up that argument is that there is a lower birth rate in Canada today, which will mean less people working and less revenue for the government. Some people would like to retire at 50. I agree with the suggestion that, unfortunately, there are some people who should not be working even at 30 years of age. When you are talking about geriatric aid, I should like to remind you that this can apply as early as age 18 rather than the age of 50 to which you referred, and I just want to put that on the record.

● (1640)

Perhaps I should compliment the minister for bringing this bill forward, although it seems to take him a while before he sees that justice is done. I think he is attempting to do something that should have been done quite a while ago, but I do compliment him because it is better late than never. I do not blame this government for all the inflationary problems we are now facing because, as the hon. member for Madawaska-Victoria said, inflation is a worldwide problem. However, I think inflation is worse in Canada than in many other countries, and I want to straighten the record in that regard. We must continue to adjust our social security programs if we want to deal fairly with the people.

Recently I attended a meeting of people from the Canada Pension Plan, people from the Unemployment Insurance Commission and people from the manpower program. It was very interesting to hear the remarks of certain accountants in attendance at that meeting. They suggested that only about 5 per cent of the people understand this legislation or can properly interpret the Canada Pension Plan. I should like to know what the government is doing to remedy this situation.

I was interested to learn that offices are being opened in various cities to deal with Canada Pension Plan applications and problems, but I understand that the men who are sent to operate these offices spend only two days a week in the office and it is very difficult to make appointments with them. Apparently there is no one answering the telephone for the other three days a week. It is amazing that the biggest corporation in Canada with the largest payroll cannot afford to locate all these offices in one building in order that the people can get the service they require. There should be someone in attendance five days a week to at least answer the telephone so that people do not drive 20 or 25 miles only to find that they must wait in line or cannot see the individual on that day. I feel that these government offices should be located in one building in any given city. In this way we would have manpower officers, unemployment insurance officers and those associated with the Canada Pension Plan all available at the one location.

As the minister suggested yesterday, as of January there will be 500,000 people benefiting from the Canada Pension Plan. He also referred to the 20 per cent increase in inflation we have witnessed since 1967. This has had a marked effect by depreciating the value of our dollar. The main things required by an individual who retires at age 65 are food and shelter. These are basic necessities, but I draw the minister's attention to the fact that the cost of food has increased by about 14 per cent and the cost of housing has increased by about 12 per cent. The proposed changes in the Canada Pension Plan will by no means meet those specific needs of the retired individual.

The minister has also indicated that something is to be done in respect of Canada Pension Plan benefits for those from age 65 to age 70. If a man is able to work after his retirement why should he be penalized? After all, he is adding to the coffers of the government, and he is reducing the amount the government would have to pay in guaranteed supplement payments. I suggest that he should be given his Canada Pension benefits because this is something to which he has contributed and has a right to receive.

It seems to me that we are also treating women differently than we treat men in respect of Canada Pension Plan benefits. This is a matter which was raised at the meeting to which I earlier referred. Many people felt this was an injustice. When a working woman dies, her husband receives the full pension, but when you reverse the situation the woman only receives about 70 per cent. I think the survivors should be treated the same.

Another thing I should like to refer to is the $650 death benefit under the Canada Pension Plan. If a man dies and his brother collects this death benefit I understand he must pay taxes on that amount, but if the government takes over and buries the man no taxes are collected. This is another situation I draw to the minister's attention.

Let me speak for a moment about the medical aspects of this situation, particularly in respect of disabled persons. The fact was brought out at this meeting that an individual must be helpless and almost confined to a wheelchair before he can get a pension. Perhaps that is not exactly true, but there is enough truth to warrant a closer look at the situation. This situation has been referred to on numerous occasions by myself and other hon. members, such as the hon. member for Oxford (Mr. Nesbitt). The

minister will recall that on a previous occasion he said he would look into the situation to see what could be done.

Often a physician will send in a report indicating that an individual is disabled. When that report reaches Ottawa it is considered and often sent back with an indication that the man is not disabled for the purposes of the Canada Pension Plan. The minister will recall that in the case of appeals from such decisions, about 40 per cent are allowed and pensions are granted, particularly following examination and confirmation of the general practitioner's findings by a specialist. This fact by itself would indicate that something is seriously wrong with the system of communication between the examining doctor and the people here in Ottawa. I suggest that these people should make more use of the telephone when there is a point in question. I have asked doctors on many occasions why they did not telephone Ottawa to straighten out the differences and have been informed that they did not know to whom to telephone.

One is amazed how far it is from the city of Toronto or the city of Orillia to Ottawa when it comes to straightening out these matters of opinion. Many of these people who are academics and well educated do not know where to phone. This is something that might be passed on to the medical staff here in Ottawa. When there is a matter of doubt, instead of going through all this redtape, writing letters back and forth, these people should pick up the telephone and get a little action.

● (1650)

Let us take the example of a disabled person. He does not receive an examination immediately. I do not know whether the minister has ever checked to find out how long these people wait before they are examined. They might wait a month. The report is then made. It remains in Ottawa for a while and the application is either rejected or approved. If it should be rejected, the person immediately sees his doctor and perhaps his federal member of parliament. He points out that he should not have been turned down. He asks why he was turned down. The doctor states that he should not have been turned down because he is a sick man and unable to work. Then, the doctor writes to the department and the decision is made to have a specialist see this person. That is fine, but let us consider the length of time that elapses between the time it is decided a specialist must see him and the time when the people here agree and he receives the examination.

The point I am making is that months and months of bitter frustration are involved. Such a person is not treated fairly and squarely. Many of these people are helpless. They may not have had a good education and depend on their family doctor who is busy and often cannot see them. They also sometimes depend on their member of parliament or on someone else. Perhaps the matter might be resolved in this way. The family doctor and the Canada Manpower office in the area could certify that the person is unemployable. Why should such a person not receive the Canada Pension? Why do we have this difficulty in respect of the term "totally and permanent disabled"? Is a person not totally and permanently disabled if he is unable to earn a living?

I recall seeing a person one night who had been turned down for a disability pension. The grounds are about the same. He came in the door to meet me and I did not think he would make it to his seat. His feet were swollen up and he was short of breath. It had been decided that this person was able to get around and look after himself. In a fashion he could do this, but one might wonder who bought the food, clothing and other things that were needed at home. I was concerned about his case and immediately called Ottawa. When I advised what shape this person was in his application was approved, but this situation had gone on for two years.

I bring to your attention, Mr. Speaker, that there must be easier ground rules in respect of determining whether or not a person is eligible for the Canada Pension. I know the minister will agree that if a man is unemployable and cannot earn a cent, he is entitled to the Canada Pension on the grounds of disability. We should cut out the tremendous amount of red tape and a great deal of the bureaucracy.

The other point I wish to bring up is that I believe the Canada Pension should be available to people, probably at age 60 if they are disabled. I believe that a person who is beyond age 65 should work if he is physically able to do so. This is especially true of professional people because a great deal of money is tied up in their brains and their ability. It is difficult to replace these people. Replacements may be available now, but the minister will realize that, as a result of the falling birth rate, we will soon have a situation in Canada where there will be four million people over age 65. How many of these people will there be in the work force? This is a problem which puzzles me.

I believe the minister should be giving some leadership in the field of geriatrics and health. I hope the minister will give leadership in the development of a geriatric department in every hospital in the same way there are paediatric departments. The other day I was astounded to notice a statistic published by a very honoured person from the province of Quebec, Dr. Gingras, who was president of the CMA a year ago. He made the statement that there are some 800 paediatricians in Canada and about five million or six million persons under the age of 16. He said also that there are 1,700,000 people over age 65 and that we have only 24 geriatricians. I think we should consider allowing these people to draw the pension after age 60 or age 65, and those who are disabled should be allowed to do so at a younger age. Unfortunately, people do become disabled at much younger ages than 60. The greatest disabler today is the accident. Many of the people involved in accidents need attention.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the

questions to be raised tonight at the time of adjournment are as follows: the hon. member for Brandon-Souris (Mr. Dinsdale)—Supply and Services—Possible contract to American Chain and Cable Company for mail sorting equipment—Suggested postponement of decision; the hon. member for Winnipeg North (Mr. Orlikow)—Air transport—Date of announcement of allocation of route to Milan and new routes to United States; the hon. member for Carleton-Charlotte (Mr. McCain)—Fisheries—Action to ensure continuing supply of vegetable oils from United States for processing products.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills.

Mr. Foster: Mr. Speaker, I think there is agreement to pass over the first five orders and consider item No. 6, Bill C-40. There may be a slight delay. I believe the hon. member is on his way to the chamber.

Mr. McKinley: Mr. Speaker, it seems there was a misunderstanding. However, the member is on his way to the chamber now.

Mr. Deputy Speaker: It is agreed that the first five items be stood, but retain their priority on the order paper, and that we will proceed to the sixth order, Bill C-40, in the name of the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) as soon as he reaches the chamber.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

ABORTION PLEBISCITE ACT

MEASURE TO PROVIDE PLEBISCITE ON REMOVAL OF ABORTION PROVISION FROM CRIMINAL CODE

Mr. John Reynolds (Burnaby-Richmond-Delta) moved that Bill C-40, to provide for a national plebiscite on the removal of the abortion provisions from the Criminal Code of Canada be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I apologize for being a little late but I had some constituents in my office and time escaped me.

Bill C-40 is very similar to Bill C-117 which is on the order paper now under my name. They both call for plebiscites. Bill C-40 deals with abortion and Bill C-117 deals with capital punishment. I wonder if it would be possible, since both bills ask for the same thing but deal with two different issues, to deal with both of these bills at the same time? I regret that I did not have time to bring this matter to your attention, Sir, but I did ask the people in our party and they suggested I might raise this matter at this time in order to avoid debating Bill C-117 on another occasion because, as I said, both bills seek plebiscites on two different issues but I think the theme of both bills is the same.

[Mr. Deputy Speaker.]

Mr. Speaker: My understanding is that the other bill deals with the abolition of capital punishment. I think it would be farfetched to suggest we should have a debate on abortion and on capital punishment at the same time. Although both bills seek the same remedy and suggest the same conclusion, I doubt that it would be good practice to have two motions dealing with different matters before the House at the same time.

Mr. Reynolds: The main reason for introducing this bill is the letters and comments from my constituents in which they say that this government, as well as past governments, have often introduced legislation which does not reflect the will of the people. I told my constituents in the last election that I would present private members bills on this and on other issues so that plebiscites could be held to give the people of Canada an opportunity to express themselves, but not on every issue. I do not believe parliament is elected to conduct plebiscites on every issue, but they should be held on certain issues that are presented to parliament, such as abortion and capital punishment, on which the will of the people is not always being followed in the House.

I think that the people of this country have the right to determine some of these moral issues themselves, and this is why I presented this bill. I will not argue it too long because I would like to hear some of the arguments that I am sure members on the government side will advance against it. All I will say now is the reason for presenting this bill is that the people of Canada should be allowed to settle this issue of abortion, as well as the issue of capital punishment.

Mr. S. Victor Railton (Welland): Mr. Speaker, I am very sorry to inflict myself upon you again on one of these very controversial subjects. I seem to have been dragged into this debate at the last minute, and having spent the last two hours on the telephone, my thoughts cannot be called very orderly. My speech, therefore, cannot be construed as an attempt to impress people with oratory. I simply want to give my views as to why I do not agree that this bill should be passed.

Bill C-40 states that the word "abortion" should be deleted from the Criminal Code, and that the division to delete it should be made by a plebiscite which should take place at the next general election following the passage of the bill. In other words, there would be the possibility of an election being fought on the issue of abortion. I think that is fairly evident. Also, the bill underlines the fact that this measure would have to be brought to parliament after the election and passed. I think these are three rather important considerations.

However, before going into the matter of the desirability of a plebiscite to settle a question such as this, or the technicalities of when it should be held, I would just like to say that this matter has been brought to the minds of all members of the House of Commons by their constituents. We are flooded with telegrams and letters expressing both points of view. The letters are not just from those who are for abortion or those who are against abortion. We get shades of opinion, thank goodness, and I do not think there is a preponderence of one opinion over the other. The matter of abortion is approached with a great many mis-

conceptions and has a long history. As you know, abortion is nothing new. It has been performed ever since homo sapiens walked the earth and woman found herself in an undesirable state, in her opinion. Being ingenious, the old wives soon found ways to start an abortion, anything from aknitting needle to a twig, and then finally bits of bark and things which would swell after insertion. There are all sorts of ways of doing it, and of course in many cases these caused infections and a great deal of danger to the pregnant woman.

● (1710)

Abortion was carried out in back rooms and dark corridors. We all know those stories. However, people today do not worry too much about ethics, moral values and that sort of thing. I would say half the population has that outlook, whether it is about abortion or anything else. We have to admit that everybody is mildly dishonest. Pardon me, Mr. Speaker, for always alluding to my early years in practice, but they were interesting years. I remember that in my first year of practice I was out on one occasion looking after some confinements, travelling by horse and cutter. A woman came to my house and asked if the doctor was in. My wife replied, no. The woman then said, "I guess you will do. How do I get rid of a baby?" That was just straight talk, and it was common among a certain group of people. They never felt badly about it. This woman wanted to get rid of a baby, and she thought my wife knew everything about it. In those days abortion was practised, but in dark rooms and in a clandestine manner.

Now, in our modern times—I do not say they are any better than the old times in some ways—abortion can be performed in a very slick manner. It can be performed in illegal clinics or whatever. As everybody knows, the big argument is that the wealthy can get abortions when they want, and the poor cannot. This is an argument we cannot play with; we have to decide what we are doing. We all know the changes that have occurred in hospitals, and in attitudes toward abortions and sterilizations. I rather deplore the easy approach to sterilization. It has almost become available on demand. I do not think it should; I do not think abortion should done on demand either, by any means.

At present the question of abortion goes to a committee, and I hope this approach will continue. A committee has to consider the danger to the mother, and the desirability from the standpoint of society. Perhaps doctors should not have the right to decide these things, but so far nobody else wants to get into these discussions. I think that possibly the types of people on the committees should be broadened. I believe that, for the good of society, some control over abortion should be retained. We have gotten into this question of abortion, of abortion on demand, because of changes that have taken place in society in the last number of years. There is no doubt that we are living in a permissive society. As I say, Mr. Speaker, abortions were known, if not condoned, since the dawn of history, and the same holds true with respect to contraception.

Contraception has never been accepted in certain circles, although it is more or less accepted now even by religious denominations. Contraception has been condoned really because the question of a newly formed life, or a so-called life, is not involved. Contraception itself is, of course, questionable if we really feel that anything once begun should be immutable and unchanged, and that we should never modify what nature starts. But of course none of us really believe that, completely. Now that medical science is able to produce a contraceptive pill which can be taken by mouth, every woman of child bearing age would be rather foolish, if she believes in this progressive society, not to take the pill. However, I think all these things are making the question of abortion easier for people to accept.

I think you have to realize that there are many things in the world today which have to be settled by common consent before certain practices are adopted. Long ago world population began to increase by geometric progression. We are right now in danger of over population, not just in countries such as China and India but also in Canada. However, we do not have to accept abortion on demand to deal with that problem. Contraception is good enough. The birth rate has gone down in most western countries and, surprisingly enough, we had a good debate about that on the bill on family allowances. It was interesting to see how the provinces had changed their attitudes. It was very interesting to me to see how the birth rate in Quebec, which up to 20 years ago was noted for its large families, has declined to the point of being among the lowest, if not the lowest in Canada. This certainly reveals a change in attitude, and has nothing to do with the baby bonus.

But I must say that the world, through the United Nations and other world agencies, will have to introduce programs to reinforce family counselling, medical family planning, and all that sort of thing in every country so that we won't have overcrowding, so that we won't have so much difficulty in feeding the vast numbers of human beings that populate this planet. There is a great danger there. It is as great as the shortage of oil in the world today. We can look after the shortage of oil, but the other problem has not really been tackled yet.

When it comes to the question of why we should or should not condone abortion, I think we have to realize that even the religious and ethical views and "mores" of the world are changing. There are more and more people who are really quite conversant with the origin of life, the origin of, shall we say, the solar system, the origin of the universe, than ever before. We know that the sort of things we look at here, such as the wooden desks in front of us, are made up of atoms and electrons, and that one atom probably will have electrons going around it which are just as far away from the nucleus as the earth and the planets are from the sun, in a relative way. Therefore, what we think of as being solid, such as the desks, are really not solid. There are great spaces in this piece of wood in front of me that are completely invisible, even under the microscope.

Going right back to the ultimate there is nothing in this physical world but positive-negative charges of electricity, and these small bits of energy. What is energy? What is light? What is matter? And what are living people, living beings? What of the whole evolution of life which began a billion or 2 billion years ago? I refer of course to some very simple forms like bacteria, although it is not too simple, to the synthesis of proteins, and all these things which

appear inanimate. We are just as much akin to them as we are to each other. When we die, our positive and negative charges of electricity go back to a great reservoir of matter which in turn goes to make up all living things and the whole universe. So where does life begin? Life does not begin with the act of conception or the very instant that the sperm unites with the ovum. It started a few billion years ago. To try to make some artificial definition of when life begins is really quite ridiculous.

● (1720)

I think that all the planning that goes into laws about abortion, sterilization, world population and all those other things should not be based upon simple emotional ideas about whether we believe people were created in an instant by a word from the Great Being or whether life began 6,000 years ago by God breathing into a lump of clay the breath of life, when man became a living soul. These things are really beyond us and we do not know the answers. I do not think that questions like "when life begins for an individual" can be settled. I think the only basis on which we should try to settle the question of the taking of life or destroying a fetus should be what is best for society so far as we can tell. This takes a great deal of thought, and I do not think it should be settled by an emotional outburst. About an equal number of people are for or against this question and I do not see any need for a plesbiscite. This matter should not be taken out of the hands of parliament. People have sent us here to use our heads and all the knowledge we have to settle problems. If we cannot do that, then I think we are avoiding our duties as members of parliament.

I do not know why this question of a plebiscite should be brought up at all. As Clementine Churchill said, the first thing that a member of parliament must remember is his duty to his country; the second thing is his duty to his constituents and the third thing is his duty to his party. That can be taken further. If anybody were to tell me that I had to vote in a certain way because the majority of my constituents felt that way, and if it were against my best judgment I would say "Sorry, I am not your delegate, I am your representative". I think this is the first concept that a member of parliament must get into his head. All this time we have spent since last January 1, starting with the capital punishment debate, really has not settled the question of the role of the member of parliament in the minds of our members. This has bothered me a great deal.

I have heard members say "My constituents all want such and such or 80 per cent of them want such and such". Mr. Speaker, I think the people of my constituency elected me because they felt I had half decent judgment; they thought I had some integrity and they wanted me to represent them. Of course, this may change. However, it does not worry me if the change is made democratically, but if it is made on an emotional basis, and with some kind of hoopla, I would say that would be too bad but I certainly would accept the will of the majority.

Coming back to the very well-intentioned bill that the hon. member moved today, I must say I do not think the matter of abortion can be settled very easily. It can only be settled after a very genuine attempt by each member of parliament to settle it in his own mind after a great deal of thought. The very idea of settling this question by plebiscite appalls me. Members of parliament should stand up and be counted. Do they always have to feel that they are mere delegates of a constituency? In my opinion, a lot of the confusion in our society today is the result not only of permissiveness but of lack of thought. As Marshall McLuhan has indicated, the trouble with society today is television. Half of our worries and our ills and the silly arguments we get into are due to the fact that television has made this society of instant participation.

[Mr. Railton.]

Mr. Speaker: Order, please. I apologize to the hon. member who has the floor but I believe his time has expired. The hon. member for Broadview (Mr. Gilbert).

Mr. John Gilbert (Broadview): Mr. Speaker, Bill C-40 would provide for a national plebiscite on the removal of the abortion provisions of the Criminal Code. The hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) gave us his reasons for introducing the bill. His commitment to his constituents during the election campaign was that he would bring some of these contentious issues forward to see if they could be determined by way of plebiscite.

Let me hasten to say, Mr. Speaker, that this is not a bill with regard to abortion; this is a bill with regard to a national plebiscite on abortion. The hon. member who introduced it also wanted to bring in the question of capital punishment, so I imagine he thinks that both capital punishment and abortion should be determined on a plebiscite basis.

Mr. Speaker, you will recall the bill in 1970 or 1971 to amend the Criminal Code with regard to abortion. The government at that time acted on a report which had been submitted by the Standing Committee on Health, Welfare and Social Affairs which had gone into the problem of abortion in depth and had made certain recommendations. If I remember correctly, there was an extension made to the law to include therapeutic abortion where the life or the safety of the woman was in jeopardy. We still have that legislation and I have not heard any great furore about it.

In 1967, we had amendments to the Criminal Code with regard to capital punishment and there was a full debate at that time. We did not have a plebiscite, but the changes were enacted to abolish capital punishment for a five-year period except in the case of murder of policemen or prison guards. We had that authority for five years. It expired in 1972 and we had a debate in 1973 which took considerable time in this House. It was resolved last week and will be the law when it is finally completed in the other place and proclaimed.

● (1730)

I was pleased to hear the previous speaker say that he is a representative of his constituency. We are all representatives of our constituencies, but our first duty is to the country. We were not sent here as mere automatons to reflect the feelings and wishes of all the constituents in our communities. We were sent here to exercise our good judgment with regard to the problems that face Canada whether they be economic problems or social issues.

We have a responsibility to come to this place and inform ourselves with regard to the various issues, espe-

cially with regard to capital punishment and, if need be, the problem of abortion. After hearing the arguments and gathering all the information we have a duty to this country, to ourselves and to our constituents to exercise in all honesty our best judgment. There is no duty upon us to reflect the wishes of the various constituents. As Your Honour knows, the wishes of the constituents change from day to day.

Many people whom I met in the past few months spoke to me about their feelings concerning capital punishment. Those feelings were possibly changed as a result of discussions not only with myself but with other people. This is the democratic process, a process we must maintain. To come here and just be a rubber-stamp with regard to the wishes of the people does not reflect well on we as members or on the parliamentary process.

We had one example of a plebiscite in Canada. That was in 1942. The plebiscite was on the question of conscription. What did it prove? It proved, first, that Mackenzie King and his cabinet colleagues did not have the moral courage to make that decision. Second, the conscription issue created a great deal of ill-feeling across the country. I imagine a national plebiscite on abortion or capital punishment would obtain the same result. This is not why we are here.

The hon. member for Winnipeg North Centre (Mr. Knowles) has given me a copy of his "bible", which is called Beauchesne's. I quote as follows from section 17 on page 14 of the fourth edition of Beauchesne's Parliamentary Rules and Forms:

> Every member as soon as he is chosen becomes a representative of the whole body of the commons, without any distinction of the place from whence he is sent to Parliament . . . that every member is equally a representative of the whole has been the constant notion and language of Parliament. Every member, though chosen by one particular district, when elected and returned, serves for the whole realm. For the end of his coming thither is not particular, but general, not barely to advantage his constituents, but the commonwealth.
>
> In November, 1774, Edmund Burke was invited, on short notice, to stand for one of the two vacant seats at Bristol. He was a stranger to the place, but his colleague was a local gentleman of accommodating nature, who expressed his willingness to carry out any instructions which he might receive from his constituents.

If I remember correctly, this is one of the reasons the hon. member brought forward his bill.

> Burke was duly elected, and in his subsequent address to the electors he touched on the topic of instructions to members. This is what he said:
>
> "Certainly, gentlemen, it ought to be the happiness and glory of a representative to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents. Their wishes ought to have great weight with him; their opinion high respect; their business unremitted attention. It is his duty to sacrifice his repose, his pleasures, his satisfactions, to theirs; and above all, ever, and in all cases, to prefer their interest to his own. But, his unbiased opinion, his mature judgment, his enlightened conscience, he ought not to sacrifice to you, to any man, or to any set of men living. These he does not derive from your pleasure; no, nor from the law and the constitution. They are a trust from Providence, for the abuse of which he is deeply answerable. Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion.
>
> "My worthy colleague says his will ought to be subservient to yours. If that be all, the thing is innocent: if government were a matter of will upon my side, yours, without question, ought to be superior. But government and legislation are matters of reason and judgment, and not to inclination; and what sort of reason is that, in which the determination precedes the discussion; in which one set of men deliberate, and another decide; and where those who form the conclusion are perhaps three hundred miles distant from those who hear the arguments?
>
> "To deliver an opinion is the right of all men; that of constituents is a weighty and respectable opinion, which a representative ought always to rejoice to hear; and which he ought always most seriously to consider. But authoritative instructions, mandates issued, which the member is bound blindly and implicitly to obey, to vote and to argue for, though contrary to the clearest conviction of his judgment and conscience—these are things utterly unknown to the laws of the land, and which arise from a fundamental mistake of the whole order and tenor of our constitution.
>
> "Parliament is not a congress of ambassadors from different and hostile interests; which interests each must maintain, as an agent, and advocate, against other agents and advocates; but Parliament is a deliberative assembly of one nation, with one interest, that of the whole; where, not local purposes, not local prejudices, ought to guide, but the general good, resulting from the general reason of the whole. You choose a member indeed: but when you have chosen him, he is not a member of Bristol, but he is a member of Parliament."

● (1740)

That was Sir Edmund Burke in 1774, and what he said then applies with equal force today, or perhaps with even greater force because of the social issues which we must face. We must face them in good conscience and with the exercise of good judgment, and to abrogate our responsibility by demanding legislation determined by a plebiscite with regard to these issues is not worthy of us as members of the House of Commons. Sir Edmund Burke said we have a duty not merely to our constituencies but to the whole country. We have a duty to exercise our judgment and our conscience after hearing all the arguments relating to a particular issue.

It is for this reason I oppose very strongly the idea of a national plebiscite, whether on abortion, capital punishment or any other issue. We must not become mere rubber-stamps, and it is for this reason I totally oppose the bill.

[*Translation*]

Mrs. Albanie Morin (Louis-Hébert): Mr. Speaker, I think it is my duty today to say a few words for or against abortion.

[*English*]

I rise to speak in opposition to the bill which has been presented by the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds). I congratulate him on his desire to raise the matter in the House of Commons and on his initiative in presenting the measure. I cannot support him however, because I do not believe the solution he proposes is the correct one.

[*Translation*]

Mr. Speaker, if the hon. member had suggested for instance helping the unwed mother either by improving her conditions of life or by providing some assistance for her in society, or by creating day care centres to help her with her child, I would have supported him wholeheartedly. But what he suggests will not solve these problems.

He speaks of referendum. First of all, how would you explain the problem to the Canadian people? He would

want a referendum on abortion, and he would like the following question to be asked:

[*English*]

Are you in favour of deleting from the Criminal Code of Canada the provisions relating to abortion: yes or no?

[*Translation*]

It is not as simple as that. We must first ask ourselves what abortion is. Is it a murder or not? The question of whether the foetus is a human life or not has not been settled. Some theologians say there is life from the moment of conception, others deny it. There is no agreement on this matter. Moreover, jurists say there is no life as long as the child has not been born viable.

So until the whole problem is solved, how could there be such a referendum? The people would have to be extremely well informed before they could decide. Should the Criminal Code be amended or remain as it is? What the hon. member suggests seems to be an impossible thing to do.

[*English*]

What he wants is this: he wants to hold a national plebiscite at the next convenient opportunity, and then attempt to tie the hands of the government to bring in legislation to enact the result of the poll. I think such an approach is entirely inappropriate both from a traditional, constitutional and parliamentary point of view, and having regard to the nature of the issue involved. It is on this latter point I should like to dwell for a moment or two.

Should Canada decide upon the kind of abortion laws it ought, or ought not to enact, on the basis of a national poll? First, the bill proposes to hold the poll in conjunction with the next federal election, whenever that might be. To link such a vote to a general election could exercise a serious distortion of influence on that election in terms of the turnout, the focusing of issues, and so on. It would be surrounded by all the election politicking which normally attends a general election campaign. This could seriously distort the issue. The two votes should be kept entirely separate if an accurate expression of public opinion is desired.

Yet how can a plebiscite be taken on such a question? I should like to refer now to two surveys which were made some time ago. In March, 1971, in that month's edition of *Chatelaine* a report was made of a survey conducted by the magazine involving 6,000 respondents. The author of the report came out, apparently, in favour of abortion on demand. The results of the survey, according to the author, "overwhelmingly bore out opinions we have expressed that abortion should be permitted on demand up to the twelfth week of pregnancy." The report went on to say there was increasingly strong support for abortion on demand as the age of the respondents decreased.

The CBC made another survey. The CBC discovered many subtle modifications and shades of meaning in views expressed by the public on this issue, one which could not be settled with a quick yes or no answer. The CBC reported:

> Older people tended to be more inclined than younger people to feel that the law was already too permissive. Younger people were more inclined than their elders to feel that greater permissiveness was required.

So nothing at all was proved.

[*Translation*]

Mr. Speaker, had the hon. member emphasized instead the prevention of pregnancies among teenagers, students, or still, more extensive sex education in high schools, I could have supported his bill. But, at the present time, before suggesting a referendum on abortion or even the advisability of deleting from the Criminal Code the relevant provisions, the public would have to be informed, which is practically impossible at present. That is why I could not support the bill introduced by the hon. member.

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, apparently, it would seem that I have the honour today of aborting the discussion on Bill C-40. Of course, there are many things that I should like to see go wrong in the world in which we live today, but I am not prepared to agree that there is a need to go so far as to eliminate human life in a mother's womb. For example, I could talk about the necessity of aborting a proposed political union of the maritime provinces or the necessity of aborting a proposed corridor in the state of Maine, but that is not the case in point.

• (1750)

I found the bill rather interesting and I feel that it takes a lot of guts to bring such bills before the House. The issue of abortion should be considered more seriously than has been the case. It was often described at first as an issue which should not remain at a strictly emotional level. We live in an ever changing society and I know by experience that the ideas of some of my colleagues on this subject change from day to day, so to speak.

We live in an essentially dynamic society, dynamic in its concepts of welfare programs, dynamic also in its way of considering public morality. The legislator cannot indifferently consider abortion merely from an emotional or moral point of view. There is more than that to it, something specific to the very integrity of a person. I do not intend to engage in a theological or moral debate. I might do so under other circumstances. Above all, I would like to consider at some length the objective sought by the sponsor of the bill today. But before making any comments on the object of the bill, I would like to consider immediately section 5 which states that according to the result of a referendum during the first session of the House of Commons, next following such plebiscite, the Minister of Justice shall introduce a measure to amend the Criminal Code of Canada to provide for enacting into law the result of such plebiscite. What I do not like about this clause 5, Mr. Speaker, is that the sponsor seems to have taken for granted that the results will be favourable and in accordance with the objective that he is seeking.

And I know by experience that there could be some surprises. Is it really necessary to try to find out what Canadians think about this matter, as proposed in the bill?

In clause 4 of the bill, the sponsor has drafted the question he would like the electors to be asked and which reads as follows:

"Are you in favour of deleting from the *Criminal Code* of Canada the provisions relating to abortion?

1) Yes

2) No

It seems to me that this is really not the proper way to put such a question. I think I am right in saying, and this probably applies throughout the country, that less than 10 per cent of the electors would understand the meaning of the question and, in all likelihood, wrong conclusions would be reached.

This type of question is obviously difficult to draft so that it is legally acceptable and clear and that it shows unequivocally the will of the people on the subject.

But I disagree entirely with the way it is presented and I think it should be put in more direct terms: "Are you for or against abortion?" Personally, I am against; I want this to be well understood by the hon. members and also by my constituents who sent me many letters expressing their feelings, their desires, their wishes as to the position which they thought I should take on this matter.

When issues as sensitive as this one are discussed, it must first be asked who has the responsibility to decide whether something has to be done or not.

The government is not there to lead the citizens of a country. They can do it in some cases and it is obvious that it has been done in the realm of regional economic expansion. The present government gives a very strong leadership in this area.

They are right to do so because they have the necessary financial resources to reach their predetermined aims. But on the individual level—and I want my wife to agree with me on this subject—, when we have to discuss such a serious matter as abortion, we want to discuss it and to take a decision together. This matter depends on the most intimate right of the family to protect itself and consequently also on the right of society to protect itself.

I regret that our children are submitted to a publicity which is really too noisy and which, in my opinion, is openly advocating free abortion, abortion in all circumstances, without any control and very often without any worry about the individual's health.

This kind of publicity is very often done in a sly way by leading people, for instance, who in the accomplishment of their job, do not openly favour abortion but who, in their private lives, make it known through the use of newspapers that they are for it.

When we see their faces on TV ... Mr. Speaker, may I call it six o'clock?

Mr. Speaker: Order, please. The hour appointed for consideration of private members' business having expired, I do now leave the Chair.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CANADA PENSION PLAN (No. 2)

AMENDMENTS RESPECTING ANNUAL INCREASES AND LEVEL OF INCOME ON WHICH CONTRIBUTIONS PAID

The House resumed consideration of the motion of Mr. Lalonde that Bill C-224, to amend the Canada Pension Plan, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Maurice Foster (Algoma): Mr. Speaker, I should like to say a few words in the debate on Bill C-224 to amend the Canada Pension Plan. Let me add my words of congratulation to the Minister of National Health and Welfare (Mr. Lalonde) to those he has received from both sides of the House on the introduction of this measure. There can be little question about this being a most significant bill to the benefit of a good portion of our Canadian population. I understand that in fact some 500,000 Canadians will receive increased benefits when the bill is passed, commencing January 1, 1974. These increased benefits are quite significant, ranging from 5 per cent to 20 per cent.

In addition to the immediate effect, there are significant changes proposed to the Canada Pension Plan which will have an impact on all generations of retired individuals who receive the benefits of this legislation. The minister is also to be congratulated in that he received full support from the provincial ministers of welfare during meetings held earlier this fall. This area of funded pension plans is shared by the federal government, and the provincial governments; it is an area of provincial as well as of federal responsibility. Indeed, the existing act requires the federal government to give the provincial governments two years' notice of changes, and that the provinces must support those proposed changes.

In this regard, I read an article in the Ottawa *Citizen* last night written by Don McGillivray under the heading "Pension changes could be illegal". Mr. McGillivray proposed that changes to the act may in fact be illegal. This is simply nonsense. All the provinces have agreed to the changes taking place as a result of amendments to the act which parliament previously passed. What parliament can do, it can undo. In this case, clause 8 of the bill before us sets aside the two years' notice which must be given to the provincial governments. This is simply changing or setting aside by legislation that provision for the purposes of this bill. Surely there is no foundation whatsoever, in a legal or parliamentary sense, for the type of suggestion made by Mr. McGillivray.

The minister is to be commended, as well, for the response he has received from members of this chamber, especially those on the other side of the House. I detected a note of support for the legislation he has brought forward in this bill.

The provisions of the Canada Pension Plan have many ramifications in that it involves retirement pensions, survivors pensions, disability pensions and provisions for

orphans pensions. Compounded with federal-provincial jurisdictional aspects is the fact that the Canada Pension Plan is interlocked with the Quebec Pension Plan in order that we have a plan which is portable across the country. The bill before us, in conjunction with amendments to be made to the Quebec Pension Plan, will bring the benefits close to a parallel position and will facilitate the movement of Canadians from one part of the country to another.

Our system of pensions in Canada is based upon the universal old age pension and is tied to the cost of living. Benefits increase whenever there is a cost of living increase. In addition to the Canada Pension Plan, many groups of workers have their own private plans. The bill before us implements many of the agreements made at the welfare ministers conference of October 11 and 12 of this year. Many aspects of the agreements of those dates await another bill to be brought before the House very soon, as indicated by the minister last evening.

I was interested in the communiqué from the conference of welfare ministers, especially the part about other areas on which they did not reach agreement but which need further discussion before action can be taken. I read a short section of this communiqué as follows:

> The federal and provincial governments noted in the course of the conference that there remain a number of additional concerns about the Canada and Quebec Pension Plans including, for example, the equality between men and women with regards to contributions and benefits; non-contributing spouses; the suggestion that early retirement provisions should be built into the Canada and Quebec Plans; the level of survivors and disability benefits; and other matters. These will receive priority attention.

This is most encouraging as I believe there is great support in the country for equality between men and women in respect of the Canada Pension Plan. I certainly support this and feel there is need for change so that housewives are eligible to contribute. I have in mind various small businesses which are not incorporated and where the wife is very active; perhaps it is a small family business or farm. I think we should look into this aspect. If an individual does not have a private plan, these benefits, although they are good, would not provide a complete source of income on retirement.

I should like to refer to another matter that should be considered, although it does not specifically relate to the Minister of National Health and Welfare but to government activities so far as the Canada Pension Plan is concerned. I refer to the person receiving the disability pension. In order to receive a disability pension under the Canada Pension Plan a person must be, so far as medical evidence can indicate, permanently disabled. It seems to me that in the amendment made to the Income Tax Act a year or so ago, provision was made for an additional personal deduction of $1,000 for a disabled person. However, this is a rather restrictive type of deduction: it requires a person to be bedridden or severely handicapped.

● (2010)

If a person is disabled to the point he will receive a permanent disability pension under the provisions of the Canada Pension Plan, I think he should be entitled to the additional deduction under the Income Tax Act. I have written the Minister of Finance (Mr. Turner) on this point and he has assured me, and a constituent who inquired about this matter, that it would be considered in the future. I hope this suggestion will receive the support of the government.

I believe that to place this bill in complete perspective we must consider the overview that it is part of the government's complete review of its social security program which was outlined in the booklet entitled "A working paper on social security" which the Minister of National Health and Welfare (Mr. Lalonde) introduced last April 18. I certainly like this approach of setting out definite objectives in the social security field. I believe we should do this in other fields as well.

I am not suggesting that we should bring down positive solutions but, rather, that we should define the problems, set out possible ways to correct them and then go to work in an orderly and constructive way to solve them. This is what has been happening since last April when a time limit of five years was placed upon the phasing-in of the program and two years to adopt it.

The field of social security is a complicated one because there is shared jurisdiction between the federal and provincial governments. Certainly much progress has been made. We realize that 1973 perhaps will be a year in which a long step forward will be made in the field of social security in Canada. Some people may be interested in the economic development of our country and the 7 per cent or 8 per cent increase in our rate of growth; but many people also will be concerned with the progress which has been made in respect of social security.

When we look at the old age pension we see that it was increased from $82 to $100, and subsequently to $105. Hon. members will recall that in 1972 this pension became subject to escalation tied to the cost of living. This fall, again, that provision was tied to a quarterly rather than an annual increase. In the field of family allowances, likewise, there was an increase this fall from an average of $7.21 per month to $12 a month. There is now a bill before the Standing Committee on Health, Welfare and Social Affairs to increase it to $20 effective January 1 next. As well, there is provision in that bill for escalations to be made to family allowances in future years. Of course, this is subject to a debate in the House of Commons.

Likewise, the guaranteed income supplement, which really is part of the old age security, has been increased. This guaranteed income supplement was designed to fill the gap which would occur between 1965 and 1975 while the Canada Pension Plan is reaching full maturity as a funded program, at which time full pensions would become available to the beneficiaries. It seems to me the next item we should be dealing with in our review is the guaranteed income supplement, especially as it relates to the situation where the spouse of the retired person is under age 65. I believe there is some urgency in this regard.

I often receive letters from constituents to the effect that the husband—it could be the reverse; it could be the wife—has retired and the wife is five or ten years younger. In such case only one benefit is received under the guaranteed income supplement. I believe there are many occasions on which there are very serious, almost tragic circumstances because in most of these cases there is little

other benefit available to these people. In the near future I should like to see a move to provide that in the case of a dependent spouse of a person retiring, the couple will be in a position to receive the full guaranteed income supplement.

I am not aware of the total cost of such a program, but anyone receiving the guaranteed income supplement receives it on the basis of a means test or because there is real need. It would seem that many people would not qualify for this, and often in a case where the husband and wife differ in age by only a year or two it would be payable only for a couple of years. Perhaps we could consider moving the age to 60 or even 55 in the near future.

There would seem to be a real need that this bill pass and become effective on January 1 because of the benefit it will provide to recipients under the Canada Pension Plan due to the impact of inflation and rising costs. The bill will raise the yearly maximum pensionable earnings to $6,600 in 1974 and to $7,400 in 1975. As the minister indicated in his speech last night, in the near future another bill will be brought forward which will increase this figure at an annual rate of 12½ per cent per year until it reaches the average earnings of Canadian industrial workers.

The bill removes the 2 per cent ceiling on escalation of benefits to compensate for the rise in the cost of living. This is tied to the consumer price index. It is likewise proposed that the purchasing power which has been lost due to inflation since 1967, when the benefits first started being received, would be restored by having a catch-up clause in the bill so that a person who started receiving benefits in 1967 will receive a 20 per cent increase as of January 1, 1974. Those who started receiving benefits in 1973 will only have an 8 per cent increase. There will also be an increase in exempted earnings from $600 to $700 a year.

I understand that in the future the minister will be introducing a bill to reduce the present 12 per cent increase in this regard to 10 per cent. It seems to me this provision is very important because this amount should reflect escalating costs in the country, and the casual worker who works for a week or two in a year does not want to have to contribute to a fund if he will not be eligible to receive benefits from it.

● (2020)

It is my understanding that the earnings test, likewise, which was agreed to between the provincial governments and the federal government will be removed for persons between the age of 65 and 69. However, that provision is not incorporated in this bill but will be contained in the next bill which the minister indicated will be brought forward in the near future. I know a person in this age group who is 67 or 68 years of age and who was working at a job. He was receiving a rather low income and would have been better off receiving the guaranteed income supplement. However, he wanted the feeling of dignity, of being able to pay his own way, that working at this part-time job gave him. Yet he was penalized because he could not receive the benefit.

So that feature, when it is brought forward in the next bill, will be most important. I think the present measure is a disincentive for people in this age group. We want to see those of our senior citizens who are well enough, able to go out to work and be active. They have a great deal of experience and knowledge and should be contributing in a way in which they want to contribute. Therefore I welcome that change.

It is interesting to note that the changes in the bill before us will increase the maximum benefit from $90 a month this December to $134 a month by 1975, a period of only two years but a 50 per cent increase in benefit. It is projected that by the end of this decade the benefit will reach $250 a month. Likewise, there are increases in the benefits for orphans of some 20 per cent, in widows' pensions, disability pensions and disabled widowers benefits.

Therefore it seems to me we do have before us tonight an important bill that will bring a great deal of benefit as of January 1, 1974, to 500,000 Canadians receiving benefit, and to all of us when we retire.

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I appreciate the opportunity tonight of making a few comments on the bill that is presently before us, for we realize that a number of fundamental issues are dealt with in the bill under discussion. The minister has indicated that this bill will be followed by another measure designed to take care of several other matters, perhaps of lesser urgency than these. We are looking forward to seeing that bill as well because, putting them all together, we trust they will result in improvements in the operation of benefits of the Canada Pension Plan that will be shared by Canadians across the country.

May I say at the outset that I appreciate the problems that are faced by the government in its attempt to negotiate satisfactory solutions to income security problems with the ten provinces in view of the fact that such a high degree of accord is necessary before any premiums can be introduced. We are given to understand that the bill now before us is the result of a long period of negotiation between the federal government and the ten provincial ministers of health and welfare across the nation.

The two measures which we are asked to approve are, to say the least, long overdue. I would refer hon. members to *Hansard* for March 23, 1972, when my colleague, the hon. member for Simcoe (Mr. Rynard), moved a motion of non-confidence in the government over its failure to do the following:

> contribute to pensions allowances and other benefits . . . a yearly percentage increase corresponding to the percentage increase in the consumer price index for Canada.

Of course, the government voted against that motion. Perhaps this is understandable; nevertheless, they did refuse to accept the suggestion that the measure they are now bringing forth and the provisions they are now introducing were in order at that time. However, since that time—especially since October 30, 1972—the government, for some not so strange reason, has become somewhat more sympathetic to the needs of pensioners in general across Canada.

I would like to join other members in congratulating the minister for adopting in this bill one more of the many constructive proposals made by the party to which I belong.

Some hon. Members: Hear, hear!

Mr. Patterson: We have been pushing for this action for some time and again, as in other instances, the government has seen the light. Because of this, we commend them. It is interesting to note in this respect that in the document "Review of issues in amending the Canada Pension Plan" a number of tables are used to illustrate various aspects of the plan. These tables were taken from the Canada Pension Plan actuarial report published in Ottawa on December 31, 1969, and are based on what appears to be, in retrospect at least, a rather ludicrous assumption about the rate of inflation in this country.

We can hardly blame the authors of the "Review of issues amending the Canada Pension Plan." They were probably using the only figures available to them at that time. However, I do feel that the government department which prepared this report was somewhat misinformed, or at least ill-prepared in basing its statistics on what is termed moderate inflation of 3.4 per cent a year. If this matter were not so serious, I am sure it would cause some mirth in the House. Not many Canadians can remember when inflation in this country was only 3.4 per cent. In 1968 it averaged 4.8 per cent, in February, 1971, it was 8.1 per cent, and over the last year I believe the rate has been in the vicinity of 8.7 per cent, with the very important categories of food and shelter at a much higher rate than that. So it can hardly be classed as moderate inflation. Now, at least, under the provisions of Bill C-224 Canadians will not be victimized by runaway inflation in respect of their Canada Pension Plan benefits, for provision is made to tie the benefits payable under the plan to the cost of living index.

On the subject of the escalation of maximum pensionable earnings from $5,600 this year to $6,600 in 1974 and $7,400 in 1975, I can only say that this is an improvement, although I feel that consideration should be given, when the bill reaches committee stage, to raising the maximum pensionable earnings even more. From the information that is at hand, I do not think the government would have any difficulty in going to the provinces and saying that parliament wants the earnings level set at $7,800, $8,000 or some higher figure.

● (2030)

I note that in the statement made by Mr. Rene Brunelle, of the province of Ontario, at the meeting of ministers of social services and rehabilitation held on October 11, 1973, he said, "Ontario would favour that the earnings ceiling be raised to $9,500 in 1975." I also wonder why the federal government has abandoned its proposal of $7,800 in 1975. Here I would like to quote from a document entitled "Working paper on social security in Canada," commonly known as the orange paper, distributed under the signature of the Minister of National Health and Welfare (Mr. Lalonde). The following appears at page 21:

For its part, the Government of Canada would favour full escalation of the pension benefits, and the increase of the year's maximum pensionable earnings to $7,800 by 1975.

Perhaps when he speaks again in this debate the minister can tell us what has happened to that proposal. In so far as the bill would restore parallelism between the Canada and the Quebec Pension Plans in the area of contributions, the escalation of current benefits and future retirement pensions, I can state categorically that I agree that this parallelism must exist so that individuals who move from Quebec to other parts of Canada, or vice versa, will not be penalized in relation to their pension plan contributions or benefits. However, there are other matters with respect to the Canada Pension Plan that I feel need examination and change.

I am not one who cares to use the word "discrimination" indiscriminately, for I believe it is largely overused and overworked; but there is one element of the Canada Pension Plan which leaves the government and parliament open to the charge of discrimination. There is a general oversight in the Canada Pension Plan as it relates to housewives. I know that I am not the first member to bring this matter to the attention of the House; others who have preceded me have done so. But I think it is a matter of real concern which should be taken under advisement and dealt with favourably.

It would probably be more correct to say that the Canada Pension Plan does not relate to housewives, and that is why I say it is an oversight. I feel, and I am sure many in my party feel, that the government should devise some mechanism whereby housewives could contribute to the Canada Pension Plan and benefit upon retirement or upon reaching retirement age. Of course, there is some question as to whether a housewife ever retires. In the event of the death of her husband, a housewife could then receive a more adequate income.

I am sure many hon. members, if not all, could relate many instances of this kind that have been brought to their attention. Personally, in my records I have many instances of widows who now find themselves with inadequate income. They are not able to go out to earn supplementary wages and are in serious straits. If they were brought under the provisions of the Canada Pension Plan, this at least would give some assistance to them in their efforts to make ends meet.

I could mention other categories. I do not know if they would fit under the provisions of this measure, but I would like to state that there are many, even in the age bracket below 60, who because of physical disabilities are unable to enter the labour market and cannot make ends meet. Yet they have been completely unable to obtain any form of assistance, either from provincial or federal agencies, and have reached the point of desperation. This is a category that should be given immediate consideration, because while we recognize the importance of providing a better income for those who are receiving at least some income, there are others who find it practically impossible to cope with the increased cost of living and, as I say, some are reaching the point of desperation.

I have just received a communication from a lady for whom I have been making representations for some time. She tells me she has received word that one of her sisters took her own life, and she writes that perhaps she should

have been the one to do that. This just shows that there are categories of citizens in Canada who are sorely in need; yet no matter which way they turn, the doors are closed. The authorities should see to it that such situations do not materialize in this country, a country which we consider to be so affluent.

Secondly, Mr. Speaker, I would favour the complete elimination of the earnings test for pensioners aged 65 and over. As it stands now, individuals between the ages of 65 and 69 cannot earn extra income over $960 a year. Consideration should be given to raising the total permissible earnings. I realize we want to make sure that a person is retired before he starts to receive the Canada Pension, but at the same time we should be aware that many of our older people are having a difficult time. If they do try to supplement their income through part-time work bringing in over $960 a year, we should not penalize them by taking away part of their contributory pension.

I am not going to read all the letters that I have before me; I will make reference to only one or two. I have a letter from a man who was superannuated and found he had to go out and supplement his income. Now he finds that if he continues to work he will lose some of the benefits available under the Canada Pension Plan. He believes that people in that position should receive some relief and the ceiling should be raised possibly to $2,000.

I have another letter from a gentleman aged 68 years who is retired and receives a small amount under the Canada Pension Plan. Because of physical needs he had to secure a part-time job. Now he finds that if he continues with his job he will lose part of the little pension he currently receives. I could mention other instances of people in the same position. These individuals should not be penalized because they go out and make a little extra money in order to meet unforeseen expenses caused by illness and other circumstances over which they have no control.

● (2040)

Thirdly, I would like to see the government lower the age of retirement for guaranteed income supplement, old age security and Canada Pension Plan purposes to age 60 beginning with an immediate reduction to age 64 and a yearly reduction thereafter. I have made this point before, as have other members of this party, and I feel action should be taken immediately in this connection. My position then, is that the retirement age should be progressively lowered to age 60.

If there must be an earnings test for those aged 60 to 65 for Canada Pension Plan purposes, consideration should be given to raising the amount of permissible earnings to in excess of $960 per year as it is today.

I understand from the communiqué which was issued by the conference of ministers of health and welfare on October 11, 1973, that a degree of accord has been reached on this point. The communiqué reads in part as follows:

> It was also agreed where the Canada Pension Plan operates that, effective in 1974, retirement pensions will become payable at age 65 to any person who has ceased to contribute to the plan, regardless of his or her earnings. Thus the earnings test which has been applied to people between 65 and 69 will be eliminated. The government of Quebec has already liberalized the earnings test under the Quebec Pension Plan.

I would urge the government to bring forth legislation to that effect quickly so that parliament can act on it in time for it to take effect in the new year. The bill before us is basically a good one, but it is long overdue especially as it relates to the cost of living index.

I do not know whether the government will be prepared to receive amendments to the bill at the committee stage. Although I was not in the House at the time, I understand there was some argument about whether this would be permissible because of its effect on the financial prerogative of the Crown. Nevertheless, I think some amendments should be introduced.

We find ourselves in a very difficult position in view of the minister's statement that these measures have been approved by the provinces. We agree that there must be consultation with the provinces, but it seems strange that when a measure is brought before us we are almost rubber-stamping something that has been agreed upon and approved by other levels of government in consultation with the federal government. I think there is room for amendment on that score.

It seems to me, however, since the Canada Pension Plan is financed, not by public funds but by employee-employer contributions, that this bill should be amendable at the committee stage and some thought should be given to raising the maximum pensionable earnings and/or the inclusion of other items which I and colleagues of mine have mentioned today. I realize it is important to pass this bill quickly, that any amendments would require the consent of the provinces, and that conceivably could delay implementation of the bill. However, from the reports that we have heard and read, and the report that emanated from the conference, it would not appear there would be much difficulty in obtaining agreement on some of the items to which reference has been made.

In conclusion, I would strongly urge the government, whether by amendment to this bill or by new, immediate legislation, to act upon the suggestions it has heard from this party and thereby make the Canada Pension Plan more effective and responsive to the needs of the Canadian people.

[*Translation*]

Mr. Fernand-E. Leblanc (Laurier): Mr. Speaker, it gives me pleasure to participate in the debate on second reading of Bill C-224, another one of the important measures introduced by the Liberal party to control the sometimes nefarious effects of inflation especially if one considers those people who are least able to defend themselves, namely the pensioners in this country.

Before getting to the thick of the matter, I think it would be in order to speak about the speech made by the hon. member for Simcoe North (Mr. Rynard) this afternoon. He stated, like several members had done before him, that the Liberal party was responsible for inflation and that it is more serious in Canada than in other countries. I was just reading tonight in *La Presse* an article under the heading: World inflation persists when consumers rule. I quote:

> The rapid inflation witnessed in North America is a worldwide and contagious disease which comes from an imbalance between demand and production capacity.

The present inflation is the acceleration of a movement which began around 1940 and has now resulted in an overall yearly increase in prices of 8 to 15 per cent in the United States, in Europe and in Japan; food prices increase even more.

Inflation is greater in the twentieth century than in any previous century. Prices have nearly tripled since 1900!

This proves that inflation is not Canada's prerogative. It is a world wide problem, as shown by the above article.

Moreover, during the debate on inflation brought about by Conservative members on September 10, 1973, the hon. Minister of Finance (Mr. Turner) delivered a speech on the problems of inflation, unemployment and economy in general, and he quoted some statistics relating to the level of inflation in different countries. I want to quote an excerpt from his speech:

In spite of the threatening pressures, Canada's performance record, both over the long and short terms, compares favourably with that of other nations. Throughout the 1960's Canada, together with Germany, experienced the lowest rate of increase in consumer prices of all the western industrial nations. Between 1970 and the middle of this year, the increase in the cost of living in this country was the second lowest among the eight leading industrial nations, namely Canada, the United States, the United Kingdom, Japan, France, Germany, Italy and Holland.

In the 12 months period ending in June, the rise in the Canadian consumer price index ranked third lowest among the eight nations.

● (2050)

In my opinion, Mr. Speaker, it was important to make the House aware of those facts. Throughout the debate on the Canada Pension Plan bill, there have been several references to inflation, obviously a related problem since this bill is a further measure aiming at offsetting its often disastrous effects.

Another member raised the matter this afternoon, that is the hon. member for Vancouver Kingsway (Mrs. MacInnis) who eloquently denounced the discrimination that seems to exist against women. She made a very good speech as she does every time she rises in this House. However, I will refer her to the press release issued on October 11 and 12 by the conference of welfare ministers where the following can be read in part and I quote:

The federal and provincial governments have noted during this conference that still other questions concerning the CPP and the QPP will require their attention, especially those relating to the equality of sexes, the contributions to be paid and the benefits for spouses who are not contributors.

And it goes on listing other existing problems which will be put right through the eventual introduction of a bill as announced by the minister himself.

In my opinion, Bill C-224 originated on January 4, 1973 when the throne speech contained this very explicit paragraph which resulted in the introduction of this bill:

Subject to the appropriate agreement being reached with the Provinces, changes to improve the Canada Pension Plan will be introduced to provide higher pensions for widows, widows with dependent children and the disabled and to make other needed amendments.

To emphasize this objective set forth in the Speech from the Throne, on September 4, 1973, the right hon. Prime Minister (Mr. Trudeau) made a speech in the House of Commons on the food, cost of living and inflation problem. He said:

[Mr. Leblanc (Laurier).]

Second, legislation will be introduced to remove the 2 per cent ceiling on the annual escalation of pensions paid under the Canada Pension Plan. The provinces will be asked for their support of this change, as required by law. Parallelling this change in the CPP, legislation has been introduced today to remove the 2 per cent ceiling on cost of living increases of pensions paid to retired employees of the Government of Canada.

As we all know, that last measure has already been passed by Parliament. We are now dealing with the first measure announced by the Prime Minister in the Speech from the Throne and the statement he made on September 4. Surely members of the opposition should not take the credit for that bill as did two members when we discussed the bill on family allowances. The hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Saint-Hyacinthe (Mr. Wagner) took the credit for the increased amounts of family allowances. I think it would be rather difficult at this time to try and take the credit for this bill on the Canada Pension Plan introduced by the minister.

I think that the tremendous work done by the Minister of National Health and Welfare (Mr. Lalonde) since January 4 should also be noted. Indeed, I have been sitting in the House of Commons for 10 years and I have yet to see a minister introduce over a period of 10 months six bills one after the other, pilot them himself and always be present in the House. That means that the minister took the time not only to pilot the bills he introduced, but also to supervise their drafting. He also had, as we all do, to look after his constituents.

The following bills were introduced since January 4: Bill C-147, and Act to amend the Old Age Security Act; Bill C-190, an Act to amend the Canada Pension Plan; Bill C-211, an Act to provide for the payment of family allowances; Bill C-219, an Act to amend the Old Age Security Act; Bill C-223, an Act to amend the Family Allowances Act and the Youth Allowances Act.

And today we have Bill C-224, and the minister assures us that there is another bill under preparation.

● (2100)

Once again, I think the opposition members should be applauding the minister for the enormous amount of work he has accomplished.

When you consider that the minister's budget stands for more than a quarter of the total budget of the federal government and that because of the adoption of many pieces of legislation the supplementary estimates will have to be increased, it must also be considered that the minister's budget is more significant than that of any province. Indeed, if you compare his budget with that of Quebec, you will find that the minister alone is doing the work of 110 members of the Quebec National Assembly since he is administering by himself a budget in excess of $6 billion.

I think one point must be emphasized. The whole of the Quebec population did realize yesterday how the federal government was helping Quebecers since they have massively voted for the Liberal party while the other parties have been flatly beaten and this thanks only to the good federal-provincial relations maintained by our minister with his ten provincial counterparts.

Last spring, in preparation for the conclusion of the federal-provincial agreement, the minister tabled an orange booklet entitled "Working Paper on Social Security in Canada". On September 25 and 26, a conference of provincial ministers was held in Charlottetown to discuss the problem of social assistance throughout the country. Finally, on October 11 and 12 a conference was held in Ottawa which resolved the current problems connected with the Quebec Pension Plan.

The agreement concluded featured five points, including the following:

First, escalation of benefit reflecting the cost of living; second, higher maximum earnings used for the calculation of benefit and contribution rates, two items that are contained in Bill C-224; third, maximum pension benefits under the Canada Pension Plan; fourth, change in employee residence; fifth, suppression of earnings and employment income evaluation for contributors aged from 65 to 69 under the Canada Pension Plan.

Since then, the minister in co-operation with the Minister of Finance (Mr. Turner) explained in detail Bill C-224 in his press release No. 118 dated October 22 that mentions also, as you can read on page 3 in the French version of the release:

Both ministers have pointed out . . .

—of course the Minister of National Revenue (Mr. Stanbury) is involved as he is responsible for collecting the contributions—

Both ministers have pointed out that passage of the bill would ensure higher benefits for the 500,000 Canada Pension Plan contributors; furthermore it would provide an increase in future pension, death or disability benefits. This legislation would also restore the parallelism between the Canada Pension Plan and the Quebec Pension Plan concerning contribution rates, escalation of present benefits and future pension benefits. This implies that the Quebec government will amend its pension plan to mesh with the Canada Pension Plan as they agreed at the last meeting of federal and provincial welfare ministers.

It is not the only field in which Federal-provincial agreements were successful, particularly those entered to with the province of Quebec. It might be good at this stage to set the record straight, because some candidate in the Quebec election tried to make the people believe that Ottawa and Quebec were always wrangling. Some claimed that those clashes were becoming more frequent at the expense of the taxpayer. There was even talk of squandering, duplication and mess.

Obviously, if those accusations were founded, there would be cause for concern, because in fact, under a federal system, the citizens elect governments, pay taxes to both levels of government and on the other hand they get services from the federal and provincial governments. They want to get their money's worth and who can blame them. They then have the right to require that the governments they elect and finance co-operate. The Ottawa and Quebec administrations are aware of that right and try to respect it.

Here are some examples of a common commitment in the interest of Quebecers that was made a short time ago: firstly, the federal-provincial agreement on family allowances. As of January 1st, 1974, every Quebec family will receive $15 a month for the first child, $20 for the second, $33 for the third and $37 for every other child, thanks to the influx of federal moneys; the ventilation of which was prepared by the provincial government.

Here is another example of federal-provincial agreements: along with other governments of Canada, the province of Quebec participates in the review of the Canadian social security system which originated, as the minister said, with the Castonguay-Nepveu report. Also, what about what was done concerning manpower centres: the federal and provincial offices already cooperate in training Canadians through manpower centres. Also, in the field of economic development, the province of Quebec and the federal government are developing a general agreement which, as the Minister of Regional Economic Expansion (Mr. Jamieson) has announced, will allow both governments to jointly identify opportunities for economic progress and apply resources to these opportunities.

There is another area, I suggest, that must be underlined, that of environment: Quebec shares with the federal government and the Ontario government in the preparation of studies on the Great Lakes, the St. Lawrence River and the Ottawa River. The federal government and the province of Quebec succeeded in cleaning the St. Charles River.

Moreover, agreements were reached on the development of national parks like Forillon, Cartier-Brébeuf in the Quebec City area and another in the St. Maurice Valley; the federal government is making arrangements with the province of Quebec for staging the Jeux de la francophonie to be held in 1974.

Of course, Mr. Speaker, I might go on quoting other matters on which agreements have been reached between the federal and the provincial governments but, in my opinion, in order to bring supporting evidence for what I said earlier, namely that federal-provincial relations are very good, even with the province of Quebec, I suggest that the examples I quoted are sufficient to show up to what extent this is true, and to contradict some memorable statements that were made during the election campaign that came to an end yesterday in the province of Quebec.

There is a point on which I would like to draw the minister's attention and about which I made a speech in this House on February 22, 1973, namely private pension plans. I suggest that the federal government might intervene, although, from the constitutional point of view, private pension plans fall within provincial jurisdiction; I suggest that this very important matter which was influenced to a certain extent by the amendments to the Canada Pension Plan might be put on the agenda of meetings to be held between interested parties from various provinces and the federal minister. Besides, I think that the minister himself has mentioned the influence these amendments will have on private pension plans. If I am not mistaken, this has been reported at page 7326 of *Hansard* for October 29, and I quote:

The changes to the Canada Pension Plan which the federal government has developed in conjunction with the provinces, and which I am committed to place before Parliament, present the government with a difficult dilemma.

As I mentioned a few moments ago, these changes will, if enacted, have a profound and long term effect on the Canada Pension Plan. Many Canadians, organizations, and Parliament

will naturally wish to examine these proposed reforms thoroughly, and with a great deal of care. This is as it should be and as I would wish it to be.

I agree with the minister that the amendments to the Canada Pension Plan will surely have an impact on private pension plans. In my speech of February 22, I made some suggestions in terms of creating, or at least of considering with provincial ministers the advisability of creating a mechanism to make pension credits universally portable.

● (2110)

In other words, Canadians 45 years of age or over are now experiencing difficulties finding employment when, for one reason or another, they lose their job, especially because of the pension fund but quite often also for some other motives. If we had a universally transferable plan, companies would not have to pay extra money when they hire a new employee because he would bring his retirement fund with him as is the case under the Canada Pension Plan.

Obviously, this is not an easy problem. I also suggested the establishment of a central agency. Some unions have done so and all employee retirement funds are brought there. When a worker takes another job but remains in the same union, his fund follows him since it is in this central agency. Maybe it would also be possible for this country to establish a central fund that would hold the credit on behalf of all concerns. At this stage, I suggest the federal minister should perhaps urge provincial governments to standardize their laws in that field as is the case now with the Canada Pension Plan. We would thus avoid what happens whenever an employer dips into funds already contributed by employees to build up a pension fund for themselves. Besides, in his very eloquent speech of October 29, the minister himself said as recorded on page 7326 of *Hansard*:

> ... the differences which had developed early this year between the Canada Pension Plan and the Quebec Pension Plan with respect to contributions, retirement pensions, and the escalation of benefits will be removed for 1974 and future years. In other words, employers and employees in all provinces will, once again, be subject to identical CPP-QPP contributions, and citizens in Quebec and the rest of Canada will receive virtually the same retirement pensions, which in turn will be escalated in a common manner to take account of changes in the cost of living.
>
> Clearly, this will contribute to the mobility of workers between all parts of Canada.

And I think such standardization should also be reflected in private pension plans across this country, which is very important since those private pension plans represent just the same an economic value of $12 billion, which is a very significant amount when it comes to making investments and, if I remember rightly, it is the third most important source of investment funds in this country.

Mr. Speaker, I obviously do not want this debate to go on any longer, and I hope that hon. members will hurry and finish the debate on second reading of this bill so that it may be passed as soon as possible in the best interests of the Canadian people and especially the 500,000 recipients who are in dire need of their money.

[Mr. Leblanc (Laurier).]

[*English*]

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I appreciate the opportunity of participating in this debate. May I say at the outset that I concur in what the hon. member for Hillsborough (Mr. Macquarrie) said when he indicated our support for Bill C-224 presently before the House. I should like to add my hope that the bill is given quick passage.

During the past few months it has become apparent that there is consensus among the provinces regarding the present amendments to the Canada Pension Plan. I think typical of the provincial response was that enunciated by the minister of social services of Ontario, the Hon. Rene Brunelle, on October 11, 1973. He described three basic objectives which he felt were important to the social services program in the province of Ontario. The first of these three objectives was the need for a substantial increase in benefits. He suggested the Canada Pension Plan benefits should be increased substantially and significantly to bear a relationship that would be realistic to the needs of pensioners as living costs and wage levels increase.

The second objective was the need for immediate action in this entire area, and he indicated that steps should be taken immediately to reorient the Canada Pension Plan to more adequate pension levels. The third objective was that of parallelism. He stated that in order to rebuild national pension harmony, the third objective should be to re-establish parallelism between the Canada Pension Plan and the Quebec Pension Plan. This objective, of course, should be sought in line with, and not at the expense of, the first two objectives.

The present amendments are in keeping, in part, with these specific objectives, although of course Ontario proposed a higher earnings ceiling as has been indicated by other hon. members. I should like to note in passing that the Ontario proposals call for the elimination of the earnings test for pensioners aged 65 to 70. In addition, the Canada Pension Plan retirement pension should be made available to people aged between 60 and 64 on a reduced basis; there should be increased benefits for widows aged 60 and over; and there should be equal treatment for men and women with respect to survivor benefits.

This is but one example of provincial consent to amend the Canada Pension Plan, and I must congratulate the minister for responding with this initial legislation. He has also indicated that further amendments will be presented to this House delineating the priorities as established by the minister and his provincial colleagues.

At the outset of the debate yesterday, the minister made reference to the working paper on social security in Canada and to his consultations with the provincial ministers of welfare, members of the Canada Pension Plan advisory committee and representatives of labour and business organizations. If I may quote from *Hansard*, as reported at page 7318 the minister said:

> Six months ago last Thursday, the government tabled its working paper on social security in Canada. This signalled the start of the joint federal-provincial review of Canada's total social security system that has been suggested by the government of Canada and the provinces.

Then further on the next page the minister said:

Shortly after I tabled the working paper of the federal government, I met with provincial ministers of welfare, and I conferred with them again two weeks ago on the reforms that should be made in the Canada Pension Plan. In the intervening period, federal and provincial welfare officials met on numerous occasions, and had jointly prepared a number of detailed studies to assist the ministers of welfare at their October meeting.

In addition, during this interval, I consulted with members of the Canada Pension Plan advisory committee, and representatives of labour and business organizations. The results of these extensive studies and consultations with the provinces and private organizations can be found in the communiqué which the provincial ministers of welfare and I issued on October 11, 1973, with respect to the agreements we had reached on the Canada Pension Plan and the Quebec Pension Plan.

● (2120)

The minister is to be congratulated for this kind of consultation with the provinces and other interested bodies. However, there is one fundamental question I should like to pursue which I cannot find answered by the minister. This is a question I feel must be answered if we are to debate intelligently the present and subsequent amendments to the Canada Pension Plan; and this question must be answered no only as it relates to the Canada Pension Plan, which had its inception in January of 1967, but also as it relates to the working paper on social security in Canada introduced earlier this year by the Minister of National Health and Welfare (Mr. Lalonde).

In the model social security system which was outlined by the minister in his orange paper he made reference to a social insurance strategy in which the Canada Pension Plan received top priority. I think the question that should be asked at this time, and that has to be answered is, will the Canada Pension Plan retain the features of a social insurance plan similar to workmen's compensation plans, or will it take on additional features more in keeping with a welfare plan or income supplementation plan?

If I may review for a moment the provisions of Bill C-224, which has been adequately described and outlined by the minister, I would reiterate that this proposal to amend the Canada Pension Plan will remove the 2 per cent limit that is presently imposed on annual pension increases, these increases being based on the consumer price index. This, of course, has been complemented by a retroactive clause which will allow for cost of living adjustments dating back to the year 1967 when recipients first started receiving benefits.

It is also my understanding that this catch-up clause will mean increases of at least 8 per cent for people receiving benefits since 1972, and a maximum increase of 20 per cent for those who have been receiving benefits since 1967. We agree with these proposals. The second provision in the bill is the escalation of pensionable earnings to $6,600 in 1974, and $7,400 in 1975.

To adequately assess the proposed legislation as it relates to the Canada Pension Plan and the orange paper on social security, I would like to place in perspective some of the background as I understand it. The act establishing the Canada Pension Plan was proclaimed into force on May 5, 1965, with collection of contributions commencing in January, 1966. In January, 1967, the first retirement pensions were paid, with disability pensions commencing in February, 1970.

Of course, the plan is universally applicable and portable throughout Canada, with benefits payable to beneficiaries whether or not they live in Canada. Participation requires a person to be between the ages of 18 and 70 and earning more than $600 a year, with employees contributing at a rate of 1.8 per cent of the contributory earnings and with a matching contribution by their employers, while self-employed persons contribute at the rate of 3.6 per cent.

Benefits from the plan are of three types: first, retirement pensions; secondly, survivors' benefits consisting of a widow's pension, a disabled widower's pension and orphan benefits; and, thirdly, disability benefits consisting of pensions for disabled contributors and benefits for their dependent children.

It is important to recall, in summarizing, that the Canada Pension Plan was introduced as a contributory social insurance program for members of the Canadian labour force with three basic objectives: first, to guarantee an income-related pension to every member of the labour force; to provide basic social insurance to each labour force member and direct dependents in the event of death or total disability; and to provide a source of capital to the provinces.

Whether by design or accident, the Canadian people have interpreted the Canada Pension Plan as a pure social insurance program, when in reality it contains important provisions such as non-earnings related benefits, giving it many of the characteristics of a welfare plan. This fundamental problem is poorly understood by the Canadian people, and the problem is compounded by the complexity of the plan and the restraint on the part of the government to clearly define the role of the Canada Pension Plan within the context of over-all income security policy.

Let me illustrate this if I may. When the guaranteed income supplement payments began in 1967, the same year in which the Canada Pension Plan commenced, the guaranteed income supplement was initially intended as a temporary program to be phased out when the Canada Pension Plan matured in 1976. With the 1970 white paper on income security, the government proposed to establish the guaranteed income supplement as a permanent program, to continue universal old age security payments and to amend the Canada Pension Plan. The proposed Canada Pension Plan amendments at that time were to eliminate two problems as defined by the white paper: first of all, gaps remaining in the income security system, particularly for widows and disabled people; and, secondly, the problem in relation to the fact that Canada Pension Plan contributions and benefits had not kept pace with the growth in average Canadian wages.

Without giving illustrations or figures, the suggested changes to the Canada Pension Plan were intended to substantially increase widows' and disability benefits and to increase retirement benefits through selective increases in the earnings ceilings. Clearly, these changes placed emphasis on the welfare aspect of the plan. It is perfectly true that the minister in presenting the orange paper on social security indicated it was a working paper. Perhaps I

may quote from page 2 of the preface to that paper on social security, the so-called orange paper, as follows:

This working paper has been prepared as the Government of Canada's contribution to the launching of this review. It is not designed to present a prescription or a panacea for every weakness in Canada's welfare system. Nor is it meant as a set of fixed proposals put forward by the Government of Canada to parliament and the provinces, for early legislative implementation. Rather it is designed to outline the broad directions of policy which would, in the view of the government, lead to a more effective and better co-ordinated system of social security for Canadians.

On the same page the minister makes reference to two specific proposals, the second being a proposal to amend the Canada Pension Plan. Perhaps I may quote again from this page as follows:

Two specific proposals are contained in this paper and the Government of Canada would like to see them implemented as soon as possible. The first would involve a very substantial increase in family and youth allowances. This is a priority which seems generally to be accepted by the provinces, and ought therefore to be capable of early implementation. The second is a proposal to amend the Canada Pension Plan so as to remove, or at least raise, the present ceiling on the escalation of pension benefits (in relation to changes in the consumer price index) and to increase the year's maximum pensionable earnings (and thus increase, over time, the maximum pensions payable). Under the Canada Pension Plan, it will be necessary to gain the support of two-thirds of the provinces representing two-thirds of the Canadian people in order to implement these proposals. We hope that this support will be forthcoming.

Again in the working paper on social security in Canada, the so-called orange paper, at page 20 the minister has outlined very specifically the social insurance strategy. In this paper he makes reference specifically to the Canada Pension Plan, the workmen's compensation Plan. the unemployment insurance plan, the Quebec Pension Plan, and more specifically proposition No. 4 which perhaps I might quote:

● (2130)

That government should continue to encourage people to save to meet the contingencies of life, and to provide for retirement, through social insurance plans. The benefits from these plans, like income from employment, should be supplemented where required from an income supplementation plan.

What is readily apparent is that at this time we once again have a discussion of a social insurance strategy in which the Canada Pension Plan has received top priority. Once again we have the impression, as we read the orange paper, that in effect we are talking about a pure form of social insurance and that once again the government has failed to define the role of the Canada Pension Plan in its over-all social security system.

We are, therefore, once again confronted with a plan that has features of social insurance not requiring internal subsidies, and in addition has features consistent with welfare including subsidies similar to other income support programs. Since it is apparent that the Canada Pension Plan can emphasize either the welfare or insurance aspects of the plan, since the minister has asked for a reasoned and sympathetic debate concerning how best to provide for the security of income for all Canadians, and since he has indicated the vital importance of the Canada Pension Plan in the total picture of income security, surely it is absolutely essential that the minister outline

the specific role the Canada Pension Plan is to play in our social security system.

One additional point which concerns me is the accuracy of the actuarial data one sees associated with the Canada Pension Plan. I am no expert in this regard, but it is my impression that the experts not infrequently have differing opinions in analysing the actuarial data associated with a normal insurance program. Surely where the problem is compounded by an insurance welfare scheme, the validity of actuarial data is doubly suspect to interpretation. I think it is important, and I hope that at an appropriate time the minister will outline the philosophy regarding this fundamental and very important issue in respect of the Canada Pension Plan with relation to the whole social insurance structure.

In conclusion, may I say I have indicated my support for this bill but I would also ask the minister to pursue those matters which have been referred to by other members of this House. The hon. member for Simcoe North (Mr. Rynard) this afternoon spoke about specific matters. He referred to the delay in having pensions approved. I would concur in that observation.

In addition, there was reference to survivors' and disability benefits and to the fact that the spouses and children of male or female contributors should receive benefits on the same basis. At the present time, husbands of deceased female contributors are not eligible for a pension unless the wife contributed more than 50 per cent of the family income.

Again, I congratulate the minister for the significant amendments but I would ask him at an appropriate time to see whether it is possible to answer some of the questions I have raised.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, as I always am, I was interested in the remarks of the hon. member for Laurier (Mr. Leblanc). Perhaps he did so whimsically, I do not know, but certainly he heaped a multitude of praise upon a rather embarrassed minister. The minister was once known as the grey eminence; but as I looked over at him as the hon. member for Laurier was speaking, he could have been described as the red eminence. I feel that the minister is really quite self-effacing; perhaps that is why he was embarrassed by this praise. He is not accustomed to it. I feel, also, the minister is deserving of some praise but I do not intend to prostrate myself before the font of "St. Marc."

The hon. member for Laurier made some suggestions. Naturally, he was pleased about the results of last evening in the province of Quebec. I would remind him that a year ago tonight perhaps members of his party were not quite so pleased about the results all across Canada. The hon. member for Laurier gave his litany of the accomplishments of the minister and other ministers in obtaining federal-provincial agreements. Naturally, we all take credit for everything we can, but I have a feeling that had the result of one year ago been a little different and we had a majority rather than a minority government, some of the many and very valuable reforms about which the hon. member spoke this evening might never have seen the light of day.

I have listened all afternoon and this evening and have read the debates of yesterday in respect of this bill. It seems to me that there are a number of recurring themes, with variations, which seem to enjoy the support of members from all parties. I certainly hope because of the widespread support for three points I will make that the minister will become convinced there is a substantial sentiment for these reforms on all benches of the House.

Perhaps in summary I might mention the three things we should be thinking about in terms of improvement to the Canada Pension Plan, and then I will try to elaborate as fully as time will allow on each item. The first item which seems to keep recurring is that we should be broadening the base of publicly-funded pensions, specifically the Canada Pension Plan, so that much larger benefits will result to the public from this broadened base. I shall go into some details about this later, but it seems to be one of the things which keeps recurring.

A number of members have touched on the second point. We should be moving toward a voluntary earlier retirement option for Canadian workers. A number of members have spoken very eloquently on the fact that we have been lowering the demand in terms of the number of years necessary to qualify for such things as the old age pension, and have asked whether we should be thinking about lowering the age in terms of the Canada Pension Plan perhaps year by year down to age 60 depending upon the resources of the country, our economic situation and the priorities of the government in respect of welfare benefits.

We know there has been much argument concerning whether this is a welfare scheme, or an insurance scheme, or some bastard mixture of both. I think perhaps the third definition might be more suitable. The third point which I think keeps coming up is that we should be adopting legislation that would permit reciprocal survivor benefits for spouses regardless whether the spouse is male or female. I know there is some interest in this particular topic, certainly by the minister because he has indicated that this is an area in which he would like to have a certain indication of support in order that he may proceed with a broadened or more important piece of legislation than presently exists.

● (2140)

In dealing with the first point having to do with broadening the base of all publicly-funded pension plans, I should like to congratulate the minister, as other members of the House have done, for the improvements he has made. There is no doubt about it, he has exhibited great leadership in this area. The fact that the pension will reflect the cost of living rather than having a 2 per cent ceiling is certainly a recognition of the justice of that move. I think it is in keeping with the other amendments we have made to such measures as old age security and the guaranteed income supplement in recent weeks.

The fact that these benefits will be made retroactive to 1967, bringing retroactive catch-up benefits of 8 per cent to 20 per cent is a step in the right direction. No one can quarrel with that. After all, you cannot shoot Santa Claus. Certainly, the raising of the yearly maximum pensionable earnings from the current $5,600 to ultimately $7,400 is also a step in the right direction. But here is a point I should like to make, because the minister has indicated that this $5,600, or $5,900, if you talk about the Quebec Pension Plan, to $6,600 is roughly 12½ per cent and the increase from $6,600 to $7,400 is again roughly 12½ per cent. I believe the minister indicated that he is considering increases at the rate of 12½ per cent in the future.

My question—and I think it is crucial in terms of my own motivation, my own value system and judgment—is: how long does the minister intend to continue doing this, because if this is to be a yearly move, the Canada Pension Plan, instead of being a supplementary plan to a plan that will pay much larger benefits, perhaps even up to 75 per cent rather than 25 per cent, moving up to 50 per cent, will be the basic plan; and then I think it is a step in the right direction and I urge the minister to take that step. But the minister has not given us a clear indication. Perhaps he will be able to do so when he consults the provinces. Perhaps he will be able to tell us how long he intends to keep pumping this plan by 12½ per cent a year. If he intends to do this for the next few years, I will certainly give him my support. I am certain that this will be explained in more detail in the next bill which will form part of this package of CPP amending bills which we have before us, have had before and will have before us.

I hope this 12½ per cent will apply for a number of years to come, because it will help to bring about the first point that I made in terms of larger benefits. The CPP, as I have said earlier, has always been considered as a supplementary plan. Now, even under the minister's old amendments, we can expect that the benefits will be raised only to a maximum of 50 per cent of whatever the average earnings were for the last three years. What I am concerned about is why we as legislators should always be content to consider the CPP as a supplementary pension plan. Why are we doing this?

The hon. member for Laurier made some excellent suggestions in terms of making private pension plans more responsive and more helpful, making them portable—a central clearing house. I think his suggestions are worth while if what we are interested in is improving private plans. I happen to be of the conviction or, if you like, have the philosophical prejudice that a goodly number of private plans are used by companies for their own ends. I have made references to this before in the House, but there are a number of disadvantages in certain private plans. Often the funds from the private pension plans are used as a cheap form of loan capital by the companies to lend, in turn, to themselves at a rate set by the companies, which is not always a competitive rate in the outside world.

Let us consider for a moment the CN pension funds. There are many millions of dollars in the CN pension plan. They are lent to investors, frequently at competitive rates of roughly 8 per cent to 11 per cent, depending on the month. But the CN's only obligation is 3 per cent in terms of earnings. Therefore, anything extra earned by that pension fund goes to the benefit of CNR. Further, frequently in these private pension plans, in spite of the fact that the bulk of the money in those plans is put forward as contributions by the employees, there are no employee representatives on the board of management.

So if you consider the fact that the major contributors have no say in how their money is to be invested, you can see that is a major flaw in the private pension plan. In many cases in Canada, unless the company wishes to reveal the trust agreement of its pension plan, there is no legislation in Canadian books, in contrast to American law, that requires them to do so. For instance, if you consider pension plans as deferred wages, it seems to me that only the employees, and not the company, should have the control of both the company's and the employees' contributions.

What I am really trying to illustrate is the fact that the $12 billion in private pension plans does not, by and large, return benefits to the workers. This means that the Canada Pension Plan must be a supplementary plan because one of the major cultural shocks, which is an economic shock, that faces anyone on retirement is the dramatic decrease in his standard of living, occasioned by the fact that he suddenly moves from his peak earnings to what is a supplementary, marginal or poverty level income because we have not ensured that the money he has invested in the private plan will pay off to his benefit in the way it should. So we come along with the Canada Pension Plan. The CPP is really doing the same thing: it is just supplementing what the private plan does inadequately. The whole thing adds up to an inadequate package; that is my major criticism.

I would like to see the CPP broadened to include a provision for greater input in terms of employee-employer contributions, if necessary, to pay larger benefits earlier. We are now providing 1.8 per cent. We could quite easily go up perhaps to 2 per cent or 3 per cent. I do not think that if a person is concerned about his retirement security he should mind contributing to a portable plan under the CPP which will provide him with benefits adjusted in relation to the cost of living, so that he can have a decent standard of living when he retires.

What happened in 1967 was that the CPP and most private plans were integrated. Here was a perfect chance for them to be stacked—but most employer and employee groups, I am sorry to say, opted for the integration of those plans. I think that in terms of the benefits they produce and the inflation factor that we have seen over the last ten years, this was a rotten decision. I think that the average person would welcome a portable contributory plan so that he would not be put in a position, if he has to retire early and has no other income, of having to face this kind of change in his standard of living at an age when he is least prepared to do so. I think we should do all we can to avoid that kind of trauma.

● (2150)

The other point on the broadening of the base—in spite of the clock I am still on point one of my remarks—is that I said perhaps 3 per cent would do it in terms of contributions. But maybe raising the maximum pensionable earnings beyond the $5,900, $6,700 and $7,400 up to perhaps $20,000 would provide for an earnings-related pension plans which would be quite acceptable to many people as an alternative to company plans. At least the provinces would have the benefit of that loan capital. At least the people who are recipients under such a pension plan would not have a supplementary plan as they would have one adequate plan for their needs.

Let us take the example of our own pension plan, as members of parliament, based on $18,000. It is stacked; it is not integrated. If it is possible to have a plan for a certain segment of society like members of parliament, which after six years can pay certain benefits, probably better benefits than any public benefit and certainly better than the Canada Pension Plan can after maybe 30 years, then surely for the average person a portable contributory pension plan that would come into force after a matter of 30 years is not actuarially impossible.

All we have to do is set our minds to do it, and ignore the lobbies of the financial institutions that are out attempting to sell supplementary plans themselves simply because the plans we have, in terms of old age security, the Canada Pension Plan, the guaranteed income supplement and the private pension plans of the companies are inadequate. So what we have is a huge market with all kinds of sales gimmicks, all based on people's fears of insecurity.

The second point I made in my introduction was that I feel we should be working toward provision of voluntary early retirement under the Canada Pension Plan. I touched on this earlier. I know the minister has considered it. I know that when he was speaking previously on amendments to the old age security plan he gave us the figures in terms of the cost of lowering the eligible age to 60 years. I know he has faced this fact and I know he has considered it. Nevertheless, the answer we always get when we ask about pension benefits in terms of the public is, "Where are we going to get the money?"

I point out that we have kept on raising benefits. True, we have scarcely kept up with the cost of living, but we have always found the money. It depends on the value system in terms of our own priorities as a government, as a parliament or as a people, in terms of how we wish to treat our older people. I get a great deal of mail in support of early retirement. There are very many people who are looking forward to retiring early, perhaps not to do nothing but to do something else with their lives because they are locked into rather boring, unrewarding and not meaningful—I do not like that word, Mr. Speaker; there must be a better word—jobs and they would like to do something else.

About a third of the people who are on our six months' unemployed list are people who are 24 years of age or under, and this has been the case for the last two or three years. It seems to me that there might be a relationship between voluntary early retirement and employment for the young. The minister might dispute this and say that it is not the problem, that the problem with the young people who are unemployed is that they lack skills; and possibly if you let people off their jobs to retire early, they would take other people's jobs, like the RCMP retirees working as benefit control officers, or retired servicemen who take jobs that other people could fill. I suggest that if pension benefits were adequate in terms of family obligations at that time in their lives, in their forties of fifties, they would be less inclined to do so. I suggest that it is possible in certain countries to do this. In Germany, railway work-

ers can retire on 75 per cent of their best five year's income after 25 years on the job.

I see it is ten o'clock, Mr. Speaker, and I think this is a good point to stop.

Mr. Deputy Speaker: The hon. member has a third point to make, so perhaps it could be agreed that it is ten o'clock. Is this agreed?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

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

SUPPLY AND SERVICES—POSSIBLE CONTRACT TO AMERICAN CHAIN AND CABLE COMPANY FOR MAIL SORTING EQUIPMENT—SUGGESTED POSTPONEMENT OF DECISION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I am delighted to see the Minister of Supply and Services (Mr. Goyer) in the House tonight, because I asked him a question on October 19 and at that time the hon. gentleman replied that he was aware of the subject I was raising in the question period and he would be pleased to review the particulars and inform me as soon as possible. Tonight we are going to give the hon. gentleman that opportunity.

I am concerned about the progress of mechanization that is going forward with some extreme speed in the Post Office Department. The responsibility for supplying the equipment has been placed in the hands of the Department of Supply and Services, and judging from statements of the Post Office Department they are speeding up the operation toward mechanization in an attempt to sort out the growing confusion in the Post Office Department and the rapid deterioration in the quality of service.

As the official spokesman for the opposition on this matter, I am inundated daily with complaints by hon. members from all parts of Canada that the postal service is far from satisfactory. When these matters are brought to his attention, the Postmaster General (Mr. Ouellet) invariably says, "Wait until we mechanize." Apparently that will be the dawning of the age of Aquarius.

The question I asked had to do with an important contract which will be vital in the success of the mechanization program. I do not think I have to give the details because I believe the minister is fully aware of them, but it is a contract for provision of bulk sorters in the major centres across Canada. The delivery date of this new equipment is vitally important. In order to meet the requirements of the delivery date it will be necessary for the manufacturer handling the task to be technically qualified, and also to have had some experience in the production of this mechanical sorting equipment. My investigations reveal that very few companies have had any experience in this field, largely because it is new; and

countries that are already mechanized, primarily the United States, have only recently become so. Of the companies submitting tenders for this contract, only one has really had the necessary experience and has demonstrated the competence required. They are now into three generations of production equipment. Huge expenditures are involved and the total cost will be around $100 million. Of that amount, $80 million will be for the coders and sorters.

● (2200)

The day I asked the minister the question he indicated that the contract had already been awarded to a company that did not meet the specifications for a performance-type contract. However, I do not think that information is correct. One of the major deficiencies was the failure to provide a mechanically-assisted sorter. The Canadian Post Office project officers on the project objected, so too did the consultant, Cole Sherman and Associates Limited of Toronto, who had been hired by the Post Office Department. These objections were overruled by the Department of Supply and Services' officials and the project officer for this specific contract was withdrawn from the evaluation process at the request of that department.

As a result of the negotiations that are going on behind the scenes there will be a delay in delivery from the proposed date of October, 1974, to January, 1975. The cost of the time slippage is approximately $100,000 a day, because if the machinery is not in place it is necessary to have two parallel staffs, those who will operate the equipment and those who will carry on in the normal sorting manual process in the event of failure of the mechanical process to go into operation at the prescribed time.

It will be readily seen, Mr. Speaker, that if there is a foul-up in the mechanization process, the confusion that currently reigns supreme in the Post Office Department will be compounded to a state of chaos. The other companies which have submitted tenders are competitive in their bids. I raise this question now because I think all hon. members are aware that one of the difficulties which arose in connection with the Unemployment Insurance Commission was the failure of its computerization program. I am still getting complaints daily because this problem has not been entirely corrected.

I am sure the minister will agree that the most precise care will be necessary to ensure that the most qualified bidder is considered for this contract.

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

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I should like first of all to apologize to the hon. member if I gave the impression that the contract had already been awarded. As a matter of fact, the contract is not yet awarded; it is still under active consideration. I am sure the hon. member will understand that it would be improper for me to disclose the negotiations which are presently taking place.

I should like to assure the hon. member, however, that I spent a lot of time reviewing this question with my officials, and the fact that the hon. member is still attracting my attention to the question is appreciated. The hon. member placed the question on the order paper on October

25. It was a very long question, with many points raised of much interest. I should like to assure him that in a very short time I will be in a position to give an answer. In the meantime, however, I cannot, of course, accept the premises of his question.

With a little hope and a little help from my officials in the Post Office, we will come to a conclusion on this very important question which has been raised.

AIR TRANSPORT—DATE OF ANNOUNCEMENT OF ALLOCATION OF ROUTE TO MILAN AND NEW ROUTES TO UNITED STATES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, during the course of the question period on September 17 I raised two questions, neither of which was answered in a satisfactory way by the Minister of Transport (Mr. Marchand). The first question I asked was, when would the government announce which Canadian carrier would be given the right to fly from Canada to Milan? Over the years, it seems to have been the policy of governments to chip away at the ability of Air Canada, a publicly-owned airline which was organized under a Liberal government administration. Over the years, Air Canada has given excellent service to the Canadian people. It seems to have been the desire of recent governments to make it impossible for Air Canada to provide the kind of service which it should provide to the Canadian people. In past years, regional routes have been taken away from Air Canada.

In more recent years, many of the most profitable international runs have been given to Canadian Pacific Airlines. For many years, CPA was given the right to fly to Hawaii and the Asian countries. Europe was reserved for Air Canada. For reasons which have never been satisfactorily explained, CPA was given the right to fly to Amsterdam, a most profitable and lucrative run.

Canada now has an opportunity to establish a service to Milan. It is obvious that Air Canada should be given that run, particularly in view of the recent rights given to CPA in various parts of the world. I cannot understand why the minister and the government have taken so long to make the announcement that Air Canada will have the right to fly to Milan. One cannot help but wonder what political clout CPA and its friends have with members of the cabinet.

There is another question I want to deal with very briefly. On September 17 I asked about the failure of the government in its negotiations with the United States to get for Canada a fair share of the new air routes between Canada and the United States. For every route which Canada gets, the United States will get two. As most of the traffic between Canada and the United States is Canadian, Canada should have done much better in these negotiations.

I know I speak for all the people of Manitoba when I say that Manitobans are incensed by the fact that the proposed agreement does not give Manitoba a Canadian carrier for passenger service between Winnipeg, Minneapolis and Chicago until 1978. Until then we must continue to depend upon an American carrier. I say to the minister and his parliamentary secretary, who comes from my city, that that agreement on the part of the government has been met with universal disapproval. I would be ruled out of order if I used the kind of language I have heard in Winnipeg to describe the agreement reached by the government. I urge the minister to reconsider and then to renegotiate the agreement he has made with the United States and to provide Winnipeg with the Canadian carriers to which it is entitled, not in 1978 but now, in 1973.

[Mr. Goyer.]

● (2210)

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, to answer the hon. member's first question with regard to Milan, may I say that the government is fully aware of the importance of designating a Canadian airline to serve Milan. This question has been with us since last year when, under the revised agreement with Italy, we obtained the right to serve Milan in addition to Rome as well as onward traffic rights beyond Italy. The Italians, of course, received the right to serve Toronto in addition to Montreal and have been doing so since last November.

Unfortunately, it has not been possible to deal with the Milan question in isolation. Canada's international civil aviation policy is under review at the present time, including the assigning of international routes to our two flag carriers. Including among the considerations taken into account in this review are maximum benefits to the Canadian travelling public and the welfare of our airlines. The Milan designation is part of this larger issue, and the government feels the decision must await the results of this basic policy review.

In his second question, the hon. member for Winnipeg North (Mr. Orlikow) made reference to a "fair share". He did not mention this in his question of September 17 as reported in *Hansard* at page 6623. However, I will answer that question. In a market as widespread as that between Canada and the United States, it obviously would not be possible for us to participate in all the new routes from the beginning, nor perhaps is it feasible from an airline resource standpoint that we should do so. In order to meet the needs of the Canadian travelling public, it would seem sensible that new services be introduced as quickly as possible. This means that in a number of cases either a Canadian or a United States airline would have to operate the route first where the current traffic offering is not as heavy as to justify parallel services.

This was a matter for negotiation, and on some routes it was decided that some United States carriers would open the routes, with Canadians to phase in, and that in other cases Canadian carriers would open the routes, with United States carriers to phase in. For example, Canada opens the Edmonton-Calgary-San Francisco route and the United States follow in phase two. Canada opens the Toronto-Dallas-Fort Worth-Houston route and the U.S. follow only in phase three. Canada opens the Montreal-Cleveland route and the U.S. enter at the very last phase. I am sure this will be understood by the hon. member.

Mr. Knowles (Winnipeg North Centre): Tell us about Winnipeg.

FISHERIES—ACTION TO ENSURE CONTINUING SUPPLY OF VEGETABLE OILS FROM UNITED STATES FOR PROCESSING PRODUCTS

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, it is so long since I asked a question pertaining to the supply and regulation of protein and vegetable oil materials in Canada that it may seem useless to discuss the matter at this late date and at this late hour. It is regrettable that this issue was not debated at a much earlier moment. But it is still, I think, of value to discuss it, inasmuch as what happened should be a lesson to Canadian governments both today and in the future and a reminder that the same blunder should never be made again.

I believe the Government of Canada panicked when it received notice that the United States had decided to place an embargo on protein and vegetable oil materials. Canada reciprocated by imposing identical legislation or regulation. But the government did not take into consideration the international aspect of the trade between Canada and other nations in these commodities. It did not take into consideration the fact that western Canada might well obtain a large portion of its requirements from the area immediately south of the border in the United States. Nor did it take into consideration the fact that the eastern seaboard of Canada exports practically all its fishmeal to the United States and the European market. It took no account of the fact that Canadian manufacturers had geared production of protein materials and vegetable oil to international demand.

It did succeed, in this restrictive measure, in disrupting the trade patterns of all these people. There was a very obvious alternative, I think, and that was that there should have been an approach to our neighbour to the south to make a deal for a trading basis on which we might exchange shipments of protein material on a unit by unit basis so that neither protein supplies nor vegetable oil supplies would be depleted. Rather, the opportunity would present itself for each individual who required these supplies to obtain them from their traditional source at better prices than would otherwise be available. The price of protein material required for livestock feed in the west was escalated because the normal source of supply was removed and transportation made up costs which were not convenient for them.

This was so precipitant and mandatory that ships already at the dock sailed unloaded with protein materials. It was so mandatory that inventories built-up in eastern fishmeal plants to the point where they could not be accommodated and the plants had to cease operations, or planned that they might have to. It was so serious that food processors could not get vegetable oils; they paid exorbitant prices for the sources that were available to them, and had to substitute to a degree that was not attractive.

I submit that had this been undertaken with the intelligence which we expect of government, and with the knowledge of the consequences of the policy, these hardships need not have existed to the degree to which they did. They could have been ameliorated by an intelligent approach. I submit that the government panicked and created a scarcity in some areas and a surplus in others. It did not take the necessary steps to trade these items in an area of convenience to Canada.

The unfortunate part of it is that shippers from the east coast of Canada who use export markets virtually exclusively for their products have found that their international trading reputation has been damaged, that they have a great deal of difficulty establishing themselves in those markets which they have used traditionally because we are no longer considered a reliable source of supply.

Mr. Speaker, this is a very poor way to approach a subject. It must be taken into consideration that we knew that certain companies in Canada requiring protein had their requirements covered on a long-term basis; that this meal was not going to be an adequate substitute for some feed manufacturers; that export markets were going to be vital and essential to them. As a result of this, processors of fishmeal in the Atlantic area, which have been hard pressed for years to make ends meet, were hurt again and lost an opportunity for profit-making. It also reduced the potential income of those people who were fishing. Taking the whole program all around, it was detrimental to virtually every user of protein in Canada. It was detrimental to every food processor who required vegetable oils. In the long run, it was detrimental to the character and the trading nature of our industry throughout the country.

This was avoidable. There should have been an attempt at negotiation. It should have been announced in this House, and people should have understood where they were going and why it was logical. It was not a matter to be studied; it was a matter where the information should have been at the government's fingertips when the decision was made.

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, Canada has now been given special exemption from normal export controls on United States soybeans and soybean meal. Restrictions on vegetable oils have not to date been lifted by the United States government. The Canadian government has not asked the U.S. for any exemption on vegetable oils as the Canadian users of this product, including sardine canners in the Bay of Fundy, have not voiced any difficulties in obtaining supplies.

● (2220)

Presently, domestically-produced vegetable oil is readily available to the fish processing industry. However, the price of Canadian domestic soybean oil is $34 per hundredweight, as compared with $27 per hundredweight for U.S. soybean oil. As a result of the price differential, the Canadian fish processors, primarily sardine canners, prefer the American product.

The recent move by the United States government to give exemptions to Canada on soybeans and soybean meal is soon likely to be extended to cover soybean oil. Further, before the end of this mounth, the 1973 U.S. soya crop is expected to reach the market. This should ensure the resumption of normal delivery from the U.S. Meanwhile, the Canadian controls on the export of vegetable oil are in place. We do not anticipate any serious problems during the remainder of the year for the Canadian fish processing industry in respect of the supply of vegetable oils.

Motion agreed to and the House adjourned at 10.24 p.m.

HOUSE OF COMMONS

Wednesday, October 31, 1973

The House met at 2 p.m.

[*English*]

PRIVILEGE

MR. WHITTAKER—SELLING OF UNITED STATES APPLES IN HOUSE OF COMMONS CAFETERIA

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, I rise on a question of privilege, of which I sent you notice, in the interests of the apple growers of Nova Scotia, Quebec, Ontario and British Columbia.

When I went to the cafeteria last evening I picked up the apple I have in my hand which was offered for sale. It has the telltale marks of bitterpit which render it unfit for human consumption. Believing it to come from British Columbia I asked to see the box, because from the code on the box I would be able to ascertain the packer and probably the grower and therefore could caution them about sending such apples to the House of Commons. But to my surprise and horror I found that the box came from Washington state.

Some hon. Members: Shame!

Mr. Whittaker: This is the height of the season for Canadian apple producers. My question of privilege is that I ask Your Honour to do everything possible to ensure that we have Canadian apples in the cafeterias and restaurant of the House of Commons.

Some hon. Members: Hear, hear!

Mr. Speaker: The Chair has three questions of privilege under advisement at the present time. Two were raised yesterday and a new one has been raised today by the hon. member for Okanagan Boundary. My understanding of the hon. member's question of privilege is that he has noticed that apples sold in one of our cafeterias or the restaurant came in a box from Washington. Of course, the evidence we have before us is that the box came from Washington, not necessarily the apples.

Some hon. Members: Oh, oh!

Mr. Speaker: I have much sympathy with the hon. member for Okanagan Boundary, particularly in view of the fact that the best of Canadian apples, the McIntosh, originated in the historic county of Dundas.

Some hon. Members: Hear, hear!

Mr. Speaker: I can assure the hon. member that the matter will be looked into.

Two other very important questions of privilege were raised yesterday. One was raised by the hon. member for Halton who complained, I believe, that a stone wall was being built in one of the doorways of his office. We have looked into this matter and some progress has been made: construction has been stopped. I assume the hon. member can still get over the wall into his office. That matter will be looked into. I am sure it will be resolved and that some other way will be found to establish the fire protection required to satisfy the fire marshal.

• (1410)

The third matter was raised by the hon. member for Prince George-Peace River and had to do with unwed fathers. I am afraid I can do very little about the problems that beset pregnant fathers.

ROUTINE PROCEEDINGS

[*English*]

AIR TRANSPORT

SUSPENSION OF TRANSAIR SERVICE IN WESTERN MANITOBA AND EASTERN SASKATCHEWAN—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I rise under the terms of Standing Order 43 on a matter of urgent and pressing importance arising from the decision of the Air Transport Committee to permit Transair, the regional air carrier for midwestern Canada, to suspend its services into western Manitoba and eastern Saskatchewan effective January 1, 1974. I ask leave of the House to move, seconded by the hon. member for Dauphin (Mr. Ritchie):

That this House urges the Minister of Transport to delay the implementation of the ATC decision until such time as the regional air policy is thoroughly reviewed and updated to meet the air transportation needs of developing areas in Canada.

Mr. Speaker: The hon. member's motion is proposed under the terms of Standing Order 43 and requires the unanimous consent of the House. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion cannot be put.

* * *

GRAIN

RAPESEED PLEBISCITE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of

urgent necessity arising from the plebiscite recently announced by the minister responsible for the Canadian Wheat Board on how rapeseed should be marketed. In view of the fact this plebiscite is stacked against the proponents of orderly marketing, I would move, seconded by the hon. member for Saskatoon-Biggar (Mr. Gleave):

That the plebiscite on rapeseed marketing be amended to include the following:

(a) Every Wheat Board permit holder should have the right to vote or failing this any producer who grew rape at least once in the last five years;

(b) That a simple majority will carry rather than the present 60 per cent;

(c) That the ballot will simply carry a "yes" and "no" category and the "undecided" category will be dropped.

Mr. Speaker: Is there unanimous consent to the motion proposed by the hon. member for Meadow Lake?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

[*Translation*]

ENERGY

INCREASE IN PETROLEUM PRODUCT PRICES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. René Matte (Champlain): Mr. Speaker, pursuant to Standing Order 43, I request the unanimous consent of the House to discuss a matter of urgent and pressing necessity.

In view of the excessive increase in the price of oil products, mainly gas and heating fuel, and of the fact that Canadian consumers, especially those with a low income, soon will not be able to face this increase, I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That the House urge the government to consider within the next 30 days the possibility of granting a discount to consumers through gas and heating fuel retailers.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not and the motion cannot therefore be put.

* * *

[*English*]

THE CANADIAN ECONOMY

GOVERNMENT STATEMENT RESPECTING INFLATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to move a motion under Standing Order 43, the reasons for which are quite apparent in the motion that I ask the House to agree to have put. My motion is:

[Mr. Nesdoly.]

This House urges the government to take steps to ensure that the false statement which appears on the literature accompanying the OAS cheques just issued and which states "although inflation is a worldwide problem . . . the government are taking all reasonable steps to keep it under control and to minimize its effect" be corrected by the inclusion at the time the next cheques are issued of the true facts to indicate that the government has failed to take reasonable steps in this regard.

Mr. Speaker: Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The hon. member for Rimouski.

Mr. Baldwin: I rise on a question of privilege.

[*Translation*]

Mr. Allard: Mr. Speaker—

Mr. Speaker: I apologize to the hon. member for Rimouski, but I think that the hon. member for Peace River is rising on a point of order.

[*English*]

Is the hon. member rising on a point of order?

Mr. Baldwin: On a question of privilege, Mr. Speaker. Because the literature in question states that the Canadian parliament and the government are taking all reasonable steps to keep inflation under control, as a member of the Canadian parliament I wish to take this opportunity, as I think I am entitled to do, to disassociate myself from this cruel hoax the government is trying to perpetrate on the old people of this country.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lalonde: I rise on a question of privilege, Mr. Speaker, as my name has been associated with this matter. I can give the hon. member the assurance that at the next opportunity I will try and see to it that any such message will exclude him from those who are trying to do everything they can to control inflation.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

* * *

[*Translation*]

ENERGY

SUGGESTED RETURN TO DAYLIGHT SAVING TIME TO REDUCE CONSUMPTION OF ELECTRICITY AND OIL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, under Standing Order 43, I rise on a matter of urgent and pressing necessity.

In view of the lack of energy resources and in order to check the present crisis as concerns electricity and fuel resources while fighting against inflation and living in the light of day like during World War II, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That the government order a return to Daylight Saving Time and act accordingly.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

PENITENTIARIES

ALLEGED DRUG PROBLEM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, in view of the prevalent illegal use of drugs in Canadian penitentiaries, as indicated in the statement by John Maloney, Regional Director for the Canadian Penitentiary Service, that there is an immediate drug problem in all Canadian prisons, I ask leave, pursuant to Standing Order 43, to move that this matter be referred to the Committee on Justice and Legal Affairs.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

BUSINESS OF THE HOUSE

DESIGNATION OF THURSDAY, NOVEMBER 1, AS ALLOTTED DAY

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I should like to advise the House that tomorrow is to be an allotted day.

* * *

COMBINES INVESTIGATION ACT

REMOVAL OF EXEMPTION OF CONSPIRACIES RELATING TO EXPORTS

Mr. Frank Howard (Skeena) moved for leave to introduce Bill C-226, to amend the Combines Investigation Act.

Some hon. Members: Explain.

● (1420)

Mr. Howard: Mr. Speaker, under the Combines Investigation Act it is an illegal practice to conspire to fix prices of commodities, but there is a provision in section 32(4) permitting companies in fact to sit down and conspire legally to fix prices for export purposes. Once having done that, the fixed or agreed upon price becomes the price for domestic purposes as well. In other words, Canadians thereby become the victims of legalized theft. The provisions in section 32(4) and (5) came about in 1960 as the result of an open conspiracy between the Conservatives and Liberals in those days.

Mr. Speaker: Order, please. The hon. member appreciates that the Standing Order allows him to make a very brief explanation of the bill and not to argue the bill as he might on second reading. I suggest to the hon. member that perhaps he is going beyond the very strict limitations imposed by Standing Order 68.

Mr. Howard: Certainly I had no intention of doing that, Mr. Speaker. As a matter of fact, I am surprised that I got as far as I did.

Mr. Speaker: Order, please. The hon. member has gone as far as he should. Is it the pleasure of the House that the hon. member shall have leave to introduce the said bill?

Some hon. Members: Agreed.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

*AIR CANADA COMPUTER SYSTEMS CENTRE, DORVAL, QUEBEC

Question No. 2,543—**Mr. McKenzie:**

1. From where will the personnel to staff the new Air Canada Computer Systems Centre at Dorval be recruited?

2. (a) What other Air Canada departments will occupy the building (b) from where will personnel to staff these departments be recruited (c) will any Air Canada employees be moved to Dorval from other cities?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the management of Air Canada advises as follows: 1. The new centre will be staffed by personnel promoted from other computer facilities in Montreal and elsewhere, as well as by personnel recruited from outside the company.

2. (a), (b) and (c) Other departments who occupy the building have not yet been determined, but none will involve staff or recruitment from locations other than Montreal.

Order Paper Questions

GOVERNMENT POLICY RELATING TO BUTTER STORAGE

Question No. 2,648—**Mr. Reynolds:**

Are 70 million pounds of butter currently in storage in Canada and, if so, what is the government's policy in regard to disposing of same to the Canadian consumer?

Hon. E. F. Whelan (Minister of Agriculture): No; butter stocks which are required for domestic consumption are at the support price of 71 cents per pound.

STORAGE OF NATIONAL MUSEUM ARTIFACTS

Question No. 2,658—**Mr. Forrestall:**

1. With respect to answer to Question No. 2,207, which indicates that two of the 17 locations presently used to store historic artifacts will be upgraded this year, what steps will be taken to upgrade the remaining 15 storage facilities to prevent deterioration of artifacts set aside for future generations of Canadians?

2. Does the government consider that such storage and preservation facilities require upgrading to prevent serious losses due to poor or inadequate climatic control facilities in terms of humidity control, heat limitation and other factors essential to preserving articles of historical significance, broadly defined, for future generations of Canadians and, if not, what specific plans does the government have to make such provisions in the immediate future?

Hon. James Hugh Faulkner (Secretary of State): 1. I am informed by the National Museums of Canada that an invitation to tender has been called to upgrade the textile storage area at 1523 Laperriere Avenue, Ottawa. It is planned to expand the humidified storage area of historical artifacts.

2. The other fourteen storage locations are considered adequate for the type of artifacts stored, except as noted hereunder. Ashton Press Bldg., Bells Corners, Ontario: As soon as adequate storage facilities become available, artifacts of the Ethnology and Folklore Divisions will be moved. 7 Murray Street, Ottawa, Ontario: As soon as adequate storage facilities become available, artifacts of the Canadian War Museum will be moved.

OFY FUNDS TO CONSTITUENCIES REPRESENTED BY LIBERAL AND CONSERVATIVE PARTY MEMBERS OF PARLIAMENT

Question No. 2,671—**Mr. Cossitt:**

What was the total amount of OFY funds allocated in 1972-73 to constituencies represented in the House of Commons by (a) Members of the Liberal Party (b) Members of the Progressive Conservative Party?

Hon. James Hugh Faulkner (Secretary of State): It is not possible to answer this question, since the allocation of the funds of the OFY programme is done within a framework of regions and sub-regions and not within the framework of electoral constituencies.

FOOD PRICES REVIEW BOARD

Question No. 2,702—**Mr. Lawrence:**

1. What is the estimated amount of expenditures to be incurred by, for or on behalf of the Food Prices Review Board during the current fiscal year?

[Mr. Guay (St. Boniface).]

2. What amount was estimated for the current fiscal year for consultants, "outside" research and other non-direct expenditures by the Board?

3. What is the estimated cost of salaries and expenses for the Board (a) members (b) employees for the current fiscal year?

4. What is the estimated cost of the research program announced by the Chairman of the Board on Friday, September 7, 1973 relating to the use of eighty (80) university graduate researchers?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): 1. $977,000.

2. $270,000.

3. (a) $67,000; (b) $348,000.

4. $110,000.

ROCHDALE COLLEGE, TORONTO

Question No. 2,776—**Mr. Hellyer:**

Is Rochdale College, Toronto, a registered charitable organization for purposes of federal income tax and, if so (a) on what date was this designation given (b) what is the registration number?

Hon. Robert Stanbury (Minister of National Revenue): In so far as the Department of National Revenue is concerned Rochdale College is not a registered Canadian charitable organization as defined in paragraph 110(8)(c) of the Income Tax Act.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

PRIVATE SECURITY PROTECTION IN GOVERNMENT BUILDINGS

Question No. 1,790—**Mr. Latulippe:**

1. What buildings (a) owned by the government (b) leased by the Government in the Ottawa-Hull area are protected by private security services?

2. What are the names of such firms?

3. What was the total amount of the protection contract for (a) 1971 (b) 1972?

Return tabled.

APPROVAL OF NEW HORIZONS PROJECTS FOR PROVINCE OF QUEBEC

Question No. 1,932—**Mr. Lambert (Bellechasse):**

How many New Horizons projects were approved for the Province of Quebec and what were the amounts paid in each constituency to April 15, 1973?

Return tabled.

FINANCIAL ASSISTANCE TO CANADIAN ARTISTS AND SCHOLARS

Question No. 2,427—**Mr. Yewchuk:**

1. For the years 1970, 1971 and 1972 inclusive, how many Canadian artists and scholars received (a) fellowships (b) grants to work or study in (i) France (ii) Belgium (iii) Switzerland (iv) Federal Republic of Germany (v) Italy (vi) Netherlands (vii) U.S.S.R. (viii) India (ix) U.S. (x) others?

2. What was the place of birth of each individual who received the fellowships and/or the grants?

3. How many persons are presently on staff at the (a) *Maison du Canada* in Paris (b) Shasti Institute in New Delhi?

4. For the years 1970, 1971 and 1972 inclusive, what were their (a) salaries (b) annual budgets (c) travelling (d) promotion (e) lodging (f) entertainment expenditures?

5. Does the government intend forming an external cultural policy and (a) if not, for what reasons (b) if so, on what date and which department would be responsible for implementing such a policy?

6. Is consideration being given by the government to increase the number of (a) cultural institutions (b) bilateral cultural agreements in other countries and (i) if not, for what reasons (ii) if so, on what date and which countries will be contacted?

7. For the years 1970, 1971 and 1972 inclusive (a) how many students came to Canada (b) how many Canadian students, by province, went abroad under the International Student Summer Employment Exchange Program?

Return tabled.

Mr. Howard: Mr. Speaker, it is not very long ago, on October 15, that I posed a question relating to La Mauricie National Park. There is urgency in obtaining an answer to that question because there is an element in it that touches upon the integrity of the hon. member in whose riding it exists.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notices of motions Nos. 243, 244 and 252.

COPIES OF APPLICATIONS FOR GRANTS BY THE PROVINCIAL CITIZENS' RIGHTS AND FREEDOMS CONFERENCE, ST. JOHN'S, NEWFOUNDLAND

Motion No. 243—**Mr. Hellyer:**

That an Order of the House do issue for copies of the applications for grants by the Provincial Citizen's Rights and Freedoms Conference, St. John's, Newfoundland, in respect of its Conference held in January, 1973 and for correspondence from the government related thereto.

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): Mr. Speaker, these are confidential papers concerning the internal affairs of the Department. Under the circumstances, the hon. member could perhaps withdraw his motion.

[*English*]

Mr. Speaker: Is the motion dropped?

Mr. Hellyer: I beg your pardon, Mr. Speaker. I did not realize it was a motion in my name. Consequently, in view of the fact there was no consultation, we will transfer it for debate.

Mr. Speaker: Transferred for debate.

Privilege, Mr. Nielsen

COPIES OF APPLICATIONS OF PACT FOR GRANT

Motion No. 244—**Mr. Hellyer:**

That an Order of the House do issue for copies of the applications of PACT (Peoples Acting on Concerns Together), Winnipeg, for a grant from the Secretary of State together with any correspondence to or from the government relating to the applications.

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): Mr. Speaker, this is the same answer to the hon. member.

[*Translation*]

Mr. Speaker, those are confidential papers which concern the department's internal matters. In such circumstances, the hon. member would perhaps withdraw his motion.

[*English*]

Mr. Hellyer: Transfer for debate.

Mr. Speaker: Transferred for debate.

COPY OF MATERIAL RESULTING FROM FIRST MEETING OF VLA SENIOR MANAGEMENT TEAM

Motion No. 252—**Mr. Marshall:**

That an Order of the House do issue for a copy of all material resulting from the first meeting of the VLA Senior Management team convened by the Director General of the Veterans Land Administration in Ottawa from March 26 to 29 as follows (a) operational plans in the periods before and after the March 31, 1974 deadline for new loan applications (b) further implementation of MBO as the VLA style of management.

Mr. Speaker: Stand. Shall the remaining notices of motions stand?

Some hon. Members: Agreed.

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PRIVILEGE

MR. NIELSEN—ALLEGED ALTERATION OF "HANSARD" BY SOLICITOR GENERAL CHANGING MEANING OF CERTAIN REMARKS

Mr. Erik Nielsen (Yukon): Mr. Speaker, I rise on a point of order although I think it is more properly a question of privilege. Like the question raised by the hon. member for Okanagan-Boundary (Mr. Stewart), it also involves a bad apple but this time it is the Solicitor General (Mr. Allmand), one of a whole barrel full on the treasury benches. It concerns a deliberate alteration in *Hansard*, the record of the debates of this House.

I know, Sir, that the practice is for members to make grammatical changes in the blues, but it was never intended that the sense of a statement or a sentence be altered so as to take away from its original meaning. Nor was it ever intended that whole phrases could be absolutely deleted from the written record of the proceedings of the House.

Yesterday in answer to a question of mine, which is recorded in *Hansard* for October 30 at page 7351, the Solicitor General replied in his first sentence:

I would be interested to know what misinformation the hon. member alleges I am giving to the House.

I will get to that in a moment in connection with the change he has made in *Hansard*. The last sentence but one reads:

I might say also that the director of the penitentiary will be retiring shortly, a new director will be appointed.

There then appears a full stop after that sentence, and it is followed by this final sentence:

Improvements are being made at the institution.

Every member on this side of the House, and I am sure members of the Press Gallery and yourself, Sir, heard the minister say this:

I might say also that the director of the penitentiary will be retiring shortly, a new director will be appointed, and other improvements are being made at the institution.

The minister, Sir, or his minions have deliberately deleted the words "and other", changing the whole sense of his reply. That, Sir, is dishonest. It is misinformation: it misleads the readers of the official record of our debates.

If the minister is prepared to concede that my recollection of the words he used is accurate, that will be fine. Otherwise, I am prepared to move a motion that *Hansard* be corrected by replacing the words that now appear with the actual words spoken yesterday in that reply.

Mr. Speaker: Perhaps the minister might be allowed to reply if he wishes, but certainly it would be the responsibility of the Chair to look into the record and the suggestion made by the hon. member that the record has been changed. I am sure the minister will give the same undertaking from his side.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the blues were sent to our office in the usual way and I know changes were made, I thought in the usual way. I cannot remember now the exact changes that were made, but I would be willing to check it with you and, if it was out of order, if something was done that was not supposed to be done, I would be glad to comply with your ruling.

● (1430)

MR. HELLYER—REFUSAL OF GOVERNMENT TO PROVIDE INFORMATION REQUESTED IN CERTAIN MOTIONS FOR PAPERS

Hon. Paul Hellyer (Trinity): Mr. Speaker, I rise on a question of privilege with respect to the motions for papers that were just called and subsequently transferred for debate. In refusing to table information of this kind the government is establishing a new practice and departing from precedents which are time-honoured in this House, thereby taking away the rights and privileges of all members of the House.

Historically, Mr. Speaker, it has been the practice that public documents would always be tabled in response to an order of this kind. It has been the practice for many, many years that applications from private companies and persons for assistance of this kind under well-recognized government projects should be made public, that these are matters of public record and it is only internal documents between ministers and civil servants acting within the departments that are considered privileged. That has been the rule for decades, Mr. Speaker, but now a new practice is being established whereby applications from persons

[Mr. Nielsen.]

and organizations outside the government and letters in support of those applications are denied to members of the House of Commons.

Mr. Speaker: Order, please.

Mr. Hellyer: This, Mr. Speaker, in my opinion is a terrible breach of the privileges of the House.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for Trinity may have a point of debate, but it seems to me that is the very purpose of transferring his motions for debate. I find that when we have these debates on the tabling of documents we debate the substance of the matter referred to rather than the very narrow point whether a particular document ought to be tabled or not. The hon. member may have a very good point. It is certainly not for the Chair to determine whether he has or not, but I suggest that is the very point that would be debated if and when the matter comes before the House. The Chair would be very happy, when these motions come before the House in private members' hours, if we concentrated on this aspect of the matter, whether certain documents ought to be tabled or not. I hope there can be a useful debate on this point in due course. Oral questions.

Mr. Hellyer: Mr. Speaker, it is only because I felt there had been—

Some hon. Members: Oh, oh!

Some hon. Members: Order!

Mr. Hellyer: —a deviation from the practice that I brought the matter to Your Honour's attention.

Some hon. Members: Oh, oh!

Mr. Speaker: The hon. member for Don Valley. Order, please. I call for the co-operation of the hon. member for Trinity and other hon. members who are arguing across the floor to allow the House to return to work. The hon. member for Don Valley.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

GOVERNMENT POSITION ON ACTION REQUIRED TO REDUCE UNEMPLOYMENT—GENERAL POLICY

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. In view of the rather interesting statement he made the other day that the seasonally adjusted increase in unemployment was in large measure caused by the high level of economic activity in the country, which is a very unique interpretation, does this mean the government is taking the position that the economy should be slowed down in order to reduce the rate of unemployment in the nation?

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

Mr. Gillies: Why is the government therefore following a policy, as indicated by the rate of decline in the real domestic product, of slowing down the economy?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, as I have said in a couple of speeches before the House, during the last quarter of 1972 and the first quarter of 1973 the economy expanded at an unsustainable rate of about 12 per cent. It was expected that the economy would have to moderate its expansion and it is presently on target at about 7 per cent in real growth for 1973.

Mr. Gillies: Is the Department of Finance taking the position that this slowing down in the rate of growth of the economy is essential to moderate the rate of inflation?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, that is not the way I would put it. It is obvious that what we want to do is take whatever heat is in the economy and moderate it in a fashion that we can sustain long-term growth without risk of a recession. This moderation which continues the expansion we have experienced but at a rate the economy can sustain is, I believe, a healthy way to run the economy.

Mr. Speaker: I will recognize the hon. member for Don Valley for a third supplementary and then the hon. Leader of the Opposition, followed by the hon. member for York South.

Mr. Gillies: Mr. Speaker, I am sorry to abuse the privilege but I am very interested in this point. Why is the government taking the position that it is necessary to slow down the rate of growth in the economy if it is so certain that the inflation we have—

Mr. Speaker: Order, please. The question asked in those terms is argumentative. The hon. Leader of the Opposition.

CAUSE OF GROWTH IN RATE OF PARTICIPATION IN WORK FORCE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question for the Minister of Finance with regard to the growth in the rate of participation in the work force. Is it the view of the minister and his advisers that the increased percentage of participation in the work force as far as the population of the country is concerned is in any way the result of the rapid rate of inflation which is causing other members of families to seek work who would not find it necessary except for the rate of inflation?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker. It is the view of the government and the Department of Finance that the increase in participation in the labour force is as a result of the expansion of the economy which is providing more jobs.

Some hon. Members: Oh, oh!

Mr. Speaker: If the hon. member for York South will be patient with the Chair, eventually we will get order and he can ask his question. The hon. member for York South.

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ENERGY

COST FACTORS INVOLVED IN ENERGY BOARD DECISION TO PERMIT INCREASE IN PRICE OF NATURAL GAS—EXPORT PRICE

Mr. David Lewis (York South): Mr. Speaker, my question to the Minister of Energy, Mines and Resources arises out of the approval by the National Energy Board, and I assume by the government, of an increase of 10.7 per cent requested by TransCanada Pipelines in the price of natural gas. Can the minister inform the House what cost factors required the National Energy Board and the government to approve this increase and what other reasons there may or may not have been for the approval?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, under the National Energy Board Act this is one of the areas where the board acts within its own jurisdiction without referring it to the cabinet. However, the cabinet, of course, will accept the judgment. The specific reason cited by the board is the increase in natural gas prices as a result of action by the Alberta government.

Mr. Lewis: May I ask the minister whether he has been in touch with the board about this proposed increase in the cost of natural gas to consumers, and has he any information whether the increase will apply to domestic use as well as industrial use and, if so, what justification there is for that?

Mr. Macdonald (Rosedale): Mr. Speaker, I should explain that parliament, under the act, has put this question of determination of rates exclusively with the board. The board in turn does not make the choice in terms of deliveries between domestic and industrial users. It merely delivers it to the wholesale utilities in the provinces. In the case of Ontario, the Ontario Energy Board would determine how the increase should affect domestic or industrial users.

Mr. Lewis: Mr. Speaker, I am surprised that the minister has not interested himself in that problem. I appreciate that exported gas is based on some 105 per cent formula with competitive fuels, but can the minister assure the House that export contracts will be renegotiated to ensure that any price increases to Canadian consumers will be reflected in a price increase for exported gas?

Mr. Macdonald (Rosedale): Mr. Speaker, the government would go further than that. Under the regulations established by the government in 1970 and pursuant to other action we will be taking, we will be seeking to increase the export price of gas not just to the level paid by Canadian consumers but to the appropriate competitive level in the export market in which it is sold.

● (1440)

[*Translation*]

FINANCE

ACCURACY OF FIGURES PUBLISHED IN QUEBEC ON FEDERAL PAYMENTS TO PROVINCE

Mr. René Matte (Champlain): Mr. Speaker, I would like to put a question to the Minister of Finance.

Can he confirm or refute, as the case may be, the accuracy of the figures published during the last Quebec election campaign relative to the money collected and spent by the federal government in Quebec, between 1946 and 1971?

Mr. Speaker: The hon. member will understand that his question is faulty on two points. The first is obvious, for he asks the minister to confirm or refute a statement made outside the House. The second weakness I see is that the question could well be put on the order paper.

Mr. Matte: Mr. Speaker, if I may be permitted to put a direct question to the Minister of Finance.

Have officials of his department received requests from the province of Quebec to clarify the statement of expenses and revenues collected in the province of Quebec, between 1946 and 1971?

Hon. John N. Turner (Minister of Finance): Not to my knowledge, Mr. Speaker.

* * *

[*English*]

THE CANADIAN ECONOMY

EFFECT OF INCREASE IN PERSONAL INCOME SPENT ON OIL AND GAS ON SPENDING IN OTHER AREAS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is supplementary to one asked by the hon. member for Don Valley. With regard to the minister's statement concerning economic expansion, does the minister anticipate that the increased percentage of personal income spent on oil and gas will result in a decline in spending in other areas of the economy, and will this decline in spending reduce the rate of economic expansion and be responsible for greater unemployment?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not think the conclusion implicit in the hon. gentleman's question follows from his own preamble.

Mr. Alexander: Can the minister inform the House as to what the effect of the price increases for energy products will be on the projected growth of the gross national product? Can the minister answer that question?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think the House will be in a better decision to assess this for itself after the statement tomorrow by my colleague.

[Mr. Macdonald (Rosedale).]

ENERGY

DISCUSSION WITH QUEBEC AND MARITIME PROVINCES ON MEASURES TO OFFSET INCREASES IN PRICE OF VENEZUELAN CRUDE OIL

Mr. James A. McGrath (St. John's East): Mr. Speaker, my supplementary question is addressed to the Minister of Energy, Mines and Resources. Has the minister had discussions with the governments of Quebec and of the four Atlantic provinces with a view to taking measures to offset increases in the price of Venezuelan crude coming into Canada, which of course will have the effect of increasing the consumer price of fuel and gasoline products in those provinces?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have had discussions with some of the governments but not with all. I think I will have to defer further answers on that until tomorrow.

OIL—CONSULTATION WITH QUEBEC GOVERNMENT ON NEED FOR ST. LAWRENCE SUPERPORTS

Mr. John A. Fraser (Vancouver South): Mr. Speaker, may I direct a supplementary question to the Minister of Energy, Mines and Resources. In view of the present policy of the government to replace foreign oil in eastern Canada with Canadian oil, can the minister advise the House whether there has been consultation between the federal government and the Quebec government to determine whether, in view of the new policy, there is still a need for the proposed oil superports on the St. Lawrence?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, that was the nature of my meeting with two Quebec ministers in September.

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AGRICULTURE

GOVERNMENT POSITION ON POSSIBLE IMPOSITION OF EMBARGO ON IMPORT OF FAT CATTLE FROM UNITED STATES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, may I ask the Minister of Agriculture whether, in view of the deep uncertainty among cattle producers, as evidenced by the discussions at the cattlemen's convention now going on in the city of Regina, the government has decided to apply an embargo or very stern restrictive quotas on the importation of U.S. fat cattle into Canada?

Hon. E. F. Whelan (Minister of Agriculture): No, Mr. Speaker. The problem is still under discussion.

Mr. Diefenbaker: Mr. Speaker, it has been under discussion for some time. During the past week more cattle were brought in from the United States than have been brought in for many, many years. I think the number was in excess of 20,000. As 50 per cent of the kill in Canada is of American cattle, when is it expected that a decision will be made? The cattlemen are waiting for action instead of procrastination.

Mr. Whelan: Mr. Speaker, I ought to inform the right hon. member it was only one week ago Monday that the cattlemen decided that the government should take any action. They made requests at that time. We have compiled all the facts and I have submitted a suggestion to my colleagues. I hope a decision will be made soon.

Mr. A. P. Gleave (Saskatoon-Biggar): I have a supplementary question, Mr. Speaker. May I ask the minister if he has had a request from farm organizations, either the general organizations, the National Farmers Union or from the Canadian Cattlemen's Association, for an embargo on fat cattle coming into Canada or for some type of restriction governing cattle coming into Canada from the United States?

Mr. Whelan: Mr. Speaker, I think most farm organizations have made public the demands or suggestions they are making. They predominately favour some type of surcharge being placed for a period of time on cattle entering from the United States. The suggestions of some are different from those of others. We are not getting any unanimous opinion from them. However, most of them are of the opinion that something should be done.

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[*Translation*]

FEDERAL-PROVINCIAL AFFAIRS

POSSIBILITY OF CONSTITUTIONAL CONFERENCE—DISCUSSION BY PRIME MINISTER WITH QUEBEC PREMIER

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the right hon. Prime Minister.

Since the Prime Minister said yesterday that he would soon meet with the Quebec premier who stated two weeks ago that after the provincial election he would ask for the resumption of constitutional talks, will he take this opportunity to discuss the possibility of holding a constitutional conference and is he himself in favour of such a conference?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I thank the hon. member for having given me notice of his question. Unfortunately, I cannot add anything new. The position of the government is that the Canadian constitution should be repatriated, that a truly Canadian amendment formula be adopted, that a bill of human rights and linguistic guarantees be incorporated into the constitution. Those were the views that we held at the Victoria Conference which regrettably failed because the province of Quebec did not accept the federal proposals. If the new government of Quebec can present proposals compatible with the federal position and generally acceptable to Canadians, we will be extremely happy to resume constitutional conferences.

[*English*]

FINANCE

CONTINUATION OF FLOATING EXCHANGE RATE

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Finance. As it is now more than three years since the adoption of the floating exchange rate, does the minister intend to continue this policy, particularly in view of his recent statement calling for stable but adjustable par values and wider margins, with the possibility of floating rates in particular situations under IMF supervision and surveillance?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that report of the deputies of the group of 20, from which the hon. gentleman has quoted, also contemplates in the ensuing sentence that floating will be contemplated under the supervision of the International Monetary Fund.

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THE CANADIAN ECONOMY

RELATIONSHIP OF BANK RATE TO FALL IN REAL DOMESTIC PRODUCT FOR AUGUST

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is supplementary to those asked previously by the hon. member for Don Valley. As bank rates in London, England, and New York have fallen by a quarter of one per cent and as the bank rate has not fallen in this country, to what extent does the government attribute the fall of 2.2 per cent in the real domestic product for August to an economic policy of so-called expensive money?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, this country, as I said to the hon. gentleman and some of his colleagues when interest rates were going up, sets its own monetary policy.

Mr. MacKay: May I ask the Minister of Finance why the bank rate continues to be so high? Is it the policy of the government to have the bank rate in this country so high? If not, is the government going to do anything about it?

• (1450)

Mr. Turner (Ottawa-Carleton): Interest rates in this country still tend to be lower than those in the United States and in Europe and consequently there is still a differential which causes a certain pressure on foreign exchange. The other factor is, of course, that interest rates reflect the continuing expansion of the economy as evidenced last week by over $300 million in new chartered bank loans.

Oral Questions

HOUSING

REASON FOR DELAY IN APPROVAL OF TREFANN COURT RENEWAL PROJECT

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. In view of the fact that on May 28 of this year Central Mortgage and Housing Corporation approved in principle a mortgage application from Trefann Homes Corporation to build 17 houses in the first phase of the Trefann Court urban renewal project, and since it is urgent that an immediate start be made on the project so as to avoid escalation of building costs, may I ask whether CMHC has given final approval to the application and, if not, what is the reason for the long delay?

Hon. Ron Basford (Minister of State for Urban Affairs): I take it the question is based on press reports which I also saw this morning. Apparently the difficulty is that only one bid was received for the construction of this project and this has made an evaluation of the costs and the rents which will flow from those costs more difficult. However, I have instructed CMHC to process this application immediately because I share the hon. member's anxiety that this development should go ahead as soon as possible.

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[*Translation*]

EXTERNAL AFFAIRS

PUBLICATION OF POSITION OF GOVERNMENT AT NEXT LAW OF THE SEA CONFERENCE—CONSULTATION WITH PROVINCES

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I should like to put a question to the Secretary of State for External Affairs.

On September 17, the minister advised the House that he would issue a document stating the government position at the forthcoming UN conference on the Law of the Sea. Can the minister tell us whether consultations with the provinces are completed and whether he soon intends to table his white paper in the House?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I answered a similar question last week. I am now in a position to say that the paper is in the final drafting stages and will be tabled in the next few days.

REPORTED CONFLICT BETWEEN MINISTER AND MINISTER OF FISHERIES RESPECTING CANADA'S POSITION AT NEXT LAW OF THE SEA CONFERENCE

Mr. Walter C. Carter (St. John's West): I have a supplementary question for the Secretary of State for External Affairs. Last Thursday in Newfoundland the Minister of Fisheries presented for discussion purposes a paper in which he outlined the position Canada would take at the forthcoming Law of the Sea Conference. Following the meeting, press reports indicated there was conflict between the minister and his colleague, the Secretary of State for External Affairs, and that the latter does not go along with the recommendations of the Minister of Fisheries. Will the minister now assure the House that this is not so and that he accepts the position the Minister of Fisheries is putting forward with respect to the position Canada will take at the conference?

[Mr. Turner (Ottawa-Carleton).]

Hon. Mitchell Sharp (Secretary of State for External Affairs): I am completely unaware of such a conflict. The paper I shall be presenting represents the joint work of the two departments and the two ministers.

Mr. Carter: I have a supplementary question for the Minister of Fisheries. Is the minister now able to tell the House whether Canada's delegation to this conference will take with them a back-up plan for presentation in the event that the recommendations made by this country are not acceptable to the other nations?

Hon. Jack Davis (Minister of Fisheries): If the hon. member means a back-down plan, the answer is no.

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ENERGY

TAR SANDS OIL—GOVERNMENT POSITION RESPECTING TAXATION OF SYNCRUDE AND IMPORTANCE OF PROJECT

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Minister of Finance. It relates to the answers he gave yesterday concerning the meeting he held with Alberta ministers on the tar sands proposal. Would the minister tell us whether he agrees that the Syncrude project is most important to the nation and must go ahead at all costs? If this is his view, what are his instructions to his colleague, the Minister of Energy, Mines and Resources, with regard to the modification of the tax problems which face Syncrude, the Minister of Energy, Mines and Resources having said they would remain?

Hon. John N. Turner (Minister of Finance): There is no difference between myself and the Minister of Energy, Mines and Resources regarding the approach to these negotiations. We both agree that the Syncrude project is a very important one for the future of Canada. At the moment we are reviewing the arrangements between the companies which make up that consortium and the province of Alberta to see whether they can be fitted in with the announced guidelines related to federal resource taxation policy.

Mr. Lambert (Edmonton West): Has the minister said that the project must go ahead at all costs?

Mr. Turner (Ottawa-Carleton): I did not add the last three words, Mr. Speaker.

EXTERNAL AFFAIRS

LEADER OF CANADIAN DELEGATION TO NEXT LAW OF THE SEA CONFERENCE

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, it is disappointing that there should be a few gallons of Syncrude thrown among our fisheries questions. We do not often deal with questions about fish, and it certainly spoils the continuity of any attack the opposition can mount upon the government.

May I ask the Secretary of State for External Affairs who will be leading the delegation Canada is sending to the Law of the Sea Conference? Will it be himself, or officials of his department, or will it be the Minister of the Environment and his officials? Who will be presenting the official Canadian position?

Hon. Mitchell Sharp (Secretary of State for External Affairs): It will be the official Canadian position on this side of the House. I do not know about the other side. We speak with one voice and we will be adequately represented by officials of all the departments concerned. As to which minister will voice the views of a united cabinet, I am not quite certain yet. I am sure the ministers will be able to agree without any difficulty whatever.

Mr. Speaker: Order, please. In spite of the hon. member's admonition a moment ago suggesting we should continue with the same subject, I think we ought to take other considerations into account. For the moment, the Chair recognizes the hon. member for Drummond. I appreciate that the hon. member wishes to ask a supplementary and also the hon. member for Skeena and others.

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[*Translation*]

NEW HORIZONS PROGRAM

DELAY IN APPROVING PROJECTS

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

Does he intend to alter the process for the approval of projects submitted under the New Horizons Program in order to enable senior citizens to obtain answers before six months, as it happens from time to time?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, a large number of applications have been submitted for such projects and the consideration of these applications must be very serious and thorough; it requires frequent consultations with the groups which applied. Thus fairly extended delays are unavoidable.

[*English*]

EXTERNAL AFFAIRS

REQUEST THAT WHITE PAPER ON CANADIAN POSITION AT NEXT LAW OF THE SEA CONFERENCE BE REFERRED TO COMMITTEE WHEN TABLED

Mr. Frank Howard (Skeena): My supplementary question to the Secretary of State for External Affairs has to do with the document he proposes to present to the House within a week, I think he said. Would he be prepared, immediately on doing so, to present a motion to refer this document to the Standing Committee on Fisheries and Forestry in order that, hopefully, we might have the benefit of the views of all sections of the House with respect to it?

Hon. Mitchell Sharp (Secretary of State for External Affairs): That was the original purpose, as I stated to the House, and that is my intention.

Mr. Lloyd R. Crouse (South Shore): My question has largely been answered, Mr. Speaker; it had to do with the controversy which seems to rage between the Minister of Fisheries and the Secretary of State for External Affairs with regard to the position to be taken at the Law of the Sea Conference. What we realize is that the Minister of Fisheries is endeavouring to learn the views of the fishermen—

Mr. Speaker: Order, please. It is my impression the hon. member said his question had been answered. If he does have a question to ask, I recognize him for that purpose.

Mr. Crouse: My question is this: what opportunity will be presented to the Parliament of Canada and to the Official Opposition to make some input into the proposals which will be advanced by Canada whenever this conference is held?

Mr. Sharp: Let me clarify the position again, as I did during the early part of this session. The government has now completed one round of consultations with the provinces. It now intends to present a paper which will be the subject of discussion in the parliamentary committee before which, of course, people from all parts of the country can appear and make representations. It is our desire not only to represent the views of the cabinet but, I hope, those of all parties in Canada.

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AIR CANADA

REQUEST THAT CANADIAN AEROSPACE INDUSTRY BE CONSIDERED IN PURCHASE OF NEW PLANES

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, my question is addressed to the Minister of Transport. Having regard to Air Canada's announced intention to buy the Lockheed L-1011 in preference to the Douglas DC-10, and the possibility that Air Canada may purchase the Boeing 727 instead of increasing its fleet of Douglas DC-9s by acquiring the new and larger series 50 model, and in view of the harm this could do to the employment situation in the Canadian aerospace industry, will the minister

inform the House whether the cabinet has yet given approval to these proposals by Air Canada?

Hon. Jean Marchand (Minister of Transport): Whatever type of aircraft Air Canada is going to buy we shall see to it there is some economic benefit to Canada.

Mr. Stackhouse: In spite of the minister's assurance, may I ask him to tell the House whether the cabinet is willing to see the aerospace industry in the metropolitan Toronto area deprived of contracts upon which it is dependent?

Mr. Marchand (Langelier): I do not know who is going to benefit, Toronto or Winnipeg, but I am sure it will be a Canadian city.

● (1500)

INQUIRY AS TO APPOINTMENT OF NEW PRESIDENT—DELAY IN OTTAWA-TORONTO FLIGHT

Mr. W. B. Nesbitt (Oxford): I have a supplementary question for the minister, Mr. Speaker. In view of the very large number of urgent questions facing Air Canada, will the minister nominate a new president very shortly?

Hon. Jean Marchand (Minister of Transport): I hope very soon, Mr. Speaker. We do not nominate the president, but I hope one will be nominated very soon.

Mr. Nesbitt: In the meanwhile, would the minister look into the reason an Air Canada plane, flight 456, last Monday night, bound for Toronto with a full load of passengers, was kept on the ground for two and a half hours? The reason given was that they could not find a crew to fly it.

POSSIBLE STRIKE BY FLIGHT ATTENDANTS—STATE OF CONTRACT NEGOTIATIONS

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is also addressed to the Minister of Transport. In light of continued threats of a possible strike by Air Canada flight attendants, can the minister assure the House that a satisfactory contract will be reached in the near future so that thousands of holidaying Canadians will not be forced to cancel their vacation travel plans during the forthcoming winter?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I hope that a settlement will be reached soon.

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CANADIAN NATIONAL RAILWAYS

EFFECT OF MANAGEMENT POLICIES ON RAILWAY SERVICE IN BRITISH COLUMBIA—REQUEST FOR REPORT ON GOVERNMENT ACTION

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is also for the Minister of Transport. On October 18, in response to my question about sending the transport committee to Vancouver to study the myriad problems associated with Canadian National rail service in that area of Canada, the minister replied that he would "call the presidents of CN and CP and ask them what they were doing to correct the situation". Flowing from that, may I ask the minister whether or not he has yet had an opportunity to speak to the presidents of these railroads, and when B.C. can expect improved rail service?

[Mr. Stackhouse.]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I did meet, not with the chairmen but with the vice-presidents of both railways, and I asked them to do all they could in order to get some cars for British Columbia. I think they are working hard to get lumber cars back from the United States more rapidly than at present. They are supposed to be making a report to me shortly, so I will know if what they are doing is really efficient.

Mr. Rose: I am pleased with the minister's response, but I would remind him that there are more problems in the west than boxcars. In view of the fact that track and section forces in the CN northern region have only 55 men currently employed in maintaining 715 miles of track instead of the normal 150 men employed on this maintenance, does the minister intend to look into the matter to ensure the safety of the public, especially with winter fast approaching?

Mr. Marchand (Langelier): I will look into that aspect as well, Mr. Speaker.

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GRAIN

PROVISION OF BOXCARS AT SHIPPING POINTS IN WESTERN CANADA—ALLOCATION IN ACCORDANCE WITH PRIORITIES ESTABLISHED

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a question for the minister in charge of the Canadian Wheat Board. Having regard to the fact that the Minister of Transport indicated in the House last week, after meeting with officials of both railways, that the railways would undertake to provide sufficient boxcars for movement of grain, may I ask the minister in charge of the Wheat Board what steps he or his officials are taking to ensure that boxcars will be provided at those points in western Canada which have not yet received a boxcar since the conclusion of the strike?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, various meetings with the railways resulted in the allocation of additional numbers of cars, particularly in the case of the CNR, for movement of grain. Those cars will be placed by the Canadian Wheat Board, operating through the block shipment system, in the most effective way in order to move the grain as required and as quickly as required.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Vegreville on a supplementary, then the Leader of the Opposition and then the hon. member for Rimouski.

Mr. Mazankowski: In view of the fact that a number of delivery points have not received a single boxcar since the conclusion of the railway strike, has the minister done an

analysis of this problem and has he established priorities for the allocation of boxcars to these points?

Mr. Lang: Mr. Speaker, I did bring to the attention of the Canadian Wheat Board the suggestion I had received from a number of places that there was an imbalance in the way the cars were being spotted. They are giving serious consideration to that matter, but prior consideration has to be given to making the very best use of equipment at this particular point in time, and the equity for all that will come through equal delivery opportunities will be a matter for adjustment later.

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ENERGY

PROPOSED SHIPMENT OF ALASKAN OIL THROUGH STRAIT OF JUAN DE FUCA—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Secretary of State for External Affairs and relates to the shipment of Alaskan oil through the Strait of Juan de Fuca, which some months ago the minister promised us he had only begun to fight. Some of us might feel that we want our money back, since there does not seem to have been any fight.

Some hon. Members: Hear, hear!

Mr. Stanfield: I should like to ask the minister where the matter stands at the moment, and specifically what measures he is now taking to prevent what he undertook to fight against?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, discussions are going on and have, of course, been going on more or less regularly between officials of the two governments and between the various departments concerned. This, as I told an hon. memebr who asked me the question the other day, is one of the first items on my agenda in my talks with Secretary of State Dr. Kissinger when he arrives here. So I can assure the hon. member that we still have a few things in reserve and that he should keep his bets on me.

Mr. Stanfield: Mr. Speaker, before making any decision with regard to bets, would the Secretary of State for External Affairs indicate the respective reaches and weights of himself and the Secretary of State?

[*Translation*]

PROPOSED RETURN TO DAYLIGHT SAVING TIME TO REDUCE CONSUMPTION OF ENERGY

Mr. Eudore Allard (Rimouski): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources.

Following the motion I moved a few minutes ago under Standing Order 43, when I heard a few shy nays, would the minister inform the House whether he is considering the possibility of reinstating Daylight Saving Time because of the shortage of energy at the present time, in order to save electricity and fuels?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we did consider the possibility of extending Daylight Saving Time as a means of saving energy. It has been confirmed that such a measure may be taken, in particular for heating oil; there is also the possibility of creating a shortage of this product and, for this reason, I did not suggest such a change to my colleagues.

[*English*]

SUGGESTED TURNING OFF OF LIGHTS IN GOVERNMENT BUILDINGS

Mr. Thomas M. Bell (Saint John-Lancaster): I have a supplementary question for the Prime Minister, Mr. Speaker. Would the Prime Minister, as head of the government, consider launching a full program of economy of energy products this winter which would bring about energy savings on a voluntary basis without any rationing? If we could get ministers and also civil servants to turn out lights in their departments, we could in various ways in Ottawa save considerable amounts of energy.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I can assure the hon. member that the consumer side as well as the production side of the energy problem is being considered by the government very seriously.

* * *

HOUSING

REQUEST THAT MINISTER MEET KITSILANO COMMITTEE RESPECTING PROPOSED HIGH-RISE RESIDENCE

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Minister of State for Urban Affairs. In view of the fact the president of Central Mortgage and Housing Corporation failed to meet with the West Broadway Citizens' committee representing 19 Kitsilano organizations located in the minister's own riding to discuss the adverse effects of a proposed 13-storey high-rise residence to be built in a family oriented neighbourhood, will the minister give serious consideration to meeting with this group and will he examine the possibility of making this project compatible with the neighbourhood?

Mr. Speaker: Order. I think that is more a representation than a question. The hon. member must assume that his representation has been noted. If there is urgency, it can be considered at the time of adjournment.

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NATIONAL DEFENCE

COMMITMENT OF AIRCRAFT TO MIDDLE EAST LOGISTICS FORCE—ASSURANCE THAT CANADIAN TRANSPORT AND RESCUE OPERATIONS NOT ADVERSELY AFFECTED

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. Last night the minister announced that the Canadian logistics force for the Middle East will be equipped with three Buffalo aircraft and three helicopters. As this exactly

represents the equipment entitlement of a transport and rescue squadron, would the minister assure the House and the people on both coasts that the equipment will not be withdrawn from the already meagre resources of the transport and rescue squadrons?

● (1510)

Hon. James Richardson (Minister of National Defence): Yes, Mr. Speaker. I have already given the assurance in another announcement that the use of equipment for the Middle East will not affect our search and rescue capability.

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ENERGY

GREATER CONSUMPTION OF FUEL BY AUTOMOBILES EQUIPPED WITH EMISSION CONTROLS—GOVERNMENT POSITION ON REDUCING STANDARDS IN 1975

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, my question is directed to the Minister of the Environment. In view of the mounting energy crisis, and the fact that automotive emission standards will result in the use of a great deal more gasoline and oil—the standards are to come into effect in 1975—is the minister considering a reduction in the automotive emission standards to come into force in that year and, if not, why not?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, our Canadian automobile emission standards have been announced for 1975. They are not as stringent as those in the United States. Our information is that Canadian regulations as far as fuel used in automobiles is concerned, are not as demanding as those in the United States and will not require more fuel than in the recent past.

Mr. Lambert (Edmonton West): They will still use 20 per cent more.

Mr. Morgan: They will still use more fuel than has been used in the past.

[*Later:*]

Mr. Morgan: Mr. Speaker, I have a supplementary question for the Minister of the Environment. When the automotive emission standards come into effect in 1975, what is the increased consumption of alcohol, on a percentage basis, that will result from these standards?

Some hon. Members: Oh, oh!

An hon. Member: You mean gasoline.

Mr. Morgan: Yes, gasoline; I am sorry.

Mr. Davis: Mr. Speaker, the technical advice we have had from automobile manufacturers is that the fuel consumption per mile will be roughly the same as in 1973.

[Mr. McKinnon.]

AGRICULTURE

BEEF—GOVERNMENT POSITION ON TEMPORARY IMPORT SURCHARGE

Mr. John Wise (Elgin): Mr. Speaker, my question is a very direct one for the Minister of Agriculture. It relates to present beef prices. I should like to ask the minister whether he has recommended a temporary surcharge to his cabinet colleagues.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I have made several recommendations to my colleagues.

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PENITENTIARIES

BRITISH COLUMBIA—INQUIRY WHETHER REPORT ON RIOT WILL BE TABLED IN HOUSE

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Solicitor General, who I believe indicated yesterday in the House he was awaiting a report from personnel on his staff in respect of the B.C. penitentiary. I should like to ask whether this report will be tabled in the House, and when the Solicitor General expects to receive it.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I was referring to an inquiry to be made by the correctional investigator, the ombudsman who, by the way, is not on my staff; she holds an independent status under the Inquiries Act. I am awaiting her report. I know that her terms of reference provide for reports to be made from time to time to the House. I will check to see what the nature of this one is before I reply further to the question.

CONSTRUCTION OF INSTITUTION AT MISSION, B.C. TO RELIEVE OVERCROWDING

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, will the Solicitor General advise the House what progress he is making with regard to the Mission site as an answer to the overcrowding that is continuing to exacerbate the situation in the B.C. penitentiary?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, we are going to go ahead with construction at Mission, British Columbia. We are setting up temporary working quarters there, and the construction of the penitentiary will be carried on by both professional tradesmen and some inmates.

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TRADE

SALE OF SASKATCHEWAN POTASH TO CHINA—GOVERNMENT MEASURES TO OBTAIN FURTHER AGREEMENTS

Mr. J.-J. Blais (Nipissing): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce

and relates to the recent announcement of the sale of $8 million worth of Saskatchewan potash. In view of the announcement coming so soon after the Prime Minister's visit to the purchaser, in this instance the People's Republic of China, and in view of the evident good relations between Canada and that country, will the minister indicate what measures are being taken to enlarge present trade in that particular product with China?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think I should refer this question to the Prime Minister as he was the man who negotiated with the Chinese.

Some hon. Members: Hear, hear!

Mr. Gillespie: The House may recall that the Prime Minister announced that a permanent consultative mechanism would be set up with officials from both sides, Canada and China, to consider long-range supply questions. One of the particular items that Canada put on the agenda was long-term supply arrangements in respect of potash. I welcome, as I know all members of the House must welcome, this first sale which is an indication of this profitable arrangement.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair recognizes the hon. member for Burnaby-Richmond-Delta and will recognize the hon. member for Hillsborough immediately following.

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PENITENTIARIES

BRITISH COLUMBIA—SITUATION OF INMATES AFTER QUELLING OF RIOT

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Solicitor General. In view of his statement in the House that he has transferred over 100 inmates from the B.C. penitentiary, can he now tell us whether that prison is back to normal, or are the prisoners still locked up in their cells on a 24-hour basis?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the most recent report I have is that the penitentiary is partly back to normal but not completely. In other words, they are trying to restore the penitentiary to normal operation on a gradual basis.

Mr. Speaker: Order, please. We have reached the end of the question period. The Chair had hoped to recognize the hon. member for Hillsborough and the hon. member for Vancouver Kingsway before calling orders of the day. I will recognize the hon. member on a supplementary, then the hon. member for Hillsborough and then the hon. member for Vancouver Kingsway.

Mr. Reynolds: Mr. Speaker, I should like to ask the Solicitor General whether the inmates have been given the opportunity to go back on a normal basis, or is the prison supervisory staff deciding which areas should be opened up?

Mr. Allmand: Mr. Speaker, I know that instructions were given from Ottawa to the penitentiary officers in British Columbia to make an effort to return, as soon as possible, to general conditions all those who had nothing to do with the disruption. I know that the first steps were taken in respect of those instructions, and I saw that order which was issued from Ottawa.

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EXTERNAL AFFAIRS

MIDDLE EAST—INQUIRY AS TO GENERAL BURNS SERVING ON UN PEACEKEEPING FORCE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I have a question for the Secretary of State for External Affairs in reference to the UN Mideast peacekeeping force. Will he advise whether there has been any request for the services of the highly qualified and uniquely experienced General E.L.M. Burns in an advisory or other capacity, and has he ascertained whether this distinguished public and military servant might be made available to the UN at this crucial time?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, in answer to the first part of the question, to my knowledge we have not received such a request. This is an interesting suggestion and I will certainly see that it is brought to the attention of the Secretary General who may find it quite useful.

CANADIAN PARTICIPATION IN WORLD POPULATION YEAR

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Last May I asked whether he would make a statement on Canada's preparations for World Population Year, 1974, under the United Nations, at which time he said he did not know when he could make a statement but thought it would be closer to 1974. Now that we are a lot closer to 1974, I ask whether the minister can make a statement, perhaps next week or very shortly, on Canada's preparations for World Population Year.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I will undertake to do that. We are now closer to 1974, and closer to the statement that I hope I will be able to make in the next two or three weeks.

GOVERNMENT ORDERS

[*English*]

CANADA PENSION PLAN (No. 2)

AMENDMENTS RESPECTING ANNUAL INCREASES AND LEVEL OF INCOME ON WHICH CONTRIBUTIONS WILL BE PAID

The House resumed, from Tuesday, October 30, consideration of the motion of Mr. Lalonde that Bill C-224, to amend the Canada Pension Plan, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: The hon. member for Fraser Valley West (Mr. Rose). May we have order, please. I think it is elementary and hon. members should know they should not hold conferences standing or sitting in the chamber. The hon. member has been recognized and he has the floor. If hon. members want to have talks or discussions, they should have them behind the curtain or in the lobbies. That is what those places are for.

Mr. Mark Rose (Fraser Valley West): Thank you very much, Mr. Speaker. My words may not be of a great deal of interest to people who have other matters to discuss. However, the minister to whom we address our remarks, through you, Sir, might have more than a passing interest in some of the comments which will be made, not only at the moment but by members who will follow me in the debate on second reading of Bill C-224. At ten o'clock last evening I was approximately two-thirds of the way through the remarks I wished to make on this bill. There were certain suggestions I wanted to make.

I shall quickly summarize my three suggestions and then return to the second one. The first suggestion is that we should broaden the base of the Canada Pension Plan so that larger benefits would accrue to the contributors. I object to the fact that the Canada Pension Plan is considered only as a supplementary pension plan.

The second point is that I think we should be making provision for voluntary earlier retirement. Many individuals in this country would like to retire and perhaps would like to search for a new career. They are precluded from doing so because of the fact that we seem to be locked into the concept that someone must begin work at age 20 and continue with his nose to the grindstone until age 65. I see no reason, in this day and age, why this should be necessary.

We should also consider the fact that there are many people in our society who spend a good deal of their lives unemployed. I think it might be possible to accomplish the two ends, if not simultaneously at least in a reasonable way, through satisfying the need for employment among the young and providing for relief, if you like, for those people who no longer wish to be part of the work force but are prevented from retiring for no reason other than their commitments and responsibilities and the financial slashing one takes when one goes on pension in this country. I think that really applies to the first point. I was referring to those people who might wish to retire at an earlier date.

[Mr. Sharp.]

It has been reported to me, I think fairly reliably, that in West Germany the railway workers have a contributory plan which allows them, after 25 years, regardless of the age at which they started employment, to retire with a 75 per cent pension. In contrast, in this country the United Automobile Workers have a formula that is called "30 and out," which means that after a railway worker has worked on the assembly line, or in some other dehumanizing occupation, for 30 years and has paid into a contributory plan which would have subsequent benefits, he could retire and begin another career or just go fishing. I understand, however, that in order for that plan to be in effect it must be registered in Ottawa.

I am told that under the present regulations—perhaps the minister will correct me if I am wrong—any retirement plan in Canada, in contrast to the United States, which calls for retirement under age 55 is not eligible for registration in Canada. I think that is an archaic type of regulation if it in fact does exist. I am sure the minister knows that, just as regulations can be implemented, they can also be changed. It is the case that workers have contributed their own money to the kind of plan that would allow this kind of relief from the treadmill at age 55, then certainly no impediment should be placed in their way. I suggest that each year we should try to bring down, in respect of the Canada Pension Plan, the retirement age for those who wish to retire earlier. Those who do not wish to do so could continue working.

In North America we have long been caught up in what is called the work ethic for some people, although I do not believe for most Canadians. There may be a number who may not wish to retire. Some people are as young as ever at age 65, in terms of outlook and sometimes in terms of physical capacity. Other people are burnt-out at age 30. I give no specific example and I do not look at anyone, certainly at none of my colleagues. I think those who wish to draw a pension after an early retirement should have that right. If the base were broadened, and if the contributions people make were increased from 1.8 per cent to 2 per cent or 3 per cent, this would allow flexibility in respect of the Canada Pension Plan so that early retirement would be possible for people who wish it.

Some people might like to quit their jobs and work at another occupation. So far as I am concerned, they should be free to do so if they wish. Perhaps they would like to start some kind of business which would provide employment. We have a great habit in this country, through DREE, ARDA, IRDIA and other such programs, to give bountiful gifts to companies so that more people might be employed. The fact is, however, that small business employs far more people than large business and industry. So far as I am concerned, people who wish to retire early in order to start a new business that would employ people should be given the opportunity to do so. In that way some of the largesse we give to IBM, General Motors and DuPont of Canada might be used to provide the capital necessary to start businesses which would provide the employment that is necessary in this country.

I feel there is no real rationale, except tradition, which demands that a young man should start work at 18 or 20 years of age and continue until age 65. I believe everything is reversed. We send our kids off at age 21, through OFY

and LIP, and keep the old man working until age 65. We already have a provision for early retirement. We have early retirement for members of parliament after six years. Some of us, of course, do our best to avoid this enforced retirement; nevertheless, it happens to the best of us as well as to the worst of us. Why is it not possible for us to do for others before age 65 what we do for ourselves after six years? Early retirement is a concept that I think will grow in Canada. I believe the demand for it will grow, and I think that in terms of the kind of society toward which we are moving it is most vital and necessary.

● (1530)

My third point has to do with the desirability of treating men and women equally, or treating spouses equally, under the Canada Pension Plan, regardless of their sex. This certainly applies to the survivors. This question was dealt with in fair depth by the muscular hon. member for Winnipeg North Centre (Mr. Knowles). He suggested that perhaps we could combine the income of both the husband and the wife and, as we do in the case of income tax, have them file a joint return or a separate one. Perhaps I am going beyond what the hon. member suggested, but the point is that we should pay them both the same pension whether or not the wife or the husband happened to be the one who was contributing to CPP.

I think many people would agree that all sexism in the plan's structure should be eliminated. If we look, for example, at the plan we find that presently it provides for disabled widower's pension but there is no provision for a normal widower's pension. Conversely, the plan provides for a normal widow's pension in contrast to the widower's pension, and perhaps that is something that should be improved.

Another aspect of this matter concerns the disability provision. In the provision regarding a person's eligibility for disability pension, if I remember it correctly, the phrase "severe and prolonged illness" is used. From this I understand that for a person to be eligible for disability benefit he would have to demonstrate that he had been disabled for, say, two or more years, or one or two years, and then perhaps he would be able to go back into the labour force; but in practice, when a person applies for this benefit "severe and prolonged illness" means to the Department of National Health and Welfare that the person will never work again.

Someone from behind the curtain suggests—I hope this is not autobiographical—that one would have to be almost dead in order to qualify for the disability benefit. I think that is wrong. There are frequent cases, which I am sure have come to the attention of hon. members, of a man receiving disability benefits under the CPP at the age of 60 and his wife being severely limited in terms of her economic responsibilities. There may also be dependent children. In such a case the wife has no option but to go on welfare because of the parsimonious benefits under CPP.

This is also true of those people who are on old age security and CPP, the spouses of pensioners. The pensioner may be over 65 years of age and the spouse anywhere from 10 to 15 years younger. I do not think we should be so severe in our judgment of what is a disability, nor do I think that the fact a person receives disability benefits because of a severe or prolonged illness should imply that he will be on it for the rest of his life. He might be on it for two or three years and then go back to the labour force, perhaps to perform a less onerous task than before. However, that is not the way it has been in practice. This provision is administered far too severely, it seems to me.

Another point dealing with disability which applies particularly in one province, namely, British Columbia, is with regard to a new social security scheme known as the mincome program. Any person between the ages of 18 and 65 receiving a federal disability pension is entitled to the mincome pension. If he has no other income, the maximum benefit is $209.02 per month. We have been in the position of saying to someone who is disabled and is also severely handicapped economically in addition to physically, "If we can only get you that disability pension, you will qualify for mincome and that will take you up to $209". But because of the difficulty of obtaining a disability pension in the first place, the option of receiving income is open to far fewer people. The hon. member for Simcoe North (Mr. Rynard) discussed this matter in detail and I will not go into it any further. I will only say that I certainly think it is within the easy competence of the minister to have that sort of provision changed.

I shall conclude by saying that in my view the Canada Pension Plan should no longer be considered just a supplementary plan. I think that is basically wrong. I am also not convinced that anything we do to improve the CPP will have the effect of improving the mixed private and public pension plans in the country and thus benefiting the workers rather than the companies. I say this because if we increase the benefits under CPP, because of the integrated rather than the stacked provisions of most company pension plans operating in Canada, as CPP benefits become that much more, the company's responsibilities become that much less. I think that is a discouraging feature and only points out how deeply we are mired in a multiplicity of competing private and public plans. I do not think they necessarily support one another; in fact I think they compete with one another.

I suggest that the Canada Pension Plan could be used for a tripartite purpose, namely, as a pension plan, a guaranteed annual income and perhaps as an instrument of national economic policy, by using a selective investment policy. It is well known, of course, that the funds which emanate from a particular province can be, under certain conditions, lent back to that province for investment purposes. I will not go into the details of that procedure because it will not add anything to my remarks.

The premise upon which this idea of a tripartite purpose is based is a relatively simple one. I think the orange paper on social security put out by the minister anticipates a consolidation or rationalization of some of these social security provisons. I am referring to the Canada Pension Plan, the old age security plan, the guaranteed income supplement and perhaps even the Canada Assistance Plan. These programs should be rationalized and consolidated into one comprehensive package which you might want to call a social security program or an insurance program. What it is called is not important.

I think another corollary is that with the guaranteed annual income and the comprehensive program which will

provide for a disability income as well as survivors' benefits, perhaps there is no longer such a great need, if there ever was, for the private insurance industry. If we could achieve some form of public ownership of the private insurance industry, plus some of its liquid assets, with or without compensation—I think insurance companies have been well compensated for their efforts over the years—we could develop a rather important social and economic instrument in this country which would bring benefits to everybody except, perhaps, private insurance companies.

● (1540)

I would like to close by congratulating the minister on his progress. Some significantly progressive steps have been taken in the legislation he has presented. Naturally, the usual comments by opposition speakers on a government bill that goes part way to meeting their desires can be summed up in the phrases, "What took you so long?" and, "Why didn't you go further?" I congratulate the minister on his courage. He told me that he never really thinks about a pension plan for himself. Maybe he feels he will live forever, or perhaps he has independent means to take care of his own security. But I would like to remind him that, progressive as he is, the people all across Canada are away ahead of him.

Mr. Speaker: Order, please. I am informed that there have been consultations between representatives of the parties and that the hon. member for Winnipeg North (Mr. Orlikow) might be recognized at this point ahead of the hon. member who might otherwise be recognized by the Chair. On this understanding, the hon. member for Winnipeg North is recognized.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I thank hon. members for their courtesy, since I have a speaking engagement to fulfil elsewhere. I begin by congratulating the minister on the improvements to the Canada Pension Plan which this bill will permit. We in this party approve of the removal of the maximum annual increase of 2 per cent which was a provision in the Canada Pension Plan Act when it was first adopted. We opposed that provision at the time. We believe that the proposal in this bill, to allow benefits to increase annually by an amount that will take into account the full increase in the cost of living, is a substantial improvement.

We also support the provision which increases the level of income on which pension contributions are calculated and on which basis pensions will be paid. I am happy that those who now receive Canada Pension Plan benefits will have their monthly payments increased by between 8 per cent and 20 per cent. This is long overdue in view of the sharp increases in the cost of living during the past few years.

However, I suggest to the minister that what he has done does not go far enough. This bill proposes that we accept the idea that the present payments made to Canada Pension Plan beneficiaries are fair and are in fact a permanent feature of the plan. If we say that the benefits received by people will increase only by an amount equal to the actual increase in the cost of living, then we tie their benefits to the present scale. I suggest that we ought to increase the benefits annually, not by the increase in

the consumer price index but by the increase in the actual growth of the gross national product, adjusted of course to take into account the increase caused by inflation. Today I do not have the time to put the figures on the record, but I suggest that if this were done, over a period of time benefits would be substantially more than is the case simply by providing an increase to meet the rising cost of living.

When we discuss the effects of the Canada Pension Plan we must look not just at the Canada Pension Plan itself but at the total package which is available for people who retire. That includes what they get under the old age pension legislation, from the Canada Pension Plan and also from the private pension plans to which they contributed while they worked. We then realize that when we passed the Canada Pension Benefits Standards Act some years ago, which put certain floors under the provisions of the private pension plans, we did not go far enough.

Let me deal briefly with some of the difficulties which we still have. I am not unhappy that we have federal legislation for people who work in industries which come under the jurisdiction of the federal government and that we have similar legislation in four provinces. I am sorry that the other six provinces, including my own province of Manitoba, have not yet passed similar or better legislation. But there is much lacking in the legislation that we passed. What are the defects in private pension plans which still contribute substantially to the well-being of most Canadian citizens when they retire? First of all, private plans are in the main devoid of portability. We are living in an age in which people experience a great deal of mobility. People change jobs voluntarily, people quit because they are sick, people are laid off because of reductions in the working staff, because of automation, and so on—and when they do, even under the best plans they suffer a great deal.

Until the passage of the Canada Pension Benefits Standards Act, under the CPR pension plan the rule was that if a person had not worked 30 years for the company, was not 55 years of age and had left voluntarily, for instance if he were sick, then all he got from the CPR was the exact amount he had paid into its pension plan. He did not get a penny of the interest which his contributions had earned, and he did not get a cent of the money which the CPR should have been putting into the pension plan on his behalf as its share of the contributions.

That is the kind of thing which is wrong with many pension plans. At age 35, 40 or 45, when a worker gets a lump sum repayment of money which he has contributed to a pension plan, he may find it advisable to use it as a down payment on a house, or to buy a car or something else. But the story is different at age 65 when it is time for a worker to retire. I suggest we must introduce legislation to provide for portability. Some companies have begun to do something about this question. The CNR has made an arrangement with the government so that a railway employee can take his pension credits with him if he leaves the CNR and goes to work for the federal government.

● (1550)

As I said earlier, Mr. Speaker, we have the Pension Benefits Standards Act which has since 1967 required both employer and employee contributions to be invested after ten years of service of an employee provided he is 45 years of age. I suggest that the ten-year period should be eliminated or reduced, say, to two years and the age provision should be completely eliminated.

Another defect of most private pension plans is that they pay an employee a fixed amount upon retirement. In some cases they pay 60 per cent of salary, calculated on the best five years. That may be pretty good for a worker who retires in 1973. But where the cost of living increases by 4 per cent or 5 per cent every year, as it has in recent years, a worker who can manage quite well on his pension this year if he retires at age 65 may find that at age 75 his income has been reduced by between 40 per cent and 50 per cent. I suggest that private pension plans should be changed to have built into them the same principles that are now being built into the Canada Pension Plan, that is, they should be increased by at least the increase in the cost of living.

Another defect in most private pension plans is that, while an employee is required to contribute a certain percentage of his wage or salary, say 5 per cent or 6 per cent, 6½ per cent in the case of railway workers, the same is not required of the company. The amount the company pays varies from year to year and from employee to employee, and simply guarantees that the employee will receive a certain amount. I think employers should be required to match the contribution made by employees. Take the railways as an example. The CNR employees pay 6 per cent of their wages as their contribution, and the CPR employees pay 6½ per cent. But the CNR itself pays only 1.75 per cent, and the CPR pays 2¼ per cent as its contribution. That kind of advantage to the companies should not be condoned or excused.

I suggest that the Canada Pension Plan Act should be amended to require the provinces to enact legislation to incorporate escalator clauses in private pension plans. The federal government should be asked to put such a requirement into the Pension Benefits Standards Act. If that were done, then the package that people retiring would receive in the form of old age pension, benefits from the Canada Pension Plan to which they have contributed, and the pension plan established by their private employer would guarantee that they could live at a decent standard, given all the suggestions I have put forward.

It seems to me rather obvious, Mr. Speaker, that the integration of private pension plans with the Canada Pension Plan which has taken place in many cases has had a perverse effect upon private plans, an effect which nobody could foresee; or if they did, they did not speak about it. The Canada Pension Plan and the kind of improvements we are proposing in this bill are based upon a plan which is not funded. This means that the increased benefits are provided through the transfer of funds from the public sector to those who will benefit. Many groups of people are not covered by this plan; for example, housewives, people on welfare who do not work, and people who are unskilled and earn small wages. The benefits under the provisions of this plan are based upon the contributions made, and people such as those I have mentioned either receive no benefits at all or benefits at the lowest end of the scale. The chief beneficiaries are those in the top earnings bracket who pay the maximum amount allowable and, when they retire, will receive the maximum amount permitted under the Canada Pension Plan Act. That is another illustration of giving to those who already have.

Another matter which I think should be looked at, not necessarily today but in the near future, is the integration of the Canada Pension Plan with private pension plans which has taken place. A very good illustration of that is the pension payable to railway workers. This has resulted in the transfer of a large number of benefits to private companies. When we increase the Canada Pension Plan, in many cases we reduce the liability of the private company.

A very large number of private pension plans are set up in such a way that when the employee retires he receives a total pension package. In other words, to the extent that the Canada Pension Plan benefits are increased, the obligation of the private pension plan toward his pension is reduced. In those circumstances, since the worker's contribution is set as a certain percentage of his wage or salary, and since that is deducted every pay day, when the employee retires and you begin to calculate what the company has to put in in order to meet their obligation to his pension, you find the amount they have to contribute is much less than it was before the Canada Pension Plan came into effect. To that extent there is obviously a transfer of the burden from the private company—the railway is one of the best illustrations—to the public.

It seems to me we should be looking at the legislation we have or which we ought to provide in order to regulate and set higher standards for private pension plans so that the benefits they pay will be commensurate with their obligation. I know this kind of thinking will be anathema to the private insurance companies. I do not say this because I think they are inherently bad. Insurance companies are in business to make profits, as other companies are. They want to sell more retirement pension plans to more and more employers and employees. I suggest that just as we found in the field of hospital and medical insurance that the state can do a better job than the private sector of the economy, so we shall find—as we are indeed finding—that the federal and provincial governments can do a better job in the field of pensions than can the private sector of the economy.

● (1600)

While commending the minister for the changes he has brought before the House, I urge him to give serious consideration, along with his provincial counterparts, to the introduction of other legislation which equally with the Canada Pension Plan is necessary if we are to regulate and control private pension plans which play such an important part in the well-being of millions of retired citizens.

Mr. G. A. Percy Smith (Northumberland-Miramichi): Mr. Speaker, I welcome this opportunity to take part in the debate and to join other hon. members in expressing support for Bill C-224. I notice that the lead-off speakers for the opposition parties, the hon. member for Hillsborough (Mr. Macquarrie), the hon. member for Winnipeg

North Centre (Mr. Knowles), and the hon. member for Rimouski (Mr. Allard), all expressed their support for Bill C-224.

I follow the hon. member for Winnipeg North (Mr. Orlikow) in speaking on the bill. I regret that I did not hear part of his speech, but near the end of his remarks he appeared to object to the fact that the Canada Pension Plan does not provide an adequate retirement pension for everyone. He mentioned the poor, the working poor, the unemployed, and so on. I suggest that the Canada Pension Plan is not intended at this time to provide an adequate pension for everyone. It is simply a social insurance plan to which people contribute. Its purpose is to provide a measure of retirement security for the working people of this country.

The speaker who preceded the hon. member for Winnipeg North, the hon. member for Fraser Valley West (Mr. Rose), made an informative and interesting speech on this subject. It was as well, a witty speech, as his speeches sometimes are. In his remarks, with which I did not entirely agree, he took exception to the fact that the plan is a supplementary plan and is not in itself enough to provide for the retirement income security that most Canadians require. That may be quite true at present. The whole point of the amendments included in Bill C-224 is that this particular situation is to be remedied. What the bill provides for is this: when the plan reaches its full potential under the original legislation, the benefits paid, plus the increases provided in the present amendments, will be such that by the end of this decade a workman could receive a pension of $250 a month. The approximately $90 provided at present is clearly inadequate.

It is thought that the pension payable by the end of the decade, which is to be added to the ordinary old age security pension, should be a substantial factor in providing retirement income security. In many cases that income will be sufficient. Even if we ignore further escalations, what will be the result? Take, for example, a couple receiving $210 in old age pension, or $105 each. If you add the $250 that will be available, their total income will be $460 a month, or about $5,500 per year. We must agree that this would be a very substantial income. In some cases it would be enough, as at that time of life many of the expenses of the couple would be lower, their children having been educated and their general expenses having decreased as they grew older.

The hon. member for Fraser Valley West objected to the word "supplementary" being asked in connection with the Canada Pension Plan. Apparently his objection arises from the fact that this word appears in the first line of the initial legislation; there was reference there to "supplementary income." The act as first passed was to provide an income that would be supplementary to the old age pension. I point out, however, that it does not refer to any supplementary pension.

There is another aspect of the speech of the hon. member for Fraser Valley West with which I do not totally agree. He contends that the kind of plan we are talking about is not clear. If I remember correctly, he said it is unclear whether this is a welfare plan, a social insurance plan or something in between. I say that all this will become extremely clear if one reads the words of the original Canada Pension Plan Act of 1964-65. It is strictly a social insurance plan. It is, and must be, financed totally by contributions and no charge whatever is to be made against the consolidated revenue fund of the country. This includes the administration of the plan, the clerical help and everything else. It is financed, as we know, by contributions from employees which are matched by contributions of employers, as well as by contributions from certain self-employed people.

As well, the funds earn interest; they are invested when not required immediately for the payment of benefits. The provinces profit from the availability of these funds. By law they are lent to the provinces. The proportion which contributions from an included province bear to the total fund determines the size of the loans made from the fund. This was pointed out clearly by the hon. member for Winnipeg North Centre who on a point of order raised objections to the legislation. What he meant, of course, was that there are no public funds, or funds out of consolidated revenue used in connection with benefits paid under the plan.

● (1610)

I also notice that there appears to be some confusion about the nature of the plan. Several of the speakers I heard did not clearly distinguish it from some of the other plans in effect in Canada, income-support plans such as family allowances, old age pensioor, supplementary allowances, and so on. In recent weeks and months we have passed legislation to enable the escalation of benefits under such plans. I think it is even more important that we do so now in connection with a social insurance plan such as we are presently considering.

A number of speakers have advocated the lowering of the age at which pensions should be payable. Various increases in the rate of pension have also been proposed. However, we must remember that if we were to carry out these proposals the whole concept of the plan would need to be changed. At least, the amount of the contributions would have to be greatly increased. These questions would then arise: How much should we, as a parliament, order a workman to pay into a savings plan? How much should we be prepared to legislate that employers or self-employed people must pay into such a plan?

The legislation prescribes that under penalty of fine or imprisonment employees must contribute a certain proportion of their salaries. Similarly, we order employers to contribute a like amount. So when we talk about lowering the age at which pensions are payable, we are bound to take these other factors into consideration. The money which some 500,000 people presently receive is derived from funds which were paid in under certain conditions, and those who benefit are entitled to benefit. If the age of eligibility were lowered and a flood of new recipients came in to collect benefits under the plan, there would be no solution except to decrease the amount of benefit payable, that is, if we are to follow faithfully the original legislation which clearly states that benefits must be related to contributions.

The plan holds in trust the money paid by contributors, and we cannot change the rules to the disadvantage of those who have already made contributions on the basis of

certain understandings. This is why the original legislation made it quite difficult for changes to be made in the plan. I am not for a moment suggesting that the change contemplated in the bill before us is such a change that the draftsmen had in mind. I raise this point because on the front page of a daily newspaper which I read yesterday was an article suggesting that a serious question existed as to the legality of the bill now before us. The article was supplied by the *Financial Times* news service. Underlying this concern is a certain section of the legislation which was passed in 1964 or 1965—section 115(2) of the Canada Pension Plan Act. This provides:

> Where any enactment of the Parliament of Canada passed after the coming into force of this act contains any provision which alters, or the effect of which is to alter, either directly or indirectly, and either immediately or in the future, the general level of benefits provided by this act or the rates of contributions provided for by this act, it shall be deemed to be a term of such enactment, whether or not it is expressly stated therein, that such provision shall come into force only on a day to be fixed by proclamation of the governor in council, which day shall not in any case be earlier than the first day of the third year following the year in which any notice of intention to introduce a measure containing a provision to such effect was laid before parliament.

So the argument is that any change in the original act could not be effective for two years and a day from the date it was introduced in parliament. However, it is a well-established principle that parliament can pass any law it chooses, no matter what an earlier parliament may have said or done. The government must be free to respond to changing situations. After all, the original legislation was passed seven or eight years ago, and at this point I feel there is an urgent need to respond to price increases caused by inflation.

The other subsection of section 115 of the original act requires that two-thirds of the population of the included provinces should consent. This provision has been met or it will shortly be met, as is clear from the communiqué which was issued at the conclusion of the conference of welfare ministers held in October of this year. It is clear from this communiqué, dated October 11, that all the provinces have expressed agreement with this change we are asked to make. Had it been otherwise, I might have agreed there was some question about the legality of the amendment which is presently before us.

Moreover, Mr. Speaker, I feel sure the hon. member for Winnipeg North Centre, with his knowledge of the rules, would have raised this matter on a point of order if there were any grounds for his doing so. I do not claim to be an expert on the construction or interpretation of statutes; however, I do know that in trying to interpret them to find the real meaning of the legislation we must look at the intent of the legislation.

● (1620)

We might ask why the section requiring, in effect, two years, notice of any substantial change in the plan was placed in the original act. I think it was put there to prevent any government from recommending hasty or ill-considered changes. Perhaps on the eve of an election some future government might have attempted to increase benefits without making provision for a corresponding increase in contributions, or something of that kind. However, it is clear to me that the intent of the initial legislation was not that a change such as we are proposing in Bill C-224 would be prohibited.

Clause 8 of the bill now before the House provides as follows:

> Subsection 115(2) of the Canada Pension Plan does not apply in respect of the amendments to that act contained in this act.

In other words, in passing this bill we are saying that subsection 115(2) of the original act does not apply. Hon. members will note there is no provision in the bill that subsection (4) of section 115 does not apply; that is, the provision requiring the agreement of all the provinces.

I feel the minister is to be congratulated for bringing forward this bill and for his success in obtaining the agreement of the provinces. The similarity between the proposals contained in the working paper on social security in regard to the Canada Pension Plan published in April of this year and the communiqué to which I made reference earlier is very striking indeed, and I think is a tribute to the tact, diplomacy and indeed perhaps the persuasiveness of the minister in his dealings with the provinces.

One of the main objectives has been to bring the Canada Pension Plan and the Quebec Pension Plan into parallelism with each other in regard to contributions, particularly in regard to the income on which contributions are based; the two figures had diverged somewhat. In obtaining agreement on this matter I believe the minister did a real service so far as mobility of the work force and portability of pensions are concerned, as well as for national unity itself.

I feel sure there is no legal objection to the passing of this legislation and I urge its speedy passage through the House. I should like to make one other point before sitting down. It, too, arises from the communiqué issued by the welfare ministers. Part of the communiqué reads as follows:

> It was also agreed where the Canada Pension Plan operates that, effective in 1974, retirement pensions will become payable at age 65 to any person who has ceased to contribute to the plan, regardless of his or her earnings. Thus the earnings test which has been applied to people between 65 and 69 will be eliminated. The government of Quebec has already liberalized the earnings test under the Quebec Pension Plan.

The minister indicated that he has further amendments in mind. I urge him to include an amendment to incorporate the agreement that I have just read. However, I believe the minister has indicated that further amendments should have a little more time so they are fully discussed both by the public and by this House, and that he is introducing only those that are contained in Bill C-224. Since they are to be effective at the beginning of 1974, they are therefore urgent.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I do not think the changes proposed in Bill C-224 are going to cause or have caused any violent arguments on the part of anybody in this chamber. When we are dealing with such a sensitive question as pensions, a subject we are all sensitive to both politically and personally, perhaps we do not always scrutinize or discuss all of the issues. In addition to that, in this particular case we are faced with the fact that the consent of the provinces to these changes has been secured, since this is a measure requiring the consent

of the provinces. Even the effort and time involved in getting together with the various provincial governments is something that cannot be taken lightly. I feel it makes discussion of the bill, you might say, somewhat academic.

However, I should like to raise a few points regarding the workings of the Canada Pension Plan. There are those who suggest that the CPP should be used to replace the old age security and guaranteed income supplement plans for the elderly. In my opinion, the old age pension and the guaranteed income supplement should be the means by which the state guarantees to its citizens a basic pension when they reach retirement age.

There are those who say that the Canada Pension Plan should override old age security and that eventually old age security ahould be phased out in favour of the CPP. In my estimation it is important that the Canada Pension Plan remain a pension plan for those who, either by working as an employee or by being self-employed, make contributions to the plan and thus qualify for a pension when they retire. For this reason I think amendments to the plan that seek to override the plan have to be seriously considered to ensure they are actuarially sound.

There are those who say that the Canada Pension Plan is not really a pension plan in the accepted sense of a private plan or one's own plan, but merely a transfer of income from those who are working to those who have retired. This is perhaps true of any large scheme whereby massive sums of money are raised by way of levy on employers, employees and people who are self-employed and the money transferred to those who have retired. Others would go farther and suggest that the Canada Pension Plan is largely a tax levied on those who are producing and earning, the revenue from which is given to those who have reached retirement.

● (1630)

I think it is wise in any discussion of the type of Canada Pension Plan we would like as a nation to consider the impact of a compulsory-type saving such as this in relation to the level of voluntary saving, or the general desirability of private plans such as employees' pensions, annuities, and so on. Personal savings are usually directed toward specific goals. In my experience as a physician, some 20 years ago people thought seriously about the problems they would face when they became old, particularly if they were ill. Today people do not worry so much about having enough money to live on. Years ago people wanted to make sure they would be able to pay their hospital, physician and other bills associated with illness when they became incapacitated, in order that they would not be a burden on their children, which very often was the case.

In a relatively few years we have taken care of these expenses in that hospital bills are paid for universally, medicare is universal and in most provinces, at least in my own, the cost of drugs is looked after. There is practically no one past the age of 65 who has any difficulty getting drugs. We also have nursing home care and assistance in respect of a wide range of services, including assistance in providing shelter cost for those in low income groups. In that relatively short time much of the basis for the fear on the part of the pensioner has disappeared.

[Mr. Ritchie.]

With the level of old age security and guaranteed income supplements, it seems that personal savings are no longer as attractive to many people. Many who took out life insurance policies 25 years ago with the idea of saving now realize they might as well have taken a trip with the money at the time, particularly in view of the dollar devaluation as a result of our inflationary trend. This is one area we must consider in respect of the Canada Pension Plan as it relates to voluntary savings.

Very shortly we will be considering the foreign investment bill and the government's screening process for foreign investment. I think we should all realize that, in a practical way, what people in Canada save and invest will ultimately determine how effective will be Canadian control of our own resources. A very rapid inflation rate means, for most people, that personal savings programs drawing conventional rates of interest do not really offset the inflationary effect on such investments. People receiving 8 per cent or 10 per cent on their investments—and this is a high rate of interest for those who are buying homes—will pay 3 per cent or 4 per cent in income tax at the end of the year and will be substantially farther behind in terms of real value.

There is one other aspect of the Canada Pension Plan that should be discussed in terms of savings. This represents a large pool of capital, at the present time in the neighbourhood of $4 billion, earmarked for the provinces. Employees' corporate pension plans, mutual funds and the savings portion of insurance funds have all contributed to the pooling of capital in the hands of a relatively small number of companies under the control of professional managers. One bad feature in this regard has been the withdrawal of capital from rural areas with concentration in a few cities in the country. Most communities in the past had a local money-lender who was perhaps not very popular in the area but who did serve a purpose. Rural areas are now starved of capital. As these small capital pools have been centralized, governments have attempted by various programs such as DREE to provide capital for rural communities, but in my opinion they have not been too successful.

The combined effect of the old age security and Canada Pension Plan being tied to the actual cost of living index will mean the taking over from a large number of Canadians the function of personal saving. In other words, very few private pension plans can be indexed in this way, so the Canada Pension Plan will assume a much more important role. When voluntary personal savings cannot be related to the inflation index it becomes very unattractive to build up personal savings. While it is desirable, and perhaps easy, to provide automatic increases in basic pensions by tying them to the cost of living index, this is a somewhat arbitrary measure.

It is very difficult to measure the actual increase in the cost of living, as various items are included; but the index does not reflect the entire economy. The governor of the Bank of Canada made a statement the other day to the effect that he could not understand our unemployment rate at a time when indices showed such business activity. This probably results from the fact that the conditions which affect the indices are upset by changes in the

economy not being registered, or registered in a different way in the indices we are using.

The change from the automatic 2 per cent escalation factor will be significant and I support this move although I have reservations, particularly as this provision relates to the entire business community and our tax structure. In a free economy, various segments are advancing while others are going back, and adjustments must be made to offset this fact. When the cost of production in one segment is higher than the return on the product, the price must go up in order to obtain required production. When indexing is related to the entire economy, perhaps this situation is rectified.

Let me give one example in respect of agriculture. We have seen a rapid increase in food prices, about which there has been a great deal of comment, much more so than there has been about increases in the cost of automobiles, clothing and other manufactured goods. An examination of the cost of agricultural production indicates that unless prices go up, production will go down. In addition, we must remember that the determination by the international market of the price of grain products has contributed to the increase in retail prices ultimately passed on to the consumer and reflected in the cost of living index. What happened was that the industry needed a larger portion of our national income in order to maintain productivity. Without such an increase, production would have fallen off, and I might say that it has to some extent.

When there is an increase in the cost of food prices, there is naturally an increase in the cost of living index. If the remainder of the economy is able to respond to this by an immediate rise in their payments, then the whole economy becomes rigid and there is little point in raising agricultural production. So when we translate automatic rises in the cost of living to pensions, wages, and so on, in my opinion there could be considerable unfavourable reaction. It is true we are not dealing here with the normal sums of money in relation to the total economy, although these sums could become significant. Although they are in retirement, we are dealing with people who, because they have left the work force, perhaps because of age or infirmity, have a reduced ability to earn a living. Nevertheless, if all segments of the economy, or almost all, became indexed there could be a very rigid economy in society. At the present time almost all increases in salary are based on cost of living increases rather than productivity.

● (1640)

I should like to elaborate a little on some of the problems in respect of our economy as a result of the way the funds of the Canada Pension Plan are being spent. The provincial use of Canada Pension Plan contributions has become part of a mechanism that not only affects the pension plan but also affects provincial government spending and the entire investment pattern.

Provincial governments have a pattern of borrowing from the Canada Pension Plan. This tends to encourage increased spending by the same governments because of easy access to the pension fund money. The legislation in respect of the Canada Pension Plan provides for the investment of funds less the estimated amounts needed to pay for benefits and costs. These funds are made available to each province, based on its contribution. In this way the provinces are able to borrow money from these funds subject to the supervision of the Department of Finance.

I think it has been recognized for some time that in the past 20 years the provinces have had much greater demand on their treasuries, relatively, than there has been on the federal treasury. Considerable discussion of this problem was generated during the debate on the white paper in respect of taxation, and subsequent taxation law. I believe the use of Canada Pension Plan funds has tended to mask the importance of this. It has tended to make it easy for the provincial governments to have access to funds, and perhaps contributes to some unwise spending programs. This may also have prevented dialogue in respect of making decisions on actual taxation powers, in terms of the proportion allotted to the federal and provincial governments as well as, perhaps, to municipal governments. In general, this easy access to funds by the provincial governments could lead to unwise spending programs.

This program does not involve the normal contracts that would be involved in borrowing from normal lenders. It is not necessary for a provincial government to become involved in the process of borrowing money on the financial market. I suggest this condition could tempt provinces to adopt an "easy come, easy go" attitude. This huge reservoir of Canada Pension Plan funds provides a cash flow which occurs independently of the normal business cycle. The revenue of the Canada Pension Plan grew from $95 million in 1965 to $1,102 million in 1972-73. Since 1965-66 the excess of revenue has left the plan with an amount of $4,779 million. In 1972-73, contributions to the plan totalled $897 million, with pay-outs of $206 million, so that almost $700 million was available to the provinces for borrowing on a prorated basis.

There are many who criticize the free enterprise system, but the intragovernmental borrowing and short-circuiting of the free market by borrowing from the Canada Pension Plan fund—illustrates what has happened. If a province needs funds, it should borrow directly from the market. In turn, if the division of taxes is such that provinces do not have sufficient access to taxing powers, then that should be negotiated. Borrowing from the Canada Pension Plan fund brings into conflict two different functions, the needs of the provincial treasurers and the rights of the pension fund contributors. If the provincial governments borrow at an advantageous rate, obviously the pension fund is lending at a disadvantageous rate. If the provinces did not borrow these funds there would be an incentive to maximize the yield on the funds and the money would flow to the most productive and rewarding sectors of the economy.

Perhaps the managers of the fund should be urged to invest as effectively as possible. There is a suggestion that the Canada Pension Plan legislation would have to be amended to permit each province to control its own funds. If yields on the pension fund could be improved, the contributions could be decreased or the benefits could be raised. Under the present arrangement the provinces are able to borrow at less than market value and thus the pensioners rights are disregarded and given second place. The present situation allows governments to disregard the best interests of the pension plan contributors. After all,

the purpose of the government should be to help citizens, not unnecessarily to harm them.

In the final analysis, I think it is important that the Canada Pension Plan be actuarially designed to provide imcome for those who have contributed. It should remain separate from old age security, and some consideration should be given to the fact that the managers of the plan might be instructed, or be placed in a position to invest the money to yield a good interest so that contributors to the plan will be rewarded as much as possible.

● (1650)

[*Translation*]

Mr. Gérard Loiselle (Saint-Henri): Mr. Speaker, it is my pleasure to join the previous speakers who have voiced their approval since the beginning of this debate on Bill C-224. It seems that there is no opposition to the bill from either side of the House. I congratulate each hon. member who, while approving the amendments introduced by the Minister of National Health and Welfare (Mr. Lalonde), has suggested improvements which I am sure will not come into effect immediately. But knowing the Minister of National Health and Welfare, I am sure that all those suggestions will not remain unheeded.

I would like to relate the history of this bill and summarize its main features.

Passed on April 3, 1965, the law establishing the Canada Pension Plan came into force the following May 5. The collection of contributions began in January 1966 and the first benefits were paid in January 1967 in the form of retirement pensions.

The first benefits to surviving people were paid in February 1968. This plan is a major landmark of social progress in Canada as it enables millions of citizens to secure a financially safe retirement while simultaneously protecting their dependents or surviving relatives against the loss of income in case of disability or death to the bread winner.

This plan is in force throughout the country except in Quebec which has a similar and closely co-ordinated pension plan; the Canada Pension Plan and the Quebec Pension Plan practically operate as one single plan. Together they cover almost all working people in Canada, including the armed forces.

The benefit credits accumulated under both plans are portable everywhere in Canada. The contributor who works for more than one employer or who is self-employed during the whole or a part of his working life accumulates pension credits no matter where he works in Canada. Moreover, the plan benefits are paid to recipients, whether they live in Canada or abroad.

Every contributor to the plan must have a social insurance number so that his gains entitling him to a pension may be registered correctly for benefit purposes.

There are three main kinds of benefits: retirement pensions, benefits to surviving relatives, including pensions to widows and disabled widowers, orphan benefits, the overall death benefit, benefits to the disabled, including the pension to a disabled contributor and benefits to his dependents.

[Mr. Ritchie.]

In another field, the same bill includes provisions to give complete justice to any Canadian citizen who, on account of a decision from the board or from the plan, feels frustrated in his rights.

Any contributor or recipient included in the plan has the right to appeal against decisions he deems unjust. As regards participation and contributions, requests from employees and employers must be sent first to the Minister of National Revenue (Mr. Stanbury). Should the minister's decision be unsatisfactory, the applicant may appeal to the Pension Appeal Board, whose decision is irrevocable.

As to earnings assessment for the purposes of Canada Pension Plan, review applications from self-employed workers are treated in the same way as appeals provided under the Income Tax Act. As regards benefits, there are three appeals: one can refer to the Minister of National Health and Welfare (Mr. Lalonde), to the review committee or to the Pension Appeal Board whose decision is final.

Implementation of the Canada Pension Plan and the Quebec Pension Plan is already an important step in the area of social security in Canada. Such an initiative from our government shows to what extent the latter was concerned with retired people, disabled persons, surviving spouses as well as orphans who, since the plan was implemented, have been able to live more serenely.

In 1968, this government, aware of the problems resulting from inflation and willing as always to be earnest towards pension beneficiaries, implemented a review of social security. Since then, many Canadians have been able to meet their obligations, despite unavoidable increases in consumer prices, and this was made possible by the government's determination to protect citizens against the rising cost of living. Today, faced with the rapid rate of inflation, the government continues to take the necessary measures. This is why, on September 4, the Right Hon. Prime Minister (Mr. Trudeau), in a statement made in this House, presented immediate legislation designed to slow down the inflation rate. Among these measures, I would like to mention one that enable retired workers and citizens who belong to the above-mentioned categories to keep pace with the standard of living.

Since 1966, we have witnessed—and this makes me very happy—the government's flexibility in their amendments, that I could qualify as systematic, if I consider the amendments brought forward in 1968 to set up an adjustment mechanism which provided for a maximum annual escalation of 2 per cent for pension benefits. Since these amendments, this government has remained on its toes in the face of the extensive inflation that afflicts not only us but all countries of the western world, and we are quite aware of that. That is why after repeated efforts and lengthy studies it was agreed to set up a mechanism much more flexible than the previous one which provides for the adjustment of pensions on the current cost of living standard and a progressive adjustment from year to year.

For those who contribute to both plans; the Canada Pension Plan and the Quebec Pension Plan; maximum pensionable earnings will be increased from $5,600 to $5,900, $6,600 in 1974, and $7,400 in 1975.

I find very practical the suggestion of the Minister of National Health and Welfare to legislate immediately on those two questions that should be implemented before 1974. There is no doubt that everyone knows that those amendments to the legislation will provide relief to over 500,000 Canadians who receive retirement pensions or other pensions provided for in the act.

In the Speech from the Throne at the beginning of this session this government considered the different problems affecting all Canadians and promised a complete revision of all social security measures in Canada. Following that formal undertaking by this government, the Minister for National Health and Welfare released his working paper on social security in Canada on April 18, 1973, which contains several proposals that should completely change the social security plan in Canada. And a little later I would like to come back to some of the projects that I find particularly interesting and cherishable, specially in the area of employment strategy.

I would like first of all to commend the Minister of National Health and Welfare for the federal-provincial conference of ministers that was held on October 11 and 12 in Ottawa.

● (1700)

We, from Quebec, have heard the leader of the new government of that province talk about profitable federalism during the election campaign.

In my opinion, the results of the federal-provincial conference held in Ottawa on October 11 and 12 are tangible evidence of that profitable federalism, where the representatives of two levels of different governments can discuss their problems and ways of solving them and implementing measures while protecting the interests of all, whether under provincial or federal jurisdiction.

That is why, following last spring's publication of the working paper on social security by the Minister of National Health and Welfare, after the provincial ministers of Health and Welfare met in Charlottetown on September 25 and 26 to discuss further and make their positions known before resuming talks with their federal counterpart at the conference held October 11 and 12. During this conference, the federal Minister of National Health and Welfare obtained agreement from all provincial ministers on five points, on a complete revision of the Quebec and Canada plans.

The first point of agreement is the increase in benefits according to the cost of living. In future benefits paid under these two plans will be based entirely on increases in the consumer price index, following the removal of the existing 2 per cent ceiling for everyone, including retired workers.

The second point of agreement is the raising of the ceiling on earnings used to compute benefit and contribution rates. The rates of contributions paid to the Canada and Quebec pension plan accounts will be identical from now on. Both will be established at $6,000 in 1974. For the benefit of those who did not know it, there used to be a difference of $300, I believe, between the ceilings of the Quebec Pension Plan and the Canada Pension Plan.

The third point of this agreement provides that maximum retirement benefits under the Canada Pension Plan, which amount to $1,089 in 1973, should increase to $3,000 by 1980, according to estimates. Old age security benefits are added to these retirement pensions.

The fourth point of this agreement concerns a change of residence by the employees. Employees entering or leaving Quebec will now contribute the same amount before and after moving, and this contribution will be based on the same earning level.

The fifth point pertains to the suppression of the earnings (employment income) control for Canada Pension Plan participants between the ages of 65 and 69. Retirement benefits under the Canada Pension Plan for participants aged from 65 to 69 will ne longer depend on their justifying beforehand their employment income—which used to be determined by the earnings control to which they were submitted—and from now on, they will be automatically granted to all those aged 65 who will have stopped contributing to the Canada Pension Plan.

This understanding, Mr. Speaker, given any disagreement which can exist in any area between provincial and federal jurisdictions, proves that there can be an agreement provided the citizens' rights are protected and safeguarded.

I do not doubt that we all readily accept these two amendments and, as the minister said in his speech at the beginning of this debate, other amendments will soon be added to the act.

Speaking about social measures, I would like to talk a little about the duty of the government towards the citizens and of the concern they feel about them, especially about the citizens who are the victims of inflation and of the increase in the cost of living and who do not have any other income than the old age security pension. We all know that last September the government, for the second time in their parliamentary year, granted an increase in the old age security pensions to mesh them with the cost of living. This is a supplementary measure this year and those who get the guaranteed income supplement will benefit from it.

In the same area, the government, by a temporary measure, gave higher family allowances with the October cheques. This measure is temporary—and I am confident it will be adopted during this session—until the new legislation on family allowances is passed. Everybody knows that this new legislation which is now before the committee provides for a three-fold increase over what is provided in the present act, up to a maximum of $20. To this will be added a special program of the provinces and I shall talk with full knowledge about the province of Quebec which will also offer family allowances amounting in some cases to $45 a month.

All that, Mr. Speaker, to come back to what I said before: when it is possible to adjust the views of both federal and provincial jurisdictions according to the needs of citizens, it is always possible to do better.

I would be remiss for not doing like some of my colleagues who, during their speeches, have brought forward some ideas and some amendments regarding our social legislation; I would like to support the member who yes-

terday spoke about an adjustment of the eligibility age for the old age security which could be progressively reduced from 65 to 60 years. It is, I think, the member for Fraser Valley West (Mr. Rose) who, this afternoon, spoke about that matter. We now have workers aged 60 to 65 who cannot find a job because of their age and who, as they are not eligible for the old age security, must be satisfied with welfare allowances.

If we want people between 60 and 65 to leave the labour force we should see that they get the old age security in the same way as at the time of the last change, that is to say by reducing the eligibility age one year at a time over a five-year period. I would not mention any country, but some have a pension plan in which you take the years of service and the age and if they add up to 80, I think, retirement is compulsory. In several instances, some employees must retire even if they are younger than that.

That is why, in my view, officials of the department ought to consider that matter further in order to be able to set up a general plan aiming at the early reduction of the eligible age for old age security pension.

I would like them to look after another case which perhaps would be acceptable to those who will consider it faster than the proposal I made earlier, namely that of the spouse of a beneficiary of old age security pension who is not actually aged 65. Where one of the spouses is aged from 60 to 65 and the other is eligible for old age security pension, the former should also be entitled to that pension.

If I make these two suggestions, it is because everyday, in the riding that I represent, that request is put to me by citizens who have retired from the labour market and who, by this very fact, see themselves without any immediate income and must apply for welfare. When a Canadian has had to work all his life in order to live, and not always for a very high salary, I find a little degrading that he be forced to go on welfare before being eligible for his old age pension. Studies should be made to find out at what level and how such a project should be implemented. I am personally convinced it is possible to do something, at least to have some studies conducted. After all, I believe I should insist more in order that people between 60 and 65 years of age be entitled to pensions when the spouse is eligible.

In conclusion, I would like to encourage all my hon. colleagues to continue in the right direction as laid out in the budget speech, that is to readily accept the two amendments to the bill now before us, with the hope that very soon the minister will present other amendments, as he as promised, in order to give greater access to the Canada Pensions Plan and the Quebec Pension Plan for the 500,000 Canadians who are totally dependent on them, while, at the same time, making them more interesting for them.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, the bill now under consideration is characterized by two main features: the first deals with the consumer price index leading to an equivalent increase in benefits payable under the legislation. The second refers to an increase in the year's maximum pensionable earnings. I readily accept both amendments to the Canada Pension Plan but, for a very special reason, I have decided this afternoon to restrict my comments to the first feature, that is the consumer price index.

I am not so much interested in the validity of the argument in support of a rise in the index applicable to benefits. This I openly accept. What does interest me is a group of persons to whom neither indexes are applicable at the moment. This problem is complicated and I fail to understand it. This is why I want to put it clearly in the hope that the minister may be able to give us some explanations regarding a really strange situation.

If the government is so much aware, as the hon. member for Saint-Henri (Mr. Loiselle) just pointed out to us, of the fate of those suffering from the disastrous effects of the rise in the cost of living, I am confident that the minister will do his utmost to solve the problem which I am about to make known to you.

● (1710)

[*English*]

I am very happy to see in the chamber this afternoon the parliamentary secretary to the minister because I hope he will draw to the attention of the minister the remarks I am planning to make. I rise to speak today for many people who have no voice in this House. They live in Canada. Some are Canadians and can vote, but most of them are not yet Canadians and therefore cannot vote; therefore they have no spokesman. These people came to Canada to be with their families who had immigrated before them; they are the mothers and fathers of emigrants from Britain. They came here with what they could by way of assets from Britain because their families had preceded them and they wanted to spend the rest of their days with them. Why should I feel called upon to speak for them today? It is because of the pensions they draw here and the steps being taken by the minister to rectify the situation.

The background is worth recounting, Mr. Speaker. The British pension is a contributory pension; for the length of one's working life one makes contributions to it. Should a contributor decide to leave Britain for Canada after making contributions, he will receive the pension due when he becomes eligible for it. It will be paid at the rate being paid on the date of departure from Britain. That is, if he decides to come to Canada, for example, to stay within the Commonwealth.

However, if he decides to go to a country with which Britain has a reciprocal agreement on social security, he will receive the pension as adjusted from time to time in Britain in accordance with cost of living increases—adjusted right up to the moment of his entitlement—and he will receive all subsequent adjustments as they are made. That is, if he decides to go to a country where there is a reciprocal agreement on social security. These countries include Austria, the Common Market countries, Cyprus, Malta, Switzerland, Israel, Yugoslavia, Turkey, the United States and Jamaica, not to mention the Isle of Man, Jersey, Guernsey and Bermuda. But not Canada. So emigrants from Britain to Canada, having contributed all their working lives to a pension plan in Britain, find that by coming here, to a country in the Commonwealth, their pension level is frozen just because Canada has no reciprocal agreement with Britain on social security.

Where does the fault lie, Mr. Speaker? Here is the explanation I get from one side. In a letter dated July 3, 1973, which I should like to put on the record in part, the Minister of National Health and Welfare (Mr. Lalonde) wrote:

Although it is usual for a country to pay its old age pensions to all eligible persons residing within its territory, the same general practice does not apply to persons living abroad. Some countries do not pay such pensions abroad to anyone excepting under very special conditions. Others pay them abroad only to their own eligible nationals. The United Kingdom and Canada pay their pensions abroad to both nationals and aliens who are eligible, whereas the only eligible aliens to whom the United States pays its pensions abroad are those who are nationals of countries which will pay social security benefits abroad in full to their beneficiaries who are U.S. nationals.

From time to time a country may increase the rates of old age pensions payable. Whenever such adjustments are made to Canadian old age security pensions and to Canada Pension Plan benefits, they are payable unconditionally to all recipients residing anywhere abroad, including the United Kingdom, by virtue of Canadian legislation alone, without the need for reciprocal agreements between Canada and the other countries concerned. On the other hand, it is our understanding that the United Kingdom pays such increases abroad only in those countries with which it has reciprocal agreements or arrangements on social security.

As you have indicated, such an arrangement exists between the United States and the United Kingdom. It will be clear from the above information that by virtue of this arrangement, pensioners of the United States who are not U.S. citizens are able to enjoy their full U.S. pensions in the United Kingdom, though they would not be able to do so if the arrangement in question did not exist. Meanwhile, pensioners of Canada, no matter what their nationality, are able to enjoy full Canadian benefits in the United Kingdom. Similarly, there is no impediment to the British government paying increases to United Kingdom pensioners in Canada by virtue of their legislation alone, should they wish to do so.

I emphasize "should they wish to do so", Mr. Speaker. Here is what I hear from the other side, because in my search for the truth and to find out where the problem lies I have entered into correspondence with a number of members of the British parliament and in particular with the minister directly concerned in the British government. What he tells me is a reiteration of the statement concerning the eligibility of persons drawing pensions in a foreign country at the rate current when they left Britain or when they first became entitled after emigrating. Subsequent increases are payable only in countries which have undertaken, in reciprocal agreements, to pay unconditional pensions.

In my correspondence I suggested that Canada was ready to sign an agreement with the United Kingdom and that the United Kingdom was reluctant. This was on the basis of correspondence I had had with the minister. I quote part of the reply of the British minister as follows:

I should say at once that the opposite is true. Since before 1970 it has been our desire to conclude a comprehensive social security reciprocal agreement with Canada and in the course of the last three years draft proposals have been transmitted to the Canadian government on three occasions, the last in March of this year, to which a reply is awaited.

Mr. Speaker, I find this extremely confusing. You will therefore understand why I am at a loss to explain this anomaly to people who come to me for advice and ask what can be done. It seems to me a matter of concluding an agreement with Britain. Why have we not done so? What is the hold-up? Many of those for whom I speak arrived here at middle-age and when they reach the age of 65 they are not, except in rare cases, eligible for the Canadian old age pension since they are unlikely to have lived in Canada for the required 20 years. For this reason, if for no other, I urge the minister and the government to hasten the conclusion of an agreement with the United Kingdom on social security.

● (1720)

I cannot conclude my remarks without mentioning two other classes of disadvantaged persons. Others have mentioned them and perhaps I may be allowed to do so. Something ought to be done soon to permit housewives to contribute to the pension plan, so that they too may receive the pension in their own right, as they deserve. Something must also be done to ensure equivalent treatment for widows and widowers. If a man loses his wife, as I understand it his pension is not reduced; but if a woman loses her husband, her pension is reduced automatically and drastically. Why should this be? Why should one partner of a marriage be treated as less than an equal in the partnership? This defect must be eliminated from our legislation. The legislation we are presently considering may not be the vehicle for doing that, but we must not lose the opportunity when it arises to correct these inequities.

Having made this triple call for justice for British immigrants, housewives and widows, I resume my seat, Mr. Speaker.

Mr. Rod Blaker (Lachine-Lakeshore): Mr. Speaker, I rise, as have many other members of the House, to express my satisfaction with Bill C-224 and, to be consistent with many other members, to emphasize that this bill through its provisions is simply a vehicle for bringing about a better social security system for Canadians.

I intend to be brief, for which hon. members may be thankful, and discuss only two concepts. They are the social guidelines and the philosophy which produced this bill. I shall make a comment or two about our obligation to extend that philosophy and to see to it that our citizens are increasingly brought into contact with this kind of program and given more information. Secondly I shall comment on what I call the hard dollars involved in this program. I also hope that the bill will be passed as quickly as possible because as members of this House know many Canadian citizens are waiting to benefit from its improvements.

The purpose of any social security system is to assure to all the citizens of Canada a decent, human and humane standard of living. The class of Canadian citizen to which our obligation is perhaps greatest is the one consisting of our senior citizens who have devoted their lives and working years in working for our benefit in order that we may enjoy a better place in which to live. Yet bearing in mind the intention behind our social security programs, we must recognize that, perhaps because of the complexities of interrelated and parallel provincial and federal programs, not all our people are the beneficiaries.

Let me give an example from the riding that I represent. I emphasize that I represent one of the wealthiest regions in Canada. The people are among the most highly educated and the most mobile. It is one of our most highly industrialized regions. Yet I still hear of women who are

afraid to leave their homes in daytime because they are inadequately and improperly clothed. I still hear of men who cannot get jobs, despite the university degrees they possess, because they are over 50 years old and corporate pension plans do not permit the hiring of people of that age.

I share the hope expressed by my predecessors in this debate that we shall introduce legislation which will result in private pension plans, to which many of our citizens contribute, being made interchangeable and portable and as flexible as the Canada Pension Plan. Such legislation would guarantee our citizens the chance to contribute to better private pension plans. This bill, in essence, is a reflection of those ideas and goes a long way toward establishing the kind of social security system that was mentioned in the Speech from the Throne. It is unnecessary to repeat what the speech said. I simply say that in the near future, and by that I mean a few years as I am not looking much beyond the end of this decade, we must consider the idea of a complete and cohesive guaranteed income program for Canadians. I do not mean a program that will encourage persons to stay at home rather than to work; I mean a program that will guarantee the citizens of this country a basic standard of decency. This bill moves us in that direction.

I shall touch briefly upon my second point. I want to deal with the dollars and cents that are behind this program, compare it with past programs and look to where we shall be in the future. In addition to our medical care program, I think it is fair to say that we shall see introduced in this country what I may call "pharmacare" or pharmaceutical care and dental care programs. Remember that about ten years ago all we had in this country was the old age security pension of $65 a month. Compare that situation with the situation of today in which, under the guaranteed income supplement plan, we guarantee that a single, elderly person shall receive not less than $2,150 a year and a married couple not less than $4,100 a year. The benefits under the plan are available at age 65 instead of age 70, and many members of the House have expressed the desire that the eligible age be lowered to 60. I add my voice to theirs and hope for this to come about.

The 2 per cent escalation provision has been removed and the cost of living adjustments will be made quarterly, not annually, which will mean more dollars in more pockets. The yearly maximum pensionable earnings provision will bring into the plan a considerable number of additional dollars, and on the basis of actuarial data to which I shall refer in a moment the result, obviously, will be a substantially increased pay-out at the age of 65. It is this increase from the current maximum of $5,600, as mentioned by an earlier speaker, under YMPE to $6,600 in 1974 and $7,400 in 1975 which, at the 1.8 per cent level of employee and employer contributions, will increase the maximum individual contribution to $106.20 next year. That will be the employee's contribution and there will be an equal and matching contribution by the employer.

Also, the 12½ per cent per annum increase on the 1974 ceiling of $6,600 will bring a greater number of capturable dollars, if I may use pension terminology, into the plan and there will be, as well, an increase in the amount of money which will be received by beneficiaries. The result

is this: Whereas the present maximum is $6,600, that maximum will rise to $13,000—we are speaking in terms of yearly maximum pensionable earnings which will apply by 1980—and present benefit of $1,089 will rise to more than $3,000 over and above the old age security pension.

Finally may I cite some examples which will show how this plan is to work. A married man with four children who let us say retired in 1971 when he was earning $5,000 per annum would have received the following benefits under our system: from the pension plan, $63 per month; from the old age security pension, $160 a month; from the guaranteed income supplement, $64 a month—for a total of $287 a month or $3,444 annually. Those benefits are to change as follows: the man will get, under thhe Canada Pension Plan, $86 a month; under OAS, $210 a month; under GIS, $89 a month—for a total of $385 a month or $4,620 per annum.

According to a very cautious and conservative projection, by 1975 the individual who was making $5,000 a year when he retired in 1971 will be receiving under the Canada Pension Plan $123 per month, under OAS $228 a month, an under GIS $81 per month—for a total of $431 a month or $5,172 annually, which is more than he was making when he retired.

● (1730)

This is an extremely conservative projection of the rates of inflation which reflect the possibility of income improvement. If we look only seven years ahead to 1980, we find that an individual receiving $90 a month presently will be receiving $250. A disabled individual presently receiving $115 will be receiving $225. A widow under the age of 65 receiving $71 will then be receiving $135, and a widow over the age of 65 receiving $69 will be getting $120. These figures represent a doubling of current benefits within seven years.

I share with other members of the House a desire to see the programs for our senior citizens still further improved. But I also think members who sit on all sides of the House should compliment the minister responsible for bringing in this bill, with all the increased advantages it will mean for those who so greatly need them.

Mr. Dan Hollands (Pembina): Mr. Speaker, I am sure many people in Canada will be happy to see this amendment to the Canada Pension Plan. Many older people, through no fault of their own, are in financial trouble today. In the past year we have seen a more rapid rise in the cost of living than we have ever seen before. This is the essence of the times in which we are living. It has certainly hit the older person much harder than anyone else.

There are one or two changes still to be made to the Canada Pension Plan. I am concerned about the fact that one must earn at least $6,600 a year before being eligible to contribute to the plan. A large number of people are excluded from benefits in consequence. I suppose the largest group would be that which includes the farmers. Over the last five or six years, through no fault of their own, they have been forced, as a result of depressed markets for their livestock and grain, into an extremely difficult financial situation. Indeed, many of them are only able to

live because of the tax provision in respect of depreciation of their assets. Many of them do not earn enough to entitle them to contribute to the plan.

I believe there should be some way of enabling people in such a situation to join the plan and catch up with their payments in more profitable years. Unless this can be arranged, they will have to turn to other types of insurance in an effort to make provision for their old age. It is no fault of theirs that their income has been drastically reduced or cut off altogether.

In many ways, the quota system has been a factor in preventing many farmers qualifying for the benefits of Canada Pension Plan. The amount a farmer can produce and sell is limited. Then, too, there are the effects of adverse weather. Go to northern Alberta today and you will see valuable crops lying on the ground, so bad have been weather conditions for the past two months. Surely we should be able to amend the act so that people who are confronted with misfortunes of this kind can still take part in the plan.

Some hon. Members: Hear, hear!

Mr. Hollands: One of the features I have been very concerned about since I have been in Ottawa is the disability section of the act. Last week I received a letter from a farmer in my constituency whose only means of support was his quarter section farm. He had been in hospital, two discs had been removed from his back. He is unable to work, so he wrote and asked whether I could help him to receive benefit under the Canada Pension Plan. It is a tragic thing. I went to see this man at his house. He was barely able to walk. But the answer he received from the officials of the Canada Pension Plan, after the man had undergone a medical examination, was that he was able to do light work.

Mr. Paproski: Shame!

Mr. Hollands: I am sure hon. members of the House who supported the plan when it was brought in, imagined that our citizens in this kind of trouble would be helped.

Mr. Baker: Or given the benefit of the doubt.

Mr. Hollands: It seems to be one of the jobs of a member of parliament to try to break through the large volume of red tape and bureaucracy which surrounds so many government programs.

Mr. Paproski: A government which does not care.

Mr. Hollands: Yes, I think you are right.

An hon. Member: Don't get mean, now.

Mr. Hollands: The other question I am concerned about is this. What happens to the money in the Canada Pension Plan? We all know that contributions are deducted from our pay cheques if we are employed, and we all know money is sent out to those who qualify for pensions. But what about the money in the middle? I find that the province of Ontario, for example, has been able to draw $2,560 million out of the plan. Alberta has drawn $428 million. I can find no regulation governing the use of this money by the provinces. It is conceivable, therefore, that a province could build highways with the money, or it might invest the funds in projects which were not revenue-producing. So when the time comes to pay back these funds, the young people, the work force in the provinces will be taxed again so that the funds may be repaid.

It is probably a good thing that there should be a large pool of money available in Canada from which projects can be financed. But a great responsibility attaches to any government charged with handling the funds of the Canada Pension Plan and I believe we should ensure, for the good of the country, that the money is earning the maximum possible interest. For example, if we were to take this fantastic sum of money and invest it in housing, I have no doubt the effect would be to reduce the rate of interest which many of our people are paying today. It could lead to a reduction in interest rates.

Quebec is getting the best deal to the extent that it raises its own money and does not need to borrow. I cannot for the life of me understand why other provinces did not opt out of the plan. I would think that if a similar opportunity arose today, many provinces would opt out of it. I should like to see the monetary aspects of the plan handled in such a way as to benefit not only the people of Canada who collect pensions but also the working people who contribute. After all, it is the young people of today who are keeping the pension plan going.

● (1740)

I hope that before too long the government will bring in further amendments to the Canada Pension Plan Act which will make the plan a little more human and will also take into consideration what our ultimate aim is, in view of the tremendous amount of money which has been built up in the fund since 1965.

Mr. Ross Whicher (Bruce): Mr. Speaker, I hope to be very brief since there are only a few minutes remaining, and perhaps some other member will be able to speak before six o'clock. I want to say that I, like every other hon. member who has spoken in this debate, am in favour of Bill C-224. Ever since the Canada Pension Plan came into being, I have admired it. Quite frankly, it is the way I like to do business. A young person takes money out of his pocket and, in co-operation with his employer, puts money away for when he is older. The fund is self-sustaining, or has been up to the present time.

I am only sorry that the Canada Pension Plan as it is now set up did not start many years ago. If it had, and if it had been modelled on the same lines as the United States social security plan, then in my view we would not be in the welfare tangle and mess that we are in Canada today. Surely it is better for a young man and lady to learn as soon as they start working that there is not a great deal in this life that is free, that they have to save a certain amount of money in order to look after themselves in their old age.

Regretfully, this has not, in my opinion, happened in Canada. I must point out that even though we feel that because of circumstances we must embark upon this course, the old age pension has had two increases during the last few months, costing a fantastic amount of money,

increases that were made as a result of inflation and the high cost of living in Canada. Over $6 billion will come from the department of the minister who is sponsoring Bill C-224 in this year and will go toward providing primarily for the old and the disabled.

Many of my hon. friends in this chamber who have socialistic tendencies may think money grows on trees. But the fact is that whether in the year 1973, a time when all of us are becoming more socialistic, or whether in the year 1955, when in my opinion most of us were most sensible, this money is provided by the public, the taxpayers of Canada, people who have worked hard, and provided particularly by people who are going to be saddled with the bill and are younger-generation Canadians.

So while I agree with the bill, particularly since the fund is self-sustaining, or has been up till now, I nevertheless give this word of caution. The word "pension" has been used in this debate by many hon. members and we now come to think that a pension is a matter of right just so long as you can get one. Regretfully, I say we have become a nation of "gimmees". Our attitude is "give me something", whatever it may be, in many instances regardless of the cost.

I repeat that in terms of dollar bills, the cost is substantial. The money must be provided by those taxpayers of Canada who have the desire to work. For this reason I caution the government and all members of the House of Commons that just adding to pensions is not the real solution to our Canadian way of life. We are in an inflationary era, which of course is prevalent around the world, and the only way we will solve the situation is, not by increasing pensions every year or every few months but by tackling the inflation philosophy that all or at least most of us are accepting today as a matter of course. In my opinion, this is not good enough and something will have to be done about it.

Let me just give the House one example of what I mean. The government of today and governments of yesterday have advertised for sale Canada Savings Bonds at roughly 7½ per cent. Anyone who is paying tax has at least to pay a quarter of that interest and many people pay half of the 7½ per cent. Then there is an inflation factor of 8 per cent. There is no possible way for people to save money under such conditions. The government must tackle the root of the problem, and I hope that this one has the common sense to go ahead and do so.

Let us not forget that there are many people in Canada who in years gone by have not used the word "savings" as a bad word. In my opinion, it is still a good word. Our senior citizens today would not be able to collect their old age pensions, and neither would I be able to collect mine very shortly, if it were not for those people who still do something that seems to be rather unpopular in Canada, namely, work hard and try to save money, which is then put into those terrible things described by my socialistic friends and which are known as banks, so people can save, so houses can be built and the country as a whole developed.

I have spoken, Mr. Speaker, long enough. But let us not forget that while a bill such as this is most important and most necessary in this inflationary age, the only way to pay the bill is to get people to work hard and to do a certain amount of saving as did our forefathers.

[Mr. Whicher.]

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, my remarks will be brief. The hon. member who has just spoken castigated socialism. I simply say to him that it was his party that picked up some of these schemes and prostituted them, and in essence they are no longer true socialism. If they were, then we would not have the problems we have in this country today.

This bill, as I understand it, removes the 2 per cent limit now imposed on annual pension increases, basing increases on the consumer price index. This is something that our party has been fighting for since 1964-65 when the Canada Pension Plan was first conceived. The bill also contains a catch-up clause making cost of living adjustments retroactive to 1967, the year Canadians first started to receive benefits. Similar ideas have been hashed and rehashed in this House over the last few hours and days, but I am going to try to express four points which I think are very significant. These have been mentioned by other speakers. I will rehash one or two and then probably bring in one or two concepts that are brand new.

Something that our party would like to see—and I think we will have to start moving in this direction soon—is retirement at the age of 60, perhaps voluntarily, under the Canada Pension Plan. I think that one class of persons we forget are those who live in the hinterlands of Canada and work in dangerous occupations, those who feed the factories of our huge cities and provide their residents with high standards of living yet never themselves reach the age of 60 because, as I say, they are engaged in hazardous occupations. Look at the fluorspor mines on the Burin peninsula of Newfoundland, where there are about three times as many widows as anywhere else.

● (1750)

It saddens my heart every time I go to Uranium City to find that a number of men of the age of 40, 45, 50 or 55 are dying from silicosis, lung cancer, emphysema or some other disease of that nature. For these people involved in hazardous occupations we should make a first step toward lowering the pensionable age to perhaps 55—and that is not being ridiculous or advocating welfare. I think it would be actuarially sound to have people in hazardous occupations retire at that age. I understand that members of the armed services and the RCMP can retire after 20 years' service, but underground miners keep on breathing filth and dirt for 35 years—if they live that long!

Another significant step that should be taken—others have touched on this but I want to repeat it—is to change the legislation in order that we treat husbands and wives alike. I would rather see my wife at home looking after the children than out working, but because she does not earn an income she is not entitled to benefit from the Canada Pension Plan. I think she should be entitled to some benefit. This is particularly true in the case of farmers' wives. I think we could get around this whole concept by accepting the idea we have been proposing for many years now in relation to a family income tax rather than an individual income tax. In this way the husband and the wife would file returns and both would be entitled to Canada Pension Plan benefits.

The third point I wish to make relates to disability pensions. From my experience in my constituency and in other parts of the country it appears that an individual must be about seven-eighths dead before he can qualify for a disability pension.

An hon. member: No, eight-eighths dead.

Mr. Nesdoly: Someone suggests eight-eighths dead, and that is pretty bad. A disability pension should be exactly what it says. If a person is disabled and cannot carry out his regular job, he should be entitled to a pension. I know of one chap who was awarded a disability pension but some bureaucrat here in Ottawa or somewhere decided to appeal the award because he thought the man did not deserve it. The case was set for hearing on August 19 of this year, but I received a letter from this fellow the other day in which he said there has still been no hearing and he does not know when it will come about. I think this whole mess—perhaps it is administrative—should be straightened out.

The fourth and final suggestion I want to make to the minister is that many private pension plans, including the one for parliamentarians, should be scrapped. We should devise a national pension plan, integrating all these plans under one heading. In this way we could provide for retirement at age 55, 57 or what-have-you.

When I was elected a member of this House I had 20 years' service in the teaching profession in my province. I did not give a hoot about the parliamentary pension, but had I stayed in the teaching profession I could have retired at age 57 with 70 per cent of my pension based on my best six years' earnings. I am now losing the years I am here as a member. Maybe that will be only two or three years.

An hon. Member: It won't be long.

Mr. Nesdoly: An hon. member suggests it will not be long, but I will bet anything I will be here longer than him.

All pension plans should be totally portable. For 15 years I worked on a pension scheme for teachers in the province of Saskatchewan, during which time we had a very difficult time getting pensions made portable among Saskatchewan, Manitoba, British Columbia and Ontario. We were never successful in making them portable east of Ontario. Rather than providing for a parliamentary pension, I should like to see my years of service as a member of parliament added to my 20 years' service as a teacher, in order that I might be able to retire at a decent age, in my case 57.

Mr. Cafik: Mr. Speaker, in view of the hour perhaps I should not proceed to make a wind-up speech in respect of Bill C-224 but should deal with this matter in committee when the bill has been referred. I would therefore ask you to put the question.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, November 1, 1973

The House met at 2 p.m.

[*English*]

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF MEMBERS OF EUROPEAN PARLIAMENT

Mr. Speaker: Order, please. May I draw the attention of all hon. members to the presence in the Speaker's gallery of a very special parliamentary delegation. These distinguished legislators are members of the parliaments of Denmark, France, Germany, Italy, Luxembourg, the Netherlands and the United Kingdom; but they are here today in a very special capacity. They are with us, and we welcome them, as members of the European parliament.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Speaker: The members of the House of Commons of Canada wish to extend a warm welcome to their distinguished colleagues. Meetings during this visit are naturally taking place in a spirit of friendliness and human understanding, and we are all happy about them. What will result from these meetings will certainly prove most welcome and useful.

● (1410)

[*English*]

Meetings and discussions thus conducted in a spirit of co-operation and friendship are bound to have constructive and beneficial results. On behalf of all hon. members, I welcome to this House the distinguished representatives of the Parliament of Europe.

Some hon. Members: Hear, hear!

* * *

PRIVILEGE

MR. NIELSEN—ALLEGED ALTERATION OF "HANSARD" BY SOLICITOR GENERAL CHANGING MEANING OF CERTAIN REMARKS—RULING MR. SPEAKER

Mr. Speaker: Yesterday, the hon. member for Yukon (Mr. Nielsen) rose on a question of privilege to suggest that certain words spoken in the House the previous day by the Solicitor General (Mr. Allmand) were not accurately recorded in *Hansard* for October 30 at page 7351. The hon. member suggested that the words "and other" had been removed so as to alter the sense of the minister's statement. The minister in reply acknowledged that some changes had been made, and the Chair undertook to look into the matter.

A look at the so-called "blues", which are the transcripts of the reporter's original notes, indicates that the words "and certain other" were actually used by the minister. The rules or regulations governing the correction of the blues are not too clearly set down. The only reference the Chair could find was the report of the committee appointed by the House to supervise the actual report of the debates of the House, which report was presented on May 26, 1948, and concurred in by this House. Paragraph 4 of the recommendations of the committee reads as follows:

> Your Committee recommends: That the pages of the daily edition be kept intact so that, after permissible corrections are made, the pages of the daily edition can be used for the bound edition as originally printed, and that changes suggested by members be confined strictly to correction of errors and essential minor alterations.

I think it has long been accepted practice that the editor of debates should have the responsibility to determine whether changes suggested by members are acceptable or not. In other words, the editor of debates should be allowed to exercise his judgment as to whether changes suggested by members are really corrections of errors or essential minor alterations. I am sure that hon. members will want to encourage the continuance of this practice.

At the same time, changes or alterations of the same nature which have not been suggested by a correction on the "blues" can be proposed to the House on motions. Here again this practice conforms with the provisions of Standing Orders. When changes are made to the record of the House either in accordance with provisions of Standing Order 32 at the request of members on motions, the correction appears in the revised edition of *Hansard*. In this particular instance I gather it would be the wish of the minister and hon. members who have given some thought to this matter that the revised edition conform with the minister's actual statement.

MR. SHARP—REFERENCE OF POSITION PAPER ON LAW OF THE SEA CONFERENCE TO COMMITTEE ON EXTERNAL AFFAIRS AND NATIONAL DEFENCE

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I rise on a question of privilege of which I have given you notice. It has been brought to my attention that yesterday, in response to a question from the hon. member for Skeena (Mr. Howard), I may have inadvertently misinformed the House regarding the reference of the document on the forthcoming Law of the Sea Conference which I propose to have tabled on the government's behalf tomorrow. It has been the government's intention all along to recommend to the House, through an appropriate resolution, that the paper in question be referred to the Standing Committee on External Affairs and National Defence, and not the Committee on Fisheries and Forestry, as suggested to me in the question put by

the hon. member for Skeena yesterday. I simply wish to reconfirm the government's intention to seek to have this paper referred to the External Affairs and National Defence Committee.

ROUTINE PROCEEDINGS

[*English*]

ENERGY

ANNOUNCEMENT OF ARRANGEMENTS FOR STATEMENT BY MINISTER

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, may I seek the consent of the House with respect to an arrangement for a statement to be made by the Minister of Energy, Mines and Resources? The proposal is that we might revert to motions at eight o'clock this evening for the statement and comments from opposition spokesmen, and that in order to provide an opportunity for questions to be asked following the statement, that we might agree to have part of the question period now with the remaining 20 minutes after the statement this evening, on the understanding that it would not be the wish of members of the House to ask questions on energy in this part of the question period and that the minister would be available this evening in particular to answer questions on that subject.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, we agree to this suggestion. In fact, we had part of the idea in our minds. The only thing we would request is that the Minister of Energy, Mines and Resources make the statement available to us as soon as possible before eight o'clock. We are expecting quite a lengthy statement and we want to study it very carefully. We have many pertinent questions to ask and an advance copy would be appreciated. The only other comment I have to make at this point is that these last minute changes do not contribute to the orderly conduct of the business of the House.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we have been party to these arrangements and we agree to them.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, we are also party to this arrangement and we agree. However, we insist that we should receive a copy of the statement before that time.

An hon. Member: In French!

[*English*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I just ask a question, supplementary to the comments of my party's House leader? Can we have the assurance that the minister's statement will be available, at least to the party leaders, not later than five o'clock this afternoon.

[Mr. Sharp.]

Mr. MacEachen: Mr. Speaker, perhaps the minister could reply to that question.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I will see whether that can be done.

Some hon. Members: Oh, oh!

Mr. Stanfield: We went along with this request for the unanimous consent of the House to defer the minister's statement on the basis that there might be something in it which might affect the stock exchanges. The stock exchanges are all closed by five o'clock, our time. The minister either has a statement ready or he does not, and if the statement is ready, it could be made available at five o'clock on the limited basis I have suggested.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Mr. Speaker, I would be quite prepared to make the statement available on the understanding that it would be received in confidence.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Perhaps we should try to understand one another. If there is going to be an order of the House, the order should be in clear terms so that we do not get involved in difficulties, either at eight o'clock or between six and eight.

My understanding is that there is agreement in the House that we will revert to motions at eight this evening for the purpose of allowing the Minister of Energy, Mines and Resources to make the statement, which will be followed in the usual way by the statements made by representatives of parties in opposition to the government, followed by the second part of the question period for 20 minutes, which would complete the proceedings relating to the minister's statement.

I believe that there is also a condition attached, a condition to which the Leader of the Opposition has referred, that this proposed statement be made available some time before 8 p.m.—the time was not made clear by the minister responsible for the department—and the minister has indicated he was prepared to do this on the understanding that the statement would be given to the representatives of the parties in opposition in confidence. I hope I have indicated clearly and properly what hon. members have in mind.

● (1420)

Mr. David Lewis (York South): Mr. Speaker, if your last comment is to be made part of the order, I do not think I would be satisfied with the order to the effect that the statement would be made available to the leaders of other parties some time before eight o'clock.

Mr. Macdonald (Rosedale): Five o'clock.

Mr. Lewis: If the minister agrees then you, Sir, can put it to the House that the statements are to be made available to the leaders of the parties at or by five o'clock.

[*Translation*]

Mr. Fortin: Mr. Speaker, I should like to repeat what I said earlier, that is that we agree to this arrangement providing a French version of the statement is given to us at five o'clock.

Mr. Speaker: I have the impression that it would have been simpler if these discussions had occurred earlier. I shall once more try to determine whether hon. members wish the order of the House to be subject to the condition that the minister give copies of his statement at five o'clock this afternoon.

[*English*]

My understanding is that the order to which I have referred will include therein the instruction that the minister will make available, in confidence, to the leaders of other parties a copy of the proposed statement in French and English. Is this agreed?

Some hon. Members: Agreed.

* * *

EXTERNAL AFFAIRS

CANADIAN PARTICIPATION IN MIDDLE EAST PEACEKEEPING FORCE—FURTHER DISCUSSIONS WITH SECRETARY GENERAL OF UNITED NATIONS—POSTPONEMENT OF DEBATE

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I wish to inform the House that it is my intention to meet with the Secretary General of the United Nations in New York tomorrow morning to discuss further with him his request to Canada to provide a contribution to the United Nations Emergency Force in the Middle East.

The Secretary General is encountering difficulties in determining the over-all composition of the force. These difficulties relate both to the scale of Canadian participation and to such matters as whether a Warsaw Pact country ought to be included to balance the inclusion of a NATO country, and whether countries other than Canada are acceptable to all the parties concerned. The Secretary General confirmed in writing on October 28 that Canada is acceptable to the parties concerned. I feel the problems can only be satisfactorily explored by personal contact with the Secretary General.

For the moment, no Canadian personnel will be sent to the area and I do not propose, therefore, to bring forward for debate tomorrow the resolution seeking approval of parliament for Canadian participation in UNEF.

Mr. Claude Wagner (St. Hyacinthe): Mr. Speaker, we understand the predicament in which the Secretary of State for External Affairs (Mr. Sharp) finds himself. On the other hand, I must say that many questions have been raised over the past few days with regard to this subject. We understand that some of our troops are already in the Middle East and that some of them, as is evident from a television program last evening, are engaged as observers and therefore are caught in the line of fire. We would like answers to those questions, and we would like also to

know if it is a fact that Russia is objecting to the participation of Canada in this Middle East compromise.

Therefore, I think it is essential that we have this debate tomorrow. It is fairly easy for the minister to be in touch with the United Nations Secretary General this afternoon and report back to the House tomorrow. We on this side insist that this debate take place. We would not like to find ourselves in a situation similar to that in which parliament found itself on the Viet Nam issue.

Some hon. Members: Hear, hear!

Mr. Andrew Brewin (Greenwood): Mr. Speaker, we hope that the minister's visit to the United Nations in New York will have positive and fruitful results. We do not think that Canada should seek to take up the burden of participation in the peacekeeping force, but we do think that Canada should accept if sought. In our view any member of the United Nations is qualified, other than the great powers, but we confidently leave it to the Secretary General of the United Nations to arrange a balanced and competent force for these important tasks.

Until these matters are resolved and the minister has gone to the United Nations and returned, we see no point in going on with the debate tomorrow.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, undoubtedly the Secretary of State for External Affairs (Mr. Sharp) is continually in touch with the Canadian representatives to the United Nations, and he is in a position to know the progress of this organization's activity.

In certain circumstances, of course, the minister has to make important commitments and he has to do so on behalf of the government; if he has to get in touch with opposition or government members, I feel that the opposition should have something to say in the process of decision making, or at least should have the possibility of making its position recognized on the part Canada is going to play in respect of the enforcement of the cease-fire in the Middle East. I feel that the opposition has something important to say in this decision taking, because the opposition also represents our country. I feel it is important that we have a debate on this matter.

* * *

[*English*]

ABORTION

SUGGESTED AMENDMENT TO CRIMINAL CODE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Don Blenkarn (Peel South): Mr. Speaker, I rise on a matter of urgent and pressing necessity, namely the over 30,000 murders per year that take place in terms of babies aborted in this country. I therefore move, seconded by the hon. member for Peel-Dufferin-Simcoe (Mr. Madill):

That this House expresses its concern over the seeming abuse of the right to approve abortions exercised by some therapeutic abortion committees who, in considering the health of the mother are including for consideration social and economic factors and declares that the government should proceed with amendments to the Criminal Code limiting abortions to those cases where actual physical or mental danger to the life of the mother exists.

Some hon. Members: Hear, hear!

An hon. Member: No.

Mr. Speaker: The motion proposed by the hon. member requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Yea.

Some hon. Members: Nay.

Mr. Speaker: The hon. member has heard the result for himself.

* * *

UNEMPLOYMENT INSURANCE COMMISSION

REQUEST FOR INQUIRY INTO OPERATIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. J. R. Ellis (Hastings): Mr. Speaker, pursuant to the provisions of Standing Order 43, I rise to propose a motion on a matter of urgent and pressing necessity. This matter is the certainty that the Unemployment Insurance Commission, on past and present performance, cannot cope with the seasonal increase of unemployment in the winter months of January and February, 1974. Unless immediate steps are taken immediately to overhaul the commission, thousands of Canadian unemployed and their families will suffer hardship and heartbreak.

With consent, I move, seconded by the hon. member for Hamilton West (Mr. Alexander):

That this House urges the Governor in Council to appoint a commission under the Inquiries Act to inquire into, report upon and make recommendations with respect to the administration, operation and practices of the Unemployment Insurance Commission.

Mr. Speaker: This motion also requires unanimous consent. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

* * *

THE CANADIAN ECONOMY

SUGGESTED POSTPONEMENT OF TAKEOVER OF PERKINS PAPERS LTD.—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion on a matter of urgent and pressing necessity, with which I think most members of the House will agree, arising from the proposed takeover by the Bowater Corporation of London, England, of Perkins Papers, Ltd., a Canadian firm. In view of the potentially adverse effects of that takeover on the Canadian paper industry, I move,

[Mr. Blenkarn.]

seconded by the hon. member for Scarborough West (Mr. Harney):

That this House instruct the government to take immediate action to prohibit the sale of Perkins Papers Ltd. to the Bowater Corporation pending the enactment and proclamation of the Foreign Investment Review Act, Bill C-132.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: No.

Some hon. Members: Agreed.

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

* * *

● (1430)

[*Translation*]

ENERGY

INCREASED PRICE OF FUEL OIL—SUGGESTED DEBATE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to Standing Order 43, I request the unanimous consent of the House to discuss a matter of urgent and pressing necessity.

In view of the constant and accelerated increase in the price of gasoline and heating oil, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the House do now adjourn to discuss the possibility of having the federal and provincial Ministers of Finance confer and determine whether direct and indirect taxes on gasoline and fuels should be lowered so that Canadians may not suffer too much from it.

Mr. Speaker: I venture to remind the hon. member for Richmond that such an adjournment motion should be moved pursuant to Standing Order 26 and not Standing Order 43. Therefore, I cannot put his motion to the House.

* * *

[*English*]

POLLUTION

NEED FOR MEASURES TO DEAL WITH OIL SPILLS ON WEST COAST—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I ask for the unanimous consent of the House under Standing Order 43 to present a motion of urgent and pressing necessity. In view of the increased number of oil spills along the west coast of British Columbia, and the apparent lack of adequate contingency plans and equipment to deal with them quickly and effectively, I would move, seconded by the hon. member for Comox-Alberni (Mr. Barnett):

That this House of Commons instruct the appropriate standing committee to examine this situation and to make recommendations to the government so that immediate and effective measures may be taken by the appropriate agencies to deal with any oil-spill emergency that may arise along the West Coast.

Mr. Speaker: The motion proposed by the hon. member for Kootenay West requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There does not appear to be unanimous consent and the motion cannot be put.

* * *

FOOD PRICES

SUGGESTION MINISTER OF AGRICULTURE SPEND ONLY THREE DOLLARS A WEEK ON FOOD—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the light of a statement reported to have been made yesterday by a member of the cabinet who is in the House, even though he is not in his seat, I would move under the provisions of Standing Order 43, seconded by the hon. member for Assiniboia (Mr. Knight):

That the Minister of Agriculture be asked to feed himself on $3 a week for a period of six months, and that at the end of that period he report to the House on the results thereof, if he is still here.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I am sure the hon. member for Winnipeg North Centre will agree that the question in the motion is clearly too hypothetical to put to the House at this time.

Mr. Whelan: Mr. Speaker, I rise on a question of privilege. Last night, when I was interviewed by the reporter for the CBC, I said that a person had written to me and told me that he could live on that much money. I clearly stated to the reporter that I did not recommend this to anybody.

Some hon. Members: Oh, oh!

Mr. Whelan: I suggest that the hon. member who brought forward this motion possibly looks as if he could live on that much money.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, my leader says that I am standing proof that the minister is correct. I shall report on this six months from now, and six years from now as well.

* * *

CANADIAN NATIONAL RAILWAYS

SUGGESTED USE OF CANADIAN PACIFIC METHOD IN PAYMENT OF BACK TIME—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask the unanimous consent of the House to move a motion on a matter of pressing and urgent necessity. In view of the method used by the Canadian National Railways to compute back time owed to its employees as a result of the recent contract settlement imposed by this House, and in view of the fact that such computations lump the back time and regular pay in one cheque, thus causing an over assessment of income tax, I would move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That the Minister of Transport immediately instruct the CNR to follow the method being used by the CPR in paying its employees.

Mr. Speaker: The motion submitted to the House under the terms of Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

UNEMPLOYMENT INSURANCE

SUGGESTED INQUIRY INTO ADMINISTRATION—GOVERNMENT POSITION

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is addressed to the Minister of Manpower and Immigration. As the Unemployment Insurance Commission has not stayed within its administration budget since 1969, and as in 1973 the budget will very likely double the original prediction tabled in this House, will the minister undertake a public inquiry into the situation?

Hon. Robert K. Andras (Minister of Manpower and Immigration): No, Mr. Speaker. The administrative budget of the Unemployment Insurance Commission for 1973 will be met.

Mr. Ellis: A supplementary question, Mr. Speaker. Since the administration budget for the Unemployment Insurance Commission headquarters alone will triple this year, will the minister at least inquire into this aspect and make such inquiry public?

Mr. Andras: Mr. Speaker, these aspects of the Unemployment Insurance Commission's operation as, indeed, are all its operations, are fully detailed and fully available to members of the House through the inquiries of standing committees. That procedure will continue in future.

REQUEST FOR STATEMENT ON INTENTION TO INTRODUCE LEGISLATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I direct a supplementary question to the minister. As Bill C-125 is now dead, and as the minister in the statement of January 17 referred to matters which

were to be dealt with under the bill to which there was objection such as termination of claims, calculating of benefits and severance and holiday pay, I should like to know whether the minister now intends to bring in legislation which will clear up this matter. What is his intention in this respect?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as I indicated the other day, I will be making a comprehensive statement on this matter in the near future.

Mr. Alexander: A supplementary question, Mr. Speaker. We have pressed the minister now for about a week on the necessity of making a statement, and for one week he has told us that he will be making a statement in the near future. As this matter is of extreme importance, may I ask the minister what is causing the delay in the making of the statement, and can he give us some definite time within which the statement will be made? Certainly, this is a very important matter. Can the minister give us some assurances in this regard?

Mr. Andras: Mr. Speaker, the future is nearer now than it was when I made this statement one week ago.

Mr. Alexander: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The hon. member rises on a point of order. I ought at this point to remind hon. members that, according to the order made earlier, it is my understanding that the question period is to be limited to 20 minutes. However, I will recognize the hon. member, as I must, on the point of order, and then the hon. member for York South.

Mr. Alexander: On a point of order, Mr. Speaker, I asked the minister a question and we are not very appreciative of his smart-alecky remarks.

Some hon. Members: Hear, hear!

Mr. Alexander: With all due respect, my question was fair. Surely, if the minister is a gentleman he could give me a decent answer instead of trying to be so smart. I will ask my question again. Can he be more definite with respect to the time by which he will give the statement, and can he tell us why it has taken him a couple of weeks to prepare this statement?

Mr. Andras: Mr. Speaker, I cannot add to what I said the other day. I will make such a statement very soon. It will be comprehensive. The requirement for me to be comprehensive means that I will need to take more time than would be necessary to prepare the kind of simplistic statement for which the hon. member may be looking.

Mr. Alexander: Mr. Speaker, I am looking for a statement, not for smart-alecky remarks.

[Mr. Alexander.]

[*Translation*]

ALLEGED DENIAL TO QUEBEC TEACHERS—GOVERNMENT ACTION

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

Can he tell the House whether he intends to have specific discussions with the Quebec government to solve the problem of teachers who, when victimized by unemployment, are not entitled to any benefits and, if so, what specific measures does he intend to take regarding this?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, to the best of my knowledge, I have had no such previous representation. I will be glad to get details from the hon. member or any other source and look into the necessity of such consultation. If it is necessary, I will be happy to do so.

Mr. Speaker: The Chair recognizes the hon. member for York South.

Mr. Lewis: Mr. Speaker, may I reserve my question for this evening and ask if you will be good enough to recognize the hon. member for Burnaby-Seymour.

* * *

● (1440)

PUBLIC SERVICE

REPRESENTATIONS BY NURSES FOR REOPENING OF PAY NEGOTIATIONS—RESULTS OF MEETING WITH PRESIDENT OF TREASURY BOARD

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, my question is addressed to the President of the Treasury Board. In view of the assurance of the minister in reply to the hon. member for Winnipeg North Centre that he was prepared to meet with the nurses, can he report to the House whether he has seen them and whether he is prepared to seek a revision of the arbitral award handed to them recently?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I met with representatives of the nurses of the Canadian Public Services for an hour or so last night. We had an interesting, and I think frank, discussion. I promised them an answer at the beginning of next week.

* * *

[*Translation*]

BROADCASTING

CABLETELEVISION—JURISDICTION OF QUEBEC—GOVERNMENT POSITION

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Minister of Communications.

Could he say whether he anticipates any new developments in the Quebec-Ottawa case concerning government priority in the field of cable television?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I can only repeat to the hon. member that we do anticipate developments in the matter of communications with all provinces and that we shall meet as a federal-provincial conference on November 27 and 28.

Mr. Matte: Mr. Speaker, I wish to direct a supplementary question to the Minister of Communications.

Could he advise the House whether he has considered the possibility of granting Quebec a sort of special status in this area?

Mr. Pelletier (Hochelaga): No, Mr. Speaker. Such a possibility will not be examined during the forthcoming conference. Instead, we shall try to agree on national and provincial objectives in the area of communications and see how these could be conciliated.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

INTENTION OF GOVERNMENT ON IMPLEMENTATION OF NEW RATES FOR CONTRIBUTIONS—POSSIBLE ADDITIONAL COMPUTER INSTALLATIONS

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. When will he be announcing the new rates for employer and employee contributions to the Unemployment Insurance Commission and, if the minister does intend to implement the new rates, will he consider referring them to the Standing Committee on Labour, Manpower and Immigration first?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will be making that part of my comprehensive statement to which I referred earlier.

Mr. Jelinek: Obviously, the minister is not prepared to give any answers today. I will ask an easier supplementary question. In view of the high initial cost of UIC computer installations, will the minister confirm whether UIC is planning any additional expenses on these computer installations?

Mr. Andras: Mr. Speaker, the main investment in computer installation is now complete.We are constantly refining and trying to improve our operations, as I think hon. members wish us to do. As far as any further major investment, I have no information to give to the hon. member at this time.

* * *

EXTERNAL AFFAIRS

PROPOSED WORLD FOOD BANK—CANADIAN POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is to the Secretary of State for External Affairs. In view of the latest economic reports to the effect that the rich nations are getting richer and the poor poorer, and that poverty has become a way of life in the past few years to a degree not anticipated, what is the present position of the government of Canada with reference to a world food bank? What contributions, if any, has Canada tentatively agreed to make to such a world organization?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the right hon. gentleman may have noticed, or perhaps he has not, but when I was speaking to the United Nations General Assembly, I supported the latest initiative of the food and agriculture organization for a study of the idea of having food reserves, a world food bank or something of that nature. I also supported the initiative of Dr. Kissinger, the Secretary of State of the United States, who had proposed a world food conference. Therefore, I think I am on the same side as the right hon. member in believing this will be one of the most important problems facing the world in the future.

Mr. Diefenbaker: The minister, of course realizes, does he not, that under my administration I brought that subject before the NATO organization in 1957, and before the United Nations in 1960, and at that time the Liberal Party opposed it.

Mr. Speaker: Order, please. I am not sure whether that is a question.

* * *

[*Translation*]

ENERGY

LOCATION OF FOURTH HEAVY WATER PLANT—CONSIDERATION OF QUEBEC SITE

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister.

Has the government made a final decision concerning the forthcoming construction of a fourth heavy water plant in Canada and, if so, is the province of Quebec still being considered as the possible site for building this plant?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the decision in this respect is not yet final. We are still considering a number of possible sites in various provinces. I can say, however, that the site proposed in the province of Quebec is also being considered.

[*English*]

LOCATION OF FOURTH HEAVY WATER PLANT—CONSIDERATION OF SITE IN WESTERN CANADA

Hon. W. G. Dinsdale (Brandon-Souris): May I ask the Prime Minister if western Canada is being considered as a possible site for this heavy water plant?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. There are at least two sites in western Canada which are being considered.

Mr. Speaker: Order, please. I remind hon. members we have only 20 minutes today for the question period, and I see at least 40 members standing. Obviously, many will be disappointed.

Hon. Marcel Lambert (Edmonton West): Can the Prime Minister advise whether it has been made a condition of the announcement with regard to this heavy water plant in Quebec that there will be an announcement of plans for Manitoba and that one of the conditions to be included shall be the resignation of the Minister of National Defence?

Mr. Speaker: A question asked in those terms is obviously not in order.

* * *

INCOME TAX

SUGGESTED ELIMINATION OF FAST WRITE-OFF PROVISIONS AND REDUCTION IN CORPORATE RATE—GOVERNMENT POSITION

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, my question is to the Minister of Finance. In view of evidence that corporate profits in 1973 are going up at a faster rate than the cost of living, the consumer price index for food, wages and what have you, is the minister in his next budget planning to eliminate the fast write-off provisions and bring the corporate tax rate back to the level at which it stood a year ago?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that, of course, is a budgetary matter. I ought to indicate to the hon. member that as a result of the corporate tax reductions and the healthy profit picture, the capital intentions for business equipment and plant were raised by 19 per cent this year over last.

Some hon. Members: Hear, hear!

NEED FOR ACTION TO PREVENT EXCESSIVE PROFITS

Mr. Terry Grier (Toronto Lakeshore): I have a supplementary question arising from the Minister's answer and assurances which the Prime Minister gave to the House on more than one occasion to the effect the government would contemplate whatever steps were required to protect the consumer from being gouged in the market place. In view of that statement and assurance, and in view of the evidence of rising corporate prices, can the minister indicate what concrete steps are being planned to prevent excessive profits being made?

Mr. Speaker: I say, with respect to the hon. member, that the information he is seeking ought normally be given to the House by way of a statement on motions.

[Mr. Trudeau.]

[*Translation*]

AGRICULTURE

FEED GRAINS—INQUIRY AS TO ANNOUNCEMENT OF PRICE

Mr. Eudore Allard (Rimouski): Mr. Speaker, I wish to put a question to the Minister of Agriculture.

Considering that all farmers and stock breeders of eastern Canada, and specially those of the province of Quebec, have been waiting since the end of September for a statement from the minister in respect of the average price of feed grains, is he now in a position to inform this House when he will make such a statement?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I believe the prices have been announced. The minister in charge of the wheat board can perhaps elaborate on that.

* * *

FOOD PRICES REVIEW BOARD

POSSIBLE INCREASE IN SALARY OF CHAIRMAN—GOVERNMENT POSITION

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In light of the announced policy to reduce government expenditures and the fact that the Food Prices Review Board has exceeded its budget by about $470,000, presumably because of inflation, is the chairman of that board one of those persons at deputy minister level whose salary the government intends to increase?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I do not think that it is correct that the board has exceeded its budget. It submitted a preliminary budget for the fiscal year. Then, it submitted a further budget and that is under study. With regard to the question of salary, that is a matter for cabinet in the same way other similar points are for cabinet.

Mr. Clark (Rocky Mountain): Will the minister consider putting the board members on a nutritional food budget that will not exceed $3 a week?

* * *

● (1450)

EXTERNAL AFFAIRS

CANADIAN PARTICIPATION IN MIDDLE EAST PEACEKEEPING FORCES—ALLEGED OBJECTION OF SOVIET UNION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether the Soviet Union has raised objection to the participation or inclusion of Canadians in the United Nations Middle East Emergency Force.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the ambassador of the Soviet Union

called on me yesterday morning to ask me to postpone for one week my visit to the Soviet Union, and at that time he told me that the Soviet Union had no objection to Canada's participation. They were concerned—and I think this is quite well known—about the balance of the force. They are very anxious to have a member of the Warsaw Pact contributing to UNEF.

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[*Translation*]

MANPOWER

INQUIRY AS TO ANNOUNCEMENT OF WINTER WORKS PROGRAM

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I have a question for the Minister of Finance.

Considering that the unemployment rate in Canada was 6 per cent during September, does he intend to announce very shortly the launching of a comprehensive winter works program to fight unemployment?

[*English*]

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we already have in play a winter works program which will involve about $275 million worth of capital works this year. In addition, my colleague the Minister of Manpower and Immigration has advanced a program of local initiatives projects, and there are other labour intensive matters in play.

* * *

NATIONAL DEFENCE

GUELPH ARMOURY—NEED FOR REPAIRS IN LIGHT OF POSSIBLE DEMOLITION

Mr. A. D. Hales (Wellington): Mr. Speaker, my question is directed to the Minister of National Defence and deals with non-productive spending by his department. I ask the minister whether he intends to continue paying taxpayers' dollars for the repair of armouries which are in the process of being negotiated with municipalities. My question arises from the fact that the Guelph armoury is in the process of being bought by the municipality and will likely be demolished, yet contracts for repair work are proceeding.

Mr. Speaker: Perhaps the minister might reply briefly, but this does seem to me a question that should be put on the order paper.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I would be pleased to look into the work being done in the specific armoury that has been mentioned.

PENITENTIARIES

BRITISH COLUMBIA—POSSIBLE TAKEOVER OF ADMINISTRATION BY OTTAWA—UNDERMINING OF STAFF

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Solicitor General. In view of his statement two days ago that the director of the British Columbia penitentiary was retiring and certain other improvements would take place, and in view of his statement yesterday that directives had gone out from Ottawa to the penitentiary, would the minister advise the House whether his office in Ottawa is taking over the administration of the British Columbia penitentiary?

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker, we have not, but we are trying to follow up on certain matters at the British Columbia penitentiary, and hope that we can, with the director of the penitentiary and the regional director, return that institution to normalcy as soon as possible.

Mr. Reynolds: A supplementary question, Mr. Speaker. Does the minister believe that by making directives in Ottawa he is undermining the staff of the penitentiaries?

Mr. Speaker: Order. That is an argument, not a question.

NEW WESTMINSTER AND MATSQUI—ALLEGED HOSTILITY OF STAFF TOWARDS INMATES AND VISITORS

Mr. Frank Howard (Skeena): Mr. Speaker, my supplementary question is for the Solicitor General. I should like to ask the hon. gentleman whether he would mind inquiring into the increasing level of hostility exhibited during the last two or three weeks on the part of wardens and staff at both Matsqui penitentiary and the B.C. penitentiary toward both inmates and visitors.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, we have certainly had some difficulty at the New Westminster penitentiary, but I had no knowledge of trouble at Matsqui. I will look into it immediately and report to the hon. member.

* * *

ECONOMIC COUNCIL OF CANADA

ALLEGATION THAT CONSULTANT MEMBER OF CENTRAL INTELLIGENCE AGENCY OF UNITED STATES—SUGGESTED LIMITATION OF STAFF TO CANADIAN NATIONALS

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is for the Minister of Finance. Is the minister aware that one of the designers of the Economic Council of Canada's Candide computer model, and subsequently a consultant to the council having access to private information made available by several government departments was, for a time at least, a member of the Central Intelligence Agency of the United States? If not, will he make an inquiry?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I would certainly want to look into that.

Mr. Hellyer: A supplementary question, Mr. Speaker. In view of the large quantity of sensitive information from the Bank of Canada and from the Departments of Finance and Industry, Trade and Commerce in particular, and in view of the potential value of this information to foreign governments, does the minister intend to initiate the steps necessary to ensure that membership on the council, its staff and persons undertaking contracts for it be limited to Canadian nationals who have been subjected to security screening?

Mr. Turner (Ottawa-Carleton): That question, Mr. Speaker, will become more relevant, of course, after I have made the inquiry into the first question asked by the hon. member.

Mr. Hellyer: May I ask a final supplementary, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member may ask a last supplementary. I will then permit two further questions before calling orders of the day.

* * *

NATIONAL SECURITY

POSSIBLE ARRANGEMENTS FOR DEBATE

Hon. Paul Hellyer (Trinity): Mr. Speaker, my brief supplementary is addressed to the Prime Minister. Will the Prime Minister fulfil at an early date his promise of a few years ago that a day be set aside for a debate on security matters?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have to discuss with the various House leaders what aspect of this matter they want to discuss and when. I would certainly be prepared to discuss it if the opposition used one of its many days to raise the matter.

* * *

GRAIN

SUGGESTED PRIORITY FOR MOVEMENT OF TOUGH AND DAMP GRAIN FROM NORTHERN ALBERTA

Mr. Dan Hollands (Pembina): Mr. Speaker, my question is for the minister in charge of the Canadian Wheat Board. In view of the fact that the harvest conditions in northern Alberta have been terrible, would the minister instruct the Wheat Board to give top priority for boxcars to move the tough and damp grain out of that area?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I would be glad to discuss this matter with the Canadian Wheat Board. Ordinarily, they are very much aware of such circumstances and do attempt to move grain that needs special treatment, consistent with their other needs to get grain to market.

[Mr. Turner (Ottawa-Carleton).]

LABOUR RELATIONS

DISPUTE WITH HOURLY RATED EMPLOYEES AT ATOMIC ENERGY PLANTS AT CHALK RIVER AND WHITESHELL—POSSIBLE SETTLEMENT—REPRESENTATIONS AS TO JOB SECURITY

Mr. Leonard Hopkins (Renfrew North-Nipissing East): Mr. Speaker, my question is for the Minister of Labour. Would the minister inform the House what progress has been made or is being made by the renewal of discussions by the Allied Council representing 11 unions, and the management of Atomic Energy of Canada Limited with regard to a settlement of the eight week old strike of hourly rated employees of Atomic Energy of Canada Limited at Chalk River, Ontario, and Whiteshell, Manitoba?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. The employees are voting on a new company offer this afternoon and we expect to have the result by tomorrow.

Mr. Speaker: The hon. member might ask a supplementary question, and I will then recognize the hon. member for Lincoln before calling orders of the day.

An hon. Member: Another planted question?

Mr. Hopkins: Mr. Speaker, no questions of mine are planted; I am interested in labour conditions in my constituency. In view of the antagonism or personality clash that has been evident in this strike, would the Minister of Labour make appropriate representations that job security after the strike is settled will be one of the conditions of an amicable settlement in order that employees will not be penalized as a result of this strike?

Mr. Munro: Yes, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Lincoln and then call orders of the day. The question period will be resumed this evening.

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AIRPORTS

POSSIBLE SITE IN NIAGARA PENINSULA AS ALTERNATIVE TO PICKERING OR MOUNT HOPE—GOVERNMENT POSITION

Mr. Kenneth J. Higson (Lincoln): Mr. Speaker, can the Minister of Transport state whether construction of an airport is being considered by his department for the Niagara peninsula, specifically in the township of West Lincoln, as an alternative site to the proposed Pickering airport or to replace the present Mount Hope airport?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the chamber is rather noisy. I should like the hon. member to repeat his question.

Mr. Higson: I shall be happy to repeat my question, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member might be allowed to ask his question and the minister respond to it, after which I will attempt to call orders of the day.

Mr. Higson: Mr. Speaker, can the Minister of Transport state whether construction of an airport is being considered by his department for the Niagara peninsula, specifically in the township of West Lincoln, as an alternative site to the proposed Pickering airport or to replace the present Mount Hope airport outside of Hamilton?

• (1500)

Mr. Marchand (Langelier): Mr. Speaker, I do not think it can be as a substitute to the Pickering or Mount Hope airport.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Bell: Mr. Speaker, may I ask whether the House leader will outline the business for the next few days in the usual Thursday manner?

Mr. MacEachen: Mr. Speaker, tomorrow I propose to call second reading of the Customs Act followed by the Aircraft Registry Act, the National Parks Act, the Co-operative Credit Associations Act and on Monday, regardless of how many of those items we have cleared up on Friday, we will definitely begin the report stage of the Foreign Investment Review Act.

Mr. Stanfield: Mr. Speaker, I should like to ask the House leader when we might debate the resolution in respect of our contingent to the UN peacekeeping force in the mid-east?

Mr. MacEachen: Mr. Speaker, following the visit of the Secretary of State for External Affairs to New York.

Mr. Stanfield: When is that?

Mr. MacEachen: Tomorrow. We will decide early in the week when to call the resolution, but on Monday we will definitely begin with the Foreign Investment Review Act, and at that time we will discuss when to call the resolution on the Middle East.

Mr. Bell: Mr. Speaker, I rise on a point of order. As has been done before on allotted days, may I suggest that the first four speeches by one member from each party be limited to 20 minutes and that the remaining speeches be limited to 15 minutes with no extra time. This could perhaps be made an order, as I understand there is some agreement. I would also hope that later this evening we may, in the normal way, reduce the time of speeches in view of the ministerial statement which will interrupt the proceedings.

Mr. Knowles (Winnipeg North Centre): We agree, Mr. Speaker.

[*Translation*]

Mr. Fortin: We agree, Mr. Speaker.

[*English*]

Mr. Speaker: Hon. members have heard the suggestion made by the hon. member for Saint John-Lancaster (Mr. Bell). Is it agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—STATE OF AGRICULTURAL ECONOMY UNDER GOVERNMENT POLICIES

Mr. J. H. Horner (Crowfoot) moved:

That this House deplores the government's inability to give leadership in developing and implementing comprehensive and co-ordinated agricultural policies and programs and regrets that by ill-advised and ad hoc remedies the government has weakened the over-all agricultural economy.

He said: Mr. Speaker, in putting forward this motion I feel that you and the House should be made aware of some of the chaotic conditions that exist in agriculture today. Many people in Canada feel that the agricultural economy has had a good year and is basically very sound. However good a year it has been is in spite of the government's policies, certainly not because of them.

We have had a package of short-term and harsh adjustments to the agricultural economy over the past year. They were short term because the government was running a few scant steps ahead of the demands of the consumer. These harsh actions taken by the government brought about a short-term solution but in the long run will severely hurt the consumer as they will tend to bring about greater scarcity and higher prices in the following year.

What actually have we seen? We have seen established in Canada a host of what might be termed arbitrary prices. Prices have been arrived at in the grain industry in an arbitrary manner as well as prices in the livestock industry. This is certainly true, as has been pointed out quite vividly in an editorial that appeared in the October issue of *Country Guide*. Let me quote briefly from that magazine:

Governments can impose arbitrary pricing methods but, when mistakes are made by those doing the pricing, the farmer must pay for them. Worse still, arbitrary pricing can keep producers in the dark about market demand and prices, isolate them from the market and leave them with little choice but to devote more of their time to fighting political battles rather than managing their farms.

That certainly has been the case this past year. In any farm publication you pick up, be it the *Western Producer*, the Winnipeg *Free Press* or the Manitoba *Co-operator*, you will find the question asked, what is the price of this commodity and what is the effect of government policy going to be? An editorial in the Manitoba *Co-operator* of October 25 deals with six possible prices for barley in that province and suggests that the farmer is wondering what price he can expect to receive on the market for his grain.

Agriculture

Recently representatives of world grain growers and consumers of grain met in Winnipeg at the urging of the Canada Grains Council in an attempt, as Mr. Dever suggested, to bring about a greater degree of confidence in the industry on the part of producers. I quote briefly from an article which appeared in the *Financial Post* of October 20:

> The industry is distrustful, especially producers. We could have used more barley and rapeseed this year . . .
>
> But growers are reluctant to accept advice. We now have to foster more confidence that the advice is the best available at the time it is given . . .

What has destroyed that confidence is the system of abrupt and arbitrary pricing in the grain and livestock industries, which will eventually bring about higher food prices next year. Certainly we now have high world prices for our grain, with wheat at $5 a bushel. There was an adjustment last fall when a ceiling was put on the price that Canadian millers have to pay, with a resulting subsidy, some suggest about 70 per cent, to the Canadian consumer.

What effect will these subsidies eventually have on the Canadian market? I suggest they will bring about a lowering in the production of grain and livestock. We have seen grain priced on the world market at over $5 a bushel; yet at the same time we have experienced a tremendous shortage in our terminals. The terminals at Vancouver and the Lakehead are nearly empty and the St. Lawrence Seaway is just about to freeze up for the winter. I suggest that we will lose certain sales because of our inability to move grain.

Not long ago during an election campaign the government accepted some advice from members on this side and purchased 2,000 additional boxcars. I suggest the government should buy more boxcars now.

An article that appeared in the *Financial Post* of October 27 points out quite vividly that right now there is a shortfall of some 2,000 boxcars a week for the movement of grain to either Vancouver or the Lakehead. The article goes on to state:

> A Wheat Board official concedes: "We're going to be squeezed like a banana to fill our exports."

In other words, our sales commitments are there but we are not able to meet them because we have not paid enough attention to the movement of grain. No one wants to store wheat that is worth $5 a bushel. They want to sell and take advantage of the high price on the market while they can. There is no reason to believe that in the years ahead the price will continue as high as it is.

Recently Russia announced a 215 million ton crop, 16 per cent above what they expected and above the crop a year ago. The United States has had a bumper harvest this year in feed grain and other grains. So we must make every effort to meet the market conditions today in respect of the sale of wheat. The government has failed to pay sufficient attention to these facts. Both ministers in charge of agriculture have been too busy prancing about the country trying to claim credit for the high world prices instead of marketing Canadian grain in an efficient manner. We are told that marketing is very complicated in Canada today. The livestock industry for a number of years has been proud to be able to say: let the government leave us alone and our industry will take care of itself. The government has not left it alone this year.

[Mr. Horner (Crowfoot).]

● (1510)

Last March we saw a one-sided reduction of the tariff on cattle moving into Canada from the United States in an attempt to appease consumers on a short-term basis, but that did not seem to increase the popularity of the Liberal Party across the country with the consumers. So the government then announced an embargo on the movement of cattle out of Canada. Canada traditionally has been noted as a large exporter of beef, but our price has always hinged on the availability of beef for export. The government placed an embargo on export, which caused chaos. It caused the shutdown of the marketing system throughout Canada and a drop in prices of approximately ten cents a pound. Perhaps it could be argued that the price would have come down in any event. It might have, but it would have come down gradually and farmers would not have lost huge amounts of money because of the inexperienced minister in charge of the consumers, I suppose. It was the consumer affairs department or the Minister of Trade and Commerce that announced this action.

Some time in September the government became a little concerned about the livestock industry and reimposed the tariff of one and a half per cent to equalize the movement of cattle between Canada and the United States. Today we see huge numbers of cattle coming to Canada from the United States. Thirty per cent of our kill is United States beef. We kill a little over 50,000 head a week and that means that about 17,000 head at least of United States cattle are coming on to our market.

The Minister of Agriculture (Mr. Whelan) said in the House the other day that he had placed three different proposals before the cabinet but that he has had really little effect on the cabinet. Many good newspaper articles written about the present Minister of Agriculture say that he sounds like a farmer, talks like a farmer and must be a good Minister of Agriculture. One must do more than sound, look and talk like a farmer. One has to be able to get results and be able to sell the farmer's case to his cabinet colleagues.

There was a recent headline in *The Grower*, an Ontario paper—"Farm Policy a Tragic Farce". It points out that we have had three ministers tinkering with agricultural policy, the Minister of Industry, Trade and Commerce (Mr. Gillespie), the Minister of Agriculture, and the minister in charge of the Canadian Wheat Board (Mr. Lang). There is also the Minister of Finance (Mr. Turner). Four ministers have been tinkering with the agricultural economy. The article in the October issue of *The Grower* goes on to say:

> In Ontario, Agriculture Minister Stewart and nationally, CDA Minister Whelan, have continually and vociferously put forward strong cases for farmers. Unfortunately, there is scant evidence that even their cabinet colleagues are listening.

Some hon. Members: Hear, hear!

Mr. Horner (Crowfoot): We are told about a reduction in freight rates on beef coming from western Canada to Ontario. We anxiously await that and hope it will provide

some kind of buoyancy for the cattle market in the west. We hear of the possibility of an embargo being placed on United States cattle. But we do not see action.

A few short months ago many people were asking why meat is so high priced in Canada. We were told it was because the United States economy has really been devaluated something like 30 per cent or 40 per cent in the past year and our economy has been devaluated about the same in relationship to the Japanese yen, the German mark and so on and that now our beef could move into those markets. Why does the government not make an attempt to move some of the surplus beef into those markets? We are told that steak is very expensive in Europe, that it is even higher in Great Britain and that it is higher still in Japan. Why does the government not make an attempt, even if it means the subsidization of shipments? It could even pay the freight and move the beef out so that our markets could be sustained.

Why is this so important to our markets? Today feeder cattle are moving into the United States at an alarming rate. If they move there they are fed United States grain rather than Canadian grain causing less employment in Canada. Apart from that, there are fewer placements of Canadian cattle in cattle feed lots and this will bring about a sharp increase in the price of meat next year if we are not careful. If we do not encourage our feed lots to fill up this fall we are bound to have a high price for beef next year and a scant supply. A one per cent reduction in the supply of beef causes a two per cent rise in the price of beef. This is just about how it has worked in the past year and the way it will work in the future if the government does not immediately take some action to remove the chaotic situation in the grain pricing business and the cattle industry.

There are some definite steps the government could take which would immediately alleviate part of the hardship in the agricultural industry today. The feed grains policy of the minister is increasing the price of grain to western feeders by about nine cents a bushel because he arbitrarily tacks on a Wheat Board marketing cost even though much of the grain does not move through the Canadian Wheat Board. He attempts to subsidize to some extent eastern Canada. Who pays for the subsidy? The western grain producer. That subsidy should be paid out of the treasury. If it is a political decision to bring about a price for barley in eastern Canada which is less than the United States corn price, certainly the treasury should accept the cost of that political decision and not the Canadian grain farmer.

The Canada Grains Council seems to be concerned about the farmer and how he fails to listen to advice from the government and its experts. The farmer is in a strange position. He is the only man producing a commodity who does not know what the price of it is on the world market. The Wheat Board is supposed to be working for the farmer; yet it sells his product and does not tell him what he is getting for it. If the farmer could find out exactly what the world price was he would know what his commodity was worth and how much more or less of it he should grow. The old argument is that the Wheat Board cannot reveal these prices because then our competitors would know. If one has a friend who has a friend he can phone a Japanese importing company and find out what Canadian barley is worth. Is it worth $3.25 today at the Lakehead? I would think it is according to my sources. But as a producer I should be told by my selling agency what my product is worth on the market. A man manufacturing automobiles or anything else knows what his commodity is worth on the world market. The farmer is supposed to remain in the dark and take the advice of the minister in charge of the Wheat Board. Traditionally he has learned over the years to do the opposite and by doing so he probably comes out better.

Two steps could be taken. The treasury should pay the subsidy rather than the grain farmer and the grain farmer should be told what his grain is worth on the world market. The minister has attempted to do this in his announcement that half of the final payment on barley will amount to 58 cents a bushel, but even that estimate will fluctuate from month to month. It may go down, particularly after the announcement regarding the size of the Russian crop. The minister should buy and build more boxcars and he should appoint a rail co-ordinator who would have the power and authority to direct boxcars for the movement of grain to the markets. It is a colossal shame when we read in the *Financial Post* that we may not be able to meet our market commitments because grain is not at the ports and we are running short of at least 2,000 boxcars a week. We need boxcars. If another election takes place soon, the minister may want to create good feeling throughout the country. If so, he should be issuing those orders right now, and a railway co-ordinator should be appointed to direct those boxcars for the use of the grain industry.

● (1520)

With regard to the beef industry, most people who are connected with the beef industry just hope that the government will get out and stay out. They know how to cope with the weather and with the markets, but politicians befuddle most of the men in the beef industry and make them wonder.

The government could do a number of things to deal with the chaos that exists in the beef industry. It could bring in an embargo on imports for a limited period of time. Thirty per cent of the kill is a huge kill and depresses the market badly. As I said before, it could make some effort to ship large amounts of beef to Japan or Europe. It could increase the tariff. The Minister of Justice (Mr. Lang) spoke about some kind of freight reduction on western beef moving to central Canada. He has not come out with it yet. We are listening. People in the industry are wondering when it is coming.

There are four steps which could be taken with regard to the livestock industry which could bring back immediately some degree of confidence to the industry and at the same time would enhance the image of the minister. We are getting tired of seeing this lovable farm boy prance about the country.

Mr. Whicher: Farmers are not.

Some hon. Members: Hear, hear!

Mr. Horner (Crowfoot): Yes, the farmers are tired of it. Farmers are saying: let us have action. They like lovable

farm boys but they say: Let us see how well he will sell our case to the cabinet. That is how the last Minister of Agriculture lost his seat. He failed to sell the farmers' case to the cabinet. I would not want this to happen to the present Minister of Agriculture (Mr. Whelan) because he is a likeable lad. This is why I urge him today to make an effort to sell his case to the cabinet. I do not want to continue to read in farm papers that unfortunately there is scant evidence that even the minister's cabinet colleagues are listening. It is very depressing to think that our lovable Minister of Agriculture has no sales ability in the cabinet. He can talk like a farmer to the farmers and they like that. He has the odd story he can tell which goes over well, but the beautiful thing about him is that his speeches are brief. Rarely does he make a long one. It is not because he does not know quite a bit about the industry, but farmers do not like longwinded politicians and they appreciate his short speeches. But he will have to start producing.

An hon. Member: We don't appreciate long speeches either.

Mr. Horner (Crowfoot): There is no fear of that. I am limited to 20 minutes, whether or not I might need more. The minister will have to start producing. His cabinet colleagues must be told that inflation cannot be fought by hurting the farmer. The farmer is the last person who should be hurt. I should like to read the following statement from an editorial in the *Country Guide* for October:

> Federal government has been under tremendous pressure to do something to dampen the fires of inflation. In its frantic scramble to respond, it turned its guns on, of all groups, farmers.

This is the last thing the minister should allow his cabinet colleagues to do in the fight against inflation.

Some hon. Members: Hear, hear!

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, following the hon. member for Crowfoot (Mr. Horner) is not an easy task. He spoke about the beef industry and what we were doing. We will be meeting with the people representing the beef industry tomorrow morning in Ottawa. They have been asked to come here to discuss some suggestions or proposals that we want to discuss with them—

Mr. Horner (Crowfoot): I hope you will talk to the whole cabinet about it.

Mr. Whelan: —before any action is taken. Let us be fair, however. If you remember, the beef industry people told me and the government to keep hands off. They thought they could cope with the situation on their own.

Some hon. Members: You did not.

Mr. Whelan: This is what they wanted until about a week ago last Monday. We have been following the circumstances and checking with our counterparts in the United States as well as checking with the industry in Canada, the producers of beef, packing firms, etc. to find out what they thought should be done. We are ready to make proposals to the beef industry tomorrow and will do so.

[Mr. Horner (Crowfoot).]

Too many people have been saying that we put an embargo on beef. We did not do that. Normal marketing of beef was allowed to continue, and those who made applications for export of beef from Canada found that hardly a permit or application was refused. They were issued readily even before the United States took off their price freeze. I do not know what those who are advocating a price freeze—the party across the way has advocated quite openly a 90-day freeze—thought would happen if a freeze were imposed, but I hope they forecast something different from what has happened in the United States following the removal of the freeze.

The Secretary of Agriculture of the United States, when a price freeze was discussed, said that anybody who would impose a price freeze on food would be an idiot. Two weeks later the President of the United States put on a price freeze. The Secretary of Agriculture then stated that he and the President had agreed and that when the President made a decision he always agreed with him. However, the price freeze caused utter chaos in the North American beef market. It disrupted the normal patterns of trading.

We took off our tariff on beef in the spring. We discussed this with our U.S. counterparts at that time, and I think they fully intended to remove their tariff. But they did not. This was a disappointment to us because we would have liked to see the free-flowing market continue. It was disrupted by their action much more than by ours. Recently I heard that one U.S. official who spoke in Canada said that when Canadians make a proposal about removing a tariff the Americans will listen. If that is so, they did not hear very well because we did take off the tariff but they did not remove theirs.

Many people are not aware that we have a low tariff or no tariff on many of the commodities that come into Canada while the United States has tariffs on products going into their country. Let us take corn as an example. We have an 8 per cent tariff on corn coming into our country while they have a 25 per cent tariff on corn going into the United States. Soybeans enter Canada free of tariff, while soybeans going into the United States have a 60 cents a bushel tariff. So they are not the freetraders some people think they are.

The fact that some hon. members do not know what the government agricultural policy is does not mean there is no policy. Some hon. members do not understand agriculture and farming well enough to recognize a good policy when they see one. Agriculture is the most important single industry in the entire nation and it is one of the most successful. It became successful as a result of the fact that the policies of the federal government did not stand in the way of development but made it possible for farmers today to reap the largest cash income in our history, to sell to more markets than ever before and to provide this nation with the best quality food in the entire world, and plenty of it.

● (1530)

Those who say there is no national policy in agriculture do not know what they are talking about. There is a national policy, and a very good one. If anyone wants to attempt to put the government's agricultural policy into a

few words I would say it is to provide the framework within which Canadian consumers can be assured of a steady supply of wholesome food at reasonable prices, and to provide farmers and the whole agricultural industry with a reasonable income comparable with that of the rest of Canadian society.

Earlier today in the House it was pointed out that I said something about what vegetarians could live on. But let me tell you, Mr. Speaker, that at that same meeting a representative of a senior citizens group got up and said something very significant. Of course I was not writing it down, but it is on my tape machine.

Mr. Stanfield: Let's have the tape.

Mr. Whelan: The tape machine was sitting on top of the desk so everyone could see it. I do this so that I know what I said when I go home.

Some hon. Members: Hear, hear!

An hon. Member: Do you have doubts sometimes?

Some hon. Members: Oh, oh!

Mr. Whelan: I want to tell you what this representative of a senior citizens group said. She could have said it to you, Mr. Speaker, because I know you also would have listened. She said they had a meeting among their group that day and discussed many things, and they came to the conclusion that for their money food was the best bargain they get today in the city of Toronto. She went on to explain why and she did a very good job of it. I asked if she was a Liberal and people told me they did not know, but I thought that such a well informed person would be welcome in our party. She said that when she and her husband were married in 1920 butter was 86 cents a pound and her husband's wages were less than $2 an hour. Butter today is less than 86 cents a pound and the average wage in Canada is $3.50 an hour.

An hon. Member: And we still have a Liberal government.

Mr. Whelan: Total cash income for farmers is higher today than it has ever been in our entire history. Net farm income is higher today than it has ever been. And both continue to improve. This has been a goal of every government, of every political stripe, since the time of Confederation. But under this government's national policy we are making solid, concrete progress.

I might add that Canada has been doing a better job than any other nation in the world, and doing it without putting farmers on welfare and without turning agriculture into a public utility.

The number of profitable family farms has been increasing, not decreasing as many people think. In 1966 there were about 95,000 family farms in Canada selling more than $10,000 worth of food. By 1971 the number increased to more than 113,000 family farms selling more than $10,000 worth of food. I am positive that the figures for 1972 and 1973, when they are gathered, will show an even sharper increase in the number of profitable family farms. I think it would be safe to guess, in fact it would be a very conservative guess, that the figure would reach 175,000 family farms.

Canada's food production has kept on increasing even though the acreage that farmers work has held about steady, at around 170 million to 174 million acres for more than 30 years. The acreage has changed hardly at all but production has increased steadily.

When this government took over, farm exports were falling and we were losing markets all over the world. The government's national farm policies have turned that situation right around and our farm exports are increasing. Canada's record is one of the best in the world, much better than the United States even with its highly publicized grain sales of last year.

In 1960 Canada's agricultural exports were about $900 million. In 1970 they were up to $1,993 million. In 1972 they kept on going up to over $2 billion, and there is no doubt that they will be higher again in 1973. That is performance under a policy that brings concrete results where it matters, in the farmer's pocketbook and in the active, healthy expansion of the related supply and processing industries.

In 1971 exports alone amounted to $5,443 for every single farm in all of Canada—big farms, small farms, hobby farms, all kinds of farms. If you count only commercial farms the ones with sales of more than $10,000 a year, exports amounted to more than $17,600 per farm.

I picked the figures leading up to 1971 on purpose because they show what was happening before the world got into the present international monetary mess, before the price of food started to increase on world markets, and before there was a worldwide tightening of food supplies. They show that Canada's farmers, under the national policies of the government, were taking every advantage of their position as the world's most efficient, the world's most productive, the world's best farmers. Canada's farmers did not get to be the most efficient, the most productive, and the best in the world simply by chance. They did it with the help of our national farm policies.

The role of the federal government, as this government sees it, is to provide the services and the laws that Canadian agriculture and Canadian farmers need to do their job. The role of the federal government is not to do that which farmers and the agricultural industry can do for themselves and do very well. That should be left, as I have said, to the farmers themselves. The role of the federal government is to do those things that the agricultural industry and farmers cannot do for themselves.

This government has used its role to provide our farmers, and our agricultural industry, with the opportunity to earn a level of income that is at least equal to that of everybody else in our society and our economy. But now that we are making reasonable, decent gains in this direction, there are some hon. members who want to take that away again by unwarranted intervention to force food prices down again, to drive our agricultural industry into poverty and our farmers into the backwash of society once more.

Let me warn this House, Mr. Speaker, that today's farmer-businessman will not stand for it, that he will get out of farming and put his money elsewhere. Only those who cannot afford to move out will be left to carry the burden

of food production for the nation. That is no way to guarantee ample supplies of good food to consumers.

Agriculture is the most important industry in all of Canada. It is also one of the most complex. There are many different types of products. There are many different types of markets for the same product. And there are many different regions, each with different production problems. When one considers our climatic conditions from coast to coast it does not take much imagination to understand what I am saying. It is obvious that no one-track policy will do a proper job for our agricultural industry and for our farmers. You cannot do the job with one single stroke of the pen when you have ten provincial departments of agriculture with ten different agricultural policies for farmers.

I am going to spell out our policy as simply as I can so that all hon. members will understand our national policy and see that there is a co-ordinated national farm policy.

First, Mr. Speaker, we have policies and programs to assist in the adjustment and development of effective family farms. The Farm Credit Corporation provides the money so farmers can invest to develop profitable family farms. The Farm Credit Corporation has been so successful that it has become the No. 1 source of long-term credit for farmers in Canada. We have kept the interest rate on Farm Credit Corporation loans at 7 per cent. The Farm Credit Corporation has been so successful that people do not look anywhere else for credit but go to their FCC credit adviser first. Only then, if they cannot get the money there, do they go somewhere else.

The small farm development program was planned by the federal government, and today is operating in every province except Newfoundland. This program has been tailormade to fit the different circumstances in each province, and we have federal-provincial agreements and federal-provincial co-operation. We have had that this year, or since November 27, 1972, when I became minister. I have recognized what I know is real, true co-operation, and so far as I am concerned we have had it from most of the provinces.

● (1540)

The amount of loans made by the Farm Credit Corporation in the last four months—and this is the trend in agriculture and I hope it continues—shows that young people now have more confidence in agriculture than they have had for a long time because 40 per cent of the loans have been made to farmers under 26 years of age. The small farm development program helps family farms to develop to the reasonable profit point and it helps other farmers now trapped on their small farms to retire with dignity or to get a better paying job. Nobody is forced out of business. Only those farmers who want to quit or want to retire get help. That is what the program is for, so that they can retire in dignity or get a change of occupation.

Through the Department of Regional Economic Expansion the government has also provided help through programs such as community pastures, reforestation, and substantial help to set up processing and marketing companies in rural areas. The results are plain to see in areas where this has taken place. Production increases locally to supply the new industries.

[Mr. Whelan.]

The second grouping of policies and programs helps agriculture and farmers to meet unusual market situations and heads off pressures that would disrupt the industry by forcing farmers and entire regions into bankruptcy. The main policies and programs that fall under this heading are those connected with the Agricultural Stabilization Board, the Agricultural Products Board and our national marketing legislation. The Agricultural Stabilization Board offers farmers price stability. The Agricultural Products Board offers market stability by handling temporary surpluses. Furthermore, we have taken the leadership and have invited the provinces to develop jointly even better price and income stabilization programs. We did this in September and it had never been done before. The provincial ministers of agriculture were impressed. The minister from Ontario, who has been longest in office, said that he had never attended a meeting that had given him the impression the federal government was really concerned about doing something about agriculture. I might say, Mr. Speaker, that they all agreed with our philosophy on what should be done to stabilize agriculture in Canada.

Marketing legislation provides help for co-operatives so that they can, for example, pay farmers an initial price. This is the first time in the history of my department that there has been a special group to work with farm co-operatives. Marketing legislation has been provided so farmers can set up national marketing agencies. Crucial market information is provided by the department through regular reports such as the weekly livestock report, the daily potato report, the weekly fruit and vegetable report and so on. This government has provided leadership and money to help agriculture and farmers to find and sell to new and larger markets both inside Canada and abroad by providing a $10 million fund.

The third broad grouping of programs and policies covers our efforts to help agriculture and farmers expand markets and improve marketing. I have already mentioned the national marketing legislation and some of our market development work. But one of the most important things this government does to promote markets is to set up and run some of the world's best grading, inspection, health and sanitary programs and policies. Because of this government's policies and programs and the dedicated work of the staff of the Canada Department of Agriculture, we have the healthiest livestock in the world, we have the highest quality products in the world, and we have access to more markets than any other nation in the world. And we do not stand pat on our record but are continually improving our standards and our performance. This government provides agriculture and farmers with market information on a daily, weekly, monthly and annual basis.

The hon. member for Crowfoot (Mr. Horner) mentioned the monitoring of feed grain prices and I am sure someone else will refer to it later. I was in western Canada for four days last week and I talked to many farmers there. No matter what the hon. member for Crowfoot or anybody else says, I think it is my duty to talk to farmers and to listen to them. After every meeting I have with them there is a question period and I listen to what they think the Canada Department of Agriculture should do and what they think the government of Canada should do. I just cannot take what members of the opposition tell me, Mr.

Speaker; I want to hear for myself and I will continue to do that. I only accept about one-tenth of the invitations I receive from farm organizations and I attend these meetings on Wednesday or Friday night or the weekend. Rarely do I ever miss a day in the House or in my office. The time is not sacrificed from my job or in the House of Commons; it is sacrificed by my family which is probably not proper. I challenge anyone to put their record in the House or their duty as a member of parliament against mine.

Some hon. Members: Hear, hear!

Mr. Whelan: I might say, too, that I use the government plane and that every time I do I will take guests with me. I will take other Canadians with me to see what other parts of Canada are like so they can understand the position of agriculture in relation to the whole nation.

Every three months the Canada Department of Agriculture prepares factual information and outlook material and provides this information to the industry and to farmers. It is impossible to provide completely accurate forecasts in agriculture. For instance, no one forecast what was going to happen to agriculture this year. No one, not the greatest adviser in the United States or in Canada, not one of them told us what was going to happen.

In conclusion, Mr. Speaker, I want to say that I hope something constructive comes out of this discussion today. As Minister of Agriculture I will be the first one to recognize it and put it into force. All I can say is that from past performance in this place and in the Standing Committee on Agriculture, and I will just use the instance of the little crop insurance bill—

An hon. Member: That is the only bill.

Mr. Whelan: That may be the only bill, Mr. Speaker, but any bill that took longer than that would take two years to get through.

An hon. Member: Try it!

Mr. Speaker: The hon. member for Saskatoon-Biggar.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, the minister has just said that no one could have foreseen what was going to happen to agriculture in the last year or in the last six months. What he is actually saying is that in agriculture we are in a similar situation to that in which we find ourselves with regard to energy, that there has not been a long-term program. As is charged in the motion, agriculture has been dealt with only by short-term programs. The farmer, like the government, was caught flat-footed when trying to deal with a situation without real confidence in the future. Mr. Speaker, we need confidence if we are going to discharge our responsibilities to the people of Canada.

The Minister of Agriculture (Mr. Whelan) can go about the country saying that we have cheap food if he wishes but he has not convinced the consumer of that. He has not even convinced his own colleagues because the government has set up a Food Prices Review Board to find out what is wrong with the cost of food in this country. The minister says that he is to meet tomorrow with the beef producers. I hope he also meets with other people involved in the industry. I hope he is going to do a thorough job so he can come back to the House with a policy for the red meat industry that will bring some confidence to it. In my province, the provincial government had to pay a price support for hogs to ensure the maintenance of a decent level of hog production. That is a role that the Federal government should be fulfilling. The government ever since the second world war has had the responsibility for an agricultural prices support program.

● (1550)

Let me return to beef. What is the government's record? I say that its record is shabby and unco-ordinated. Unilaterally it took off the tariff on beef coming into Canada. It did not obtain any assurances in exchange for removing the tariff. It just took it off unilaterally. People in the cattle producing business said the government was wrong. We said it was wrong, but that made no difference. Next we witnessed an embargo which the Minister of Agriculture said was not an embargo. Everybody else understood that it was an embargo but he said it was not. If it was not am embargo, why did he impose it? Whom was he kidding? Whom was he fooling? His actions only contributed to the confusion of the industry. Later he reinstated the three cent tariff. Apparently he also got rid of the embargo.

Let me tell the minister that the western producers want to know what the government's real policy is. They have seen beef prices fall from $60 a hundred to $44. That is quite a spread. There is no significant support price. The minister says that he cannot get appropriate legislation through the House. I say that if he were to bring legislation before the House that would provide up to date support prices, it would receive passage. The price support legislation on the statute books is hopelessly out of date. The support price based on 80 per cent of the average price in the previous ten years is useless considering the present rate of inflation of 4 to 5 per cent per year. You do not need to be a mathematician with a slide rule to figure out that a support price based on that kind of theory will not be anywhere near the actual prices in effect. In view of this lack of policy and lack of realistic support prices, agricultural producers are wondering where they are to go from here.

The Minister of Agriculture is also responsible for making sure that Canadian consumers have available adequate supplies of food at reasonable prices which will return to the farmer at least his cost of production. Notwithstanding this responsibility, one year ago we imported 27 million pounds of butter. I wonder how many million pounds we will import this year. I wonder how many pounds of New Zealand lamb we will import, assuming New Zealanders have the lamb and want to send it to this country. I wonder if the government will reinstate a support price for wool that will encourage wool production in Canada, assure a stable market for wool and make sure that we do not pay through the nose for the wool that is necessary for the suits and other clothes we wear every day. When will the government do that?

The minister can stand up and tell us what a wonderful job the government is doing through the Farm Credit Corporation. Any developed country, such as Canada, that does not have a properly working agricultural credit pro-

gram is hopelessly out of date. That program is not a major achievement; it is a necessity in this day and age. Let the minister deal with the problems facing Canadians. Despite inflation that is admittedly world wide, it is the duty of the government to introduce production policies that will meet properly the needs of Canadians. That is the fact with which the government must contend. It is against this background that we must consider support programs for hogs so that farmers producing hogs will stay in business.

At the same time, the minister in charge of the Wheat Board has been disrupting and tearing apart one of the few stabilizing factors governing prairie agriculture and the western regions. While he has been in the process of tearing this apart he has been saying, "Wait until next year, when we will have a better program." Perhaps the minister should read the publication put out by some outfit in Regina which is entitled "Next Year Country".

While the minister was telling western farmers what a good deal he has in store for them, the Minister of Agriculture on October 17 was in South Mountain telling eastern farmers that they could look forward to cheap western feed grains because of the new policy the minister in charge of the Wheat Board was putting in place. The National Farmers Union Newsletter of October 22, 1973, says in part:

> In the light of that blatant pitch to greed it was refreshing to hear an eastern farmer stand up and say that he wasn't interested in cheap grains at the expense of prairie farmers.

So there are the two sides to the coin. What are the facts? According to the Canadian Wheat Board announcement, as of October 22 the price of No. 3 Canada Western Red Spring Wheat for domestic feeders in Quebec, Eastern Canada and British Columbia was to be $3.41⅝, f.o.b. Thunder Bay. According to the *Western Producer* of Thursday, October 18, the selling price of No. 3 CWRS, or Red Spring Wheat, as of October 12 by the Canadian Wheat Board, at Thunder Bay, and the IWA price as supplied by Saskatchewan Wheat Pool, Country Elevator Division, was $5.49½.

Mr. Lang: Would the hon. member permit a question?

Mr. Gleave: Mr. Speaker, when I am through. I have only 20 minutes and I wish to continue my remarks.

Mr. Lang: Does the hon. member have the price for domestic wheat that day?

Mr. Gleave: Mr. Speaker, I was quoting.

Mr. Lang: The domestic price was lower.

Mr. Gleave: Mr. Speaker, I was referring to figures that I assume must be known to the minister's own department. These prices for No. 3 CWRS are quoted in the *Star-Phoenix* of October 23. I was also quoting figures carried in the *Western Producer*. Those indicate the prices that are quoted by the Wheat Board when selling No. 3 CWRS wheat out of Thunder Bay.

Mr. Lang: Give us the Wheat Board's domestic price for that day.

[Mr. Gleave.]

Mr. Gleave: The minister can stand up later and say what he wishes. I am not trying to mislead the House, as he is suggesting. I am presenting facts to the House. I am saying that the Canadian Wheat Board, under this new policy, is being required to supply 3 CWRS wheat at the lower price I have quoted at domestic points in Canada. The price available of course, is the price less the cost of moving the wheat to Thunder Bay. If you are in the prairie region the price available must take into account the cost of moving wheat to Thunder Bay. At any rate, the export price quoted is the price which the Canadian Wheat Board will receive for that grade of wheat delivered to our customers who buy it for export at Thunder Bay.

I really do not intend to labour the point, because the over-all approach of the policy is more important than the particular price. In place of a clumsy and unworkable price system which is difficult to administer and under which it has taken many weeks before a final price was arrived at, we need a marketing system that is workable and efficient and a price system under which prices can be quoted from day to day, without any question or doubt. We had such a system before the minister attacked it. The Wheat Board could deliver grain without question to those who needed it. It was in a position to guarantee supplies to those who wanted them. There is a real danger it will not be able to do this in the foreseeable future if substantial supplies are bought by the Agricultural Products Board or other purchasers outside the Wheat Board. If those other purchasers choose to buy substantial quantities, the Wheat Board will run the risk of not having supplies readily available. These possibilities concern me even more than the present inequity of pricing.

● (1600)

I could quote more figures. The minister will undoubtedly quote more. The minister's price systems multiply like rabbits. He has all kinds and all colours. You can take your pick. There used to be only one pricing system but the minister has many.

In answer to a question yesterday about quota system problems, the minister said he knew there were problems but once he got the grain rolling he would straighten them out. Unfortunately the block system which was developed over a period of years and was very efficient is now not working well. The minister said this in his statement yesterday.

On the north side of my constituency, the grain elevators are congested. They have been congested throughout this crop year. One quarter of the crop year is now over, and some farmers have not been able to deliver their grain. This is the kind of grain policy we have with this government.

There is one grain policy for western Canada and one for eastern Canada, the area east of the Ottawa river. No wonder the Minister of Agriculture is happy to talk to the Ontario farmers. They are one of the groups which will get the gravy. The minister says his feed policy will bring equity to all farmers in Canada. However, it will have very little to do with one of the two largest producing areas in this country, namely central, south-western and southern Ontario which produces corn, one of the major feed grains. Nothing is being done to equalize the price of

corn. There is still a tariff on corn coming into Canada from the United States. If the Minister of Agriculture wants cheap corn for eastern farmers, as he said on October 17, why does he not remove the tariff? It would be less trouble to remove the tariff than to change the policies of the Canadian Wheat Board. It would be easier and quicker. Also, it would not cost the western farmer nearly as much.

I do not know where the government thinks it is going with policies of this kind. The Minister of Agriculture says that everything is cozy in the dairy industry. However, it was reported in the paper that another cheese factory east of Ottawa is closing. A group of farmers who were delivering to that cheese factory are now going out of production. I am sure the minister reads the papers, but he still says everything is cosy in the dairy industry.

We have imported butter. When the minister was on his feet, he should have told us what single or collective action this government and the Canadian Dairy Commission took in the past 12 months to ensure sufficient production of butterfat and milk proteins to meet the needs of the Canadian people and any demands for export. He did not tell us that because he and his government have not done a thing. They sit there shivering, worrying about the threat of inflation and fearing that if they give some real incentive to the farmer his production will rise again. Therefore they do not do anything in some of these important areas.

I think the five cents a quart subsidy to the consumer is good. Maybe some day the minister will tell us what the new dairy policy is to ensure the supply of sufficient dairy products for the Canadian people. After the minister meets with the beef people, maybe he can meet with the dairy commission and the dairy people with regard to boosting dairy production.

The Acting Speaker (Mr. Laniel): Order, please. I regret having to interrupt the hon. member but the time allotted to him has now expired.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I am happy to speak on the opposition motion moved by the hon. member for Crowfoot (Mr. Horner) and which reads as follows:

> This House deplores the government's inability to give leadership in developing and implementing comprehensive and coordinated agricultural policies and programs and regrets that by ill-advised and *ad hoc* remedies the government has weakened the overall agricultural economy.

Since I do not have much time, hardly twenty minutes, I shall merely develop two points I wish to raise in the House. I heard the minister say that the department was trying to be fair to all parts of Canada and was working for the future of agriculture, but I shall give him examples of the type of justice that our legislation often bring about, not because of its provisions but because of the way they are implemented.

I shall first consider our farm improvement loans legislation. The 28th annual report for the year 1972 has just been published. Here is what it says:

> The Farm Improvement Loans Act came into force in March, 1945 for an initial period of three years and was subsequently amended from time to time to provide additional lending periods and widen its scope of operation.
>
> The purpose of the legislation is to facilitate the availability of intermediate term and short term credit to farmers for the improvement or development of farms and for the improvement of living conditions thereon.

All of this is very nice. The report continues:

> The main purposes for which Farm Improvement Loans could be made during the year under review were:
>
> —purchase of agricultural implements, new and used;
>
> —the construction, repair or alteration of farm buildings;
>
> —the purchase of livestock;
>
> —the purchase of additional farm land;
>
> —general works for the improvement . . .

When one reads this report, one becomes aware of discrimination against Quebec farmers. Although the government has been fighting for many years to remove regional disparities, I think that, in the area of agriculture, this bill does not sufficiently take regional disparities into account.

Let us consider loans for instance. On page 10, the heading of Table 3 is the following: "Loans Classified by Provinces and Purposes". For the information of hon. members, British Columbia has granted 1,584 loans; Alberta, 16,992; Saskatchewan, 18,340; Manitoba, 6,146; Ontario 8,703 and Quebec 282.

● (1610)

Mr. Corriveau: The figures for the province of Quebec are not right.

Mr. Gauthier (Roberval): Mr. Speaker, the hon. member says the figures for the province of Quebec are not right. Never mind that.

An hon. Member: This is true.

Mr. Gauthier (Roberval): We all know the Farm Credit Corporation of Quebec, and I for one know something about it. Then, neither the federal government nor the Quebec government grant loans to farmers—

An hon. Member: Our farmers are too rich.

Mr. Gauthier (Roberval): Are our farmers too rich? Far from it. Let us examine the situation more closely. Saskatchewan was granted 18,340 loans but only 282 were granted to Quebec. Quebec farmers cannot be indefinitely laughed at. We wonder why they are rebelling. The situation has been going on for 10 years—

Mr. Marcel Roy (Laval): How many applications for loans were made?

Mr. Gauthier (Roberval): The member for Laval is asking how many applications were made. I will answer him, because I have done much work in that field; applications were filed, but they were never accepted. Applications are not accepted. That is why I say that the law is good, but that its implementation is bad; I do not know whether that depends on the men in power or the present staff but we still cannot . . . I have been trying for two years now to get a loan for a farmer who has 150 slaughter

cows, but he cannot get even a small loan. Inquiries after inquiries are made and all kinds of reasons are given; he has been a farmer for 42 years, he has three farm lands but he cannot get $5,000. There should be a limit, Mr. Speaker, to people being laughed at, to Quebec farmers' being the laughing-stock.

Let us look at another table, concerning improvement works. Shed and farm building repairs. In Alberta, 450 loans were granted; in Saskatchewan, 500; in Quebec, 24. As regards repairs and improvement works, it is the same thing, the same ratio: 218 against 19; in works concerning fences and drainage, in Alberta, 149 loans were granted; in Saskatchewan, 78, in Quebec, none. I know they still get small loans in Quebec but I simply want to emphasize the discrimination shown there.

Mr. Roy (Laval): On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Laniel): The hon. member for Laval on a point of order.

Mr. Roy (Laval): Would the hon. member allow me a question?

Mr. Gauthier (Roberval): Mr. Speaker, I have only 20 minutes at my disposal and I intend to use all the time allotted to me. Then if I have some time left, I will reply to the hon. member.

I will permit him to ask me questions.

I have only 20 minutes, and moreover—

The Acting Speaker (Mr. Laniel): Order, please. If I do not misunderstand the remarks of the hon. member for Roberval, I do not think he is prepared to accept a question, and this is his right and his privilege. The hon. member for Roberval.

Mr. Gauthier (Roberval): The minister of course is not aware of that, because if he were he would no longer let such things happen again. He would look more closely at that. I have myself worked with farmers to help them get loans, and I have been staggered. I was wondering why those loans were refused. Some will say: the farmers should borrow from the provincial government. But provincial government loans are not big enough and when farmers want bigger loans, they have to apply to the federal government. All things considered, they do not succeed at all in getting loans. And that is precisely why I wanted to draw the department's attention on this famous Farm Improvement Loans Act. Let no one tell me that fairy tale that we can get loans in Quebec. That does not help our big farmers who want to get organized and make progress, because I no longer believe in Quebec or in those loans.

The people in their—

Mr. Corriveau: Oh, oh! So you no longer believe in Quebec!

Mr. Gauthier (Roberval): They can say oh, oh! all they want. We must not forget that my region has lost 42 per cent of its farmers in the last ten years and we should now make both governments aware of the fact. In all fairness, something must be done to save the farmer.

Another point I want to raise is that of feed grains. Everyone knows that the East, particularly Quebec, is in absolute need of feed grains to compete with other farming areas and ensure its animal production of beef, hog and poultry. One does not need to have much imagination to see that. Earlier I heard the hon. member for Crowfoot (Mr. Horner) say: If we can get good prices this year, that is all we want, and the hell with the rest! That same hon. member wants to line his pockets during the good years without any consideration for other areas in Canada. Canada is not only the province of Quebec but it is not only the western provinces neither. Canada is all of the provinces. There is no room for that kind of reasoning. It is not reasonable to say: We will line our pockets as much as we can.

Judging from what some people say, the East and the West are two different countries. There is a price war going on between the two. Yet, we know that the central government is supposed to be there to ensure justice and balance. Westerners are taking advantage of the good years to get the highest prices possible at the expense of the East as a whole, including the province of Quebec, but come the bad yars they will be very glad to see the eastern provinces help them out with their taxes.

When they have a surpluses let them think about the eastern provinces which are faithful and regular customers.

I would like to quote from a column published in *La Presse* following a meeting of the Quebec Agricultural Producers' Union. It says: The West is destroying the competitive position of Quebec farmers in collusion with the federal government, in collusion with federal ministers. For the last 30, 50 years federal ministers have always been Westerners. Let us have from time to time a minister from Quebec, so that he may talk on behalf of the Quebec government. I do not blame the present minister, because I know him very well and he is one of the most honest. But in our province, people ask us: When are you going to appoint a federal minister from Quebec so he may talk on behalf of the eastern provinces? I think time has come to wake up, to think, to bring back equity.

The president of the Farm Producers' Union wrote the following: for the past 30 years, Quebec agriculture has been dependent on the mood of the heads of the Canadian Wheat Board which is in Winnipeg. And I would add that it is more powerful than this government. Quebec has always feared that the monopolistic powers of that board jeopardize the growth of agriculture in la Belle Province. But what happened during the 1969-71 period shows that the concern of Quebec farmers was grounded since production of goods such as eggs, hog, poultry has moved west over that period. In hog production alone during that period, production went up by more than 80 per cent in the west, while it increased by only 10 per cent in Quebec. These figures show that feed grains are an important factor in this area, for they are essential to egg, hog and poultry production.

We want to make two points here: the first, brought forward by the west, is that the increase results from the comparative advantages of the west; the second, made by

Quebec, is that the monopoly given by the Federal Wheat Board distorts healthy interregional competition and destroys the competitive position of the whole Quebec food chain.

The west suggests that it has clear advantages over Quebec as regards soil, space, production techniques and better-adapted structures.

● (1620)

In other words, the comparative advantages are the basis for the specialization of an area or a country in a given type of production. Furthermore, the areas exchange their products and this business is beneficial to all partners. In this context, the province of Quebec could move towards the production of industrial goods and the western provinces, towards agricultural production.

If we are going to quibble and be discriminatory, let us agree once and for all and tell the west: feed Canada and we will direct our efforts toward the industrial area. Basically, the president of the FPU was not wrong.

If we accept this theory as a whole, we neglect all the human and historical aspects and even some economic aspects of a society. Having analysed the arguments of Quebec, we will see why this theory of comparative advantages is unacceptable as far as feed grains are concerned.

Quebec maintains that the increase of 80 per cent recorded over two years in the west is not the result of comparative advantages but rather of the fact that the west has the power, thanks to federal support, and this is important, to move soilless productions westward.

To understand the problem quite well, let us say that the main point in this debate should be the cost of transportation of grains compared with that of meat products. There are two possibilities for Canadian agriculture: either we transport to the east the grain produced in the west and cattle is produced around big consumption centres, or cattle production is done in the west and meat products and eggs are transported to big consumption centres represented by Toronto and Montreal.

The selection of the production site for meat in this case would be based solely on the cost of transportation.

For example, let us take hog production as an illustration. In the east as in the west, the production of a hog requires about 650 pounds of barley or 13.5 bushels. In 1971, the cost of barley to produce a hog was $10.07. To understand how those two regions are more or less acutely competing, one must know how the two products are competing on the Montreal market, while supposing that only the feeding and slaughtering costs are considered. For the product in Montreal, it is supposed that the transportation cost is minimal and we reach a price of $18.22.

In the western provinces at $10.07 a hog, $4.13 transportation expenses should be added for a total of $14.20. Under such circumstances, westerners suggest they enjoy a comparative advantage of $4 per hog. What is actually happening?

What Westerners call "comparative advantage" is only pure and simple exploitation of Quebecers to the benefit of Westerners allowed by the supposedly national government of Ottawa. Here is why.

Let us ask the following question: If Quebec had been fairly treated, who would enjoy comparative advantages? Under perfect competition the products may be moved freely and prices of raw materials are determined only by supply and demand.

We should have been paying barley at the same price as western farmers, namely 75¢ a bushel or $10.07 for the total amount required to feed a hog. To those $10.07 you might add the regular transportation and handling expenses, less the transportation grant, namely 30¢ a bushel or $4.05 per hog, and this means for hog that under perfectly balanced competitive conditions Quebec would enjoy a comparative advantage of 8¢. That is exactly what was stated at the beginning of the article: the comparative advantages can be studied, provided all things remain equal. Therefore, the Canadian Wheat Board is distorting the entire competition system which should exist in Canada.

Since the beginning, we have been referring only to past events, but how was the grain problem in May 1973? The difference was exactly 29 cents a bushel, which means that western provinces will enjoy a comparative advantage of 29 cents for a bushel of barley, in their own language, but in legal terms, Quebecers were swindled. Bank robbers are convicted, but those who rob farmers are encouraged.

Mr. Speaker, I see that you are going to call me to order. I would still have a lot to say, but I will come back on the matter later.

[*English*]

Mr. Jack Murta (Lisgar): Mr. Speaker, I am pleased to be able to take part in this debate on agriculture in general. It was interesting to note when listening to the Minister of Agriculture (Mr. Whelan), and I have said this before in the House, that he makes a reasonably good speech when he addresses farm meetings—I have heard him once or twice—but makes a lousy speech in the House of Commons. He demonstrated that once again today. We have the unfortunate situation of the Minister of Agriculture really speaking as a Liberal politician and not as the Minister of Agriculture for Canada, and I think this takes away a good deal of his credibility.

The minister has also demonstrated the fact that he has no new ideas. Ever since this government came into power we have listened to the same kind of agricultural speeches suggesting how good everything is and how the present government is responsible for the high prices we receive for our products at this time. Of course, that is not true, and with the Minister of Agriculture it is virtually nonsense.

In his speech the minister took credit for existing agricultural conditions but failed to mention the tremendous increase in the demand for agricultural products all over the world. The minister of course, has had nothing whatsoever to do with this. In fact, some of the short-term policies of this government has hampered this situation. The minister also failed to mention the fact that the devaluation of the dollar has spurred to quite an extent the demand for food products not only in Canada but also in the United States.

● (1630)

I believe I have only 15 minutes, Mr. Speaker. If that is the case I should like to touch rather briefly on two points that I feel are important. The Minister of Agriculture alluded to the fact that the Farm Credit Corporation at the present time is going great guns. He mentioned that it was making more loans and satisfying more farmers. He suggested that there really is nothing wrong with it at this time. This kind of statement really places a question mark in most people's minds, because we all know nothing is so good as not to need change. I believe it is a fallacy for someone to suggest that no changes are ever needed. When one does so he is not only deceiving himself but also the people of the country. The Farm Credit Corporation is in need of changes. In certain segments it does not respond at times to the wants and needs of the farmers.

I should like to depart slightly from the speech of the Minister of Agriculture and try to outline briefly some of the things we believe might be helpful in respect of revising and improving the Farm Credit Corporation. We feel that part-time farmers should be allowed to qualify for farm credit and farm improvement loans where it can be demonstrated that the borrower has both the intention and the ability to become a full-time farmer. At the present time this is not the case. We should also like to see the Farm Credit Corporation used, at the discretion of the minister, in cases of partial non-payment of a farm mortgage where disaster strikes a crop in a specific area. We have seen such situations in the past year and a half. There have been specific instances where through no fault of their own agricultural producers have been almost forced off the land. I should also like to see a provision to make deferred interest payments on loans possible during the initial period, especially in respect of young farmers. This is a very important point. I certainly hope the minister will consider that thought, although I realize he has indicated that everything in respect of the Farm Credit Corporation is rosy.

Mr. Whelan: On a point of order, Mr. Speaker, I did not indicate that. We are drafting new legislation and if the hon. member has anything to contribute I would be glad to hear it.

Mr. Murta: That is not a point of order. This interruption is an indication of another thing we notice about this minister. He is very touchy. The fact is that when anyone tries to criticize the minister—

Mr. Whelan: He responds.

Mr. Murta: —he responds and strikes out. The minister says he is drafting farm credit legislation. We will see, if and when it is drafted, whether or not the Minister of Agriculture has taken any heed of the points put forward by the opposition in the debate today.

We would also like to see a system of open-ended mortgages for farmers to make possible additional borrowing without refinancing and new security. From all our observations and discussions across the country we feel this is another area in which the Farm Credit Corporation could play a far greater role in agriculture.

The second point on which I should like to touch concerns feed grains and the marketing of feed grains. The hon. member for Saskatoon-Biggar (Mr. Gleave) touched on it very briefly. At the present time we have a feed grains policy brought in by the government that is almost an impossibility because the majority of the people, except the few the minister responsible for the Wheat Board spoke to at his meeting, do not really understand the policy. It is a system under which at last count there were, I think, four or five barley prices including those of the provincial governments.

The situation is very mixed up and confused so far as feed grain marketing is concerned. I think this brings out the point that any government that tries to tinker with the basic premise of supply and demand will find itself in a very difficult position and one which is hard to explain to the farmers of western Canada. The situation is most confused and the road ahead is less clear than it was before the minister set out in the early part of August to solve, as he said, the feed grains problem. More than anything else, I believe the events so far illustrate that no pricing system can be workable, let alone fair, unless prices are allowed to find their own level in actual commercial transactions. I believe it is impossible for any arbitrary plan or paper formula to anticipate every possible effect and side effect, incidental or deliberate.

The new policy was worked out very laboriously and in some detail. It will succeed or fail because of influences which were not even imagined back in August before the blueprint for this policy was drawn up. I think this should be a lesson to all government planners, certainly those in the minister's department, who fill in the fine detail of any governmental program of this kind. It should be plain to them that any price not arrived at in a completely free market will be an artificial price and that artificial prices will not satisfy all parties to any transaction and certainly will not satisfy provincial politicians. I think it should also be a lesson to the minister, if he thinks he really can have his cake and eat it too by having a semi-regulated system which preserves the Wheat Board role to pacify pro-board forces and seeks to eliminate at the same time the anomalies inevitably associated with Wheat Board control. Finally, I think it should be a lesson to those who will vote in the upcoming rapeseed plebescite because this is a very important topic, certainly in western Canada.

I believe the whole situation in respect of feed grain prices and the mix-up in which the Minister of Agriculture fines himself, resulting in his having to go and try to explain his policy personally to the farmers in western Canada, illustrates that imposing a brand new system designed in some office on an existing market causes far more trouble than it eliminates. Hopefully, we will see a far more realistic result from the vote on the rapeseed plebescite in December.

I see my time is running out, Mr. Speaker, I shall not belabour the point any longer. It certainly has been demonstrated that agriculture has come a long way. It is about time it did. However, this has been because of external forces which have played a great role in respect of the increase in farm incomes. I believe it is dishonest for the Minister of Agriculture to take the credit in this area as he does time and time again in his speeches. I

think the rural population of Canada will judge him accordingly when there is another election.

[*Translation*]

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I think it is my duty at this stage to try and explain a few things to the hon. member for Roberval (Mr. Gauthier). He referred to statistics a moment ago, and I feel that these figures go back to 1914 or that he is absolutely not aware of farm credits of the federal government. I would like to quote figures and I will be pleased to give him afterwards the documents where they come from.

On January 12, 1973, long-term mortgage loans granted by the Farm Credit Corporation were distributed in the following way: British Columbia got 175 loans for an amount of $8,300,000; Alberta received 788 loans for an amount of $27,436,000; Saskatchewan got 1,590 loans for an amount of $51,139,000; Manitoba received 425 loans for an amount of $13,398,000; and Ontario got 1,128 loans for an amount of $41,613,000.

May I draw the hon. member's attention on the fact that the province of Quebec received 666 loans for an amount of $21,232,000, an increase of 44.2 per cent for the first nine months of the year. I would like to quote more recent figures, that is to say those of April 9. I would like to repeat the same things about other provinces, for people will be able to see the difference.

Quebec received 862 loans for $21,968,000, an increase of 48 per cent over last year.

Mr. Speaker, I thought it was my duty to quote these statistics and if the hon. member for Roberval wants to check them I will be pleased to give them to him. These are official statistics.

● (1640)

Mr. Speaker, the federal government has drawn up a number of programs to subsidize agriculture which have greatly contributed to make foodstuffs as cheap as they are today in Canada. I do not intend to name them all but allow me to simply give a few examples.

The government of Canada was the first to set up an agricultural food research institute, a fact that is too often taken for granted in this country. Research enabled our farmers to stay at the top not only in terms of production but also in terms of quality. The research stations represent only part of the overall research effort. The Farm Credit Corporation has become the main long term source of financing for the improvement and development of agriculture. The federal-provincial agreements under ARDA were the most important individual programs designed to update and improve the structure of rural communities and agriculture in many areas.

The federal-provincial crop insurance programs have helped to offset crop risks. The government brought in amendments to this act in order to increase its contribution to the premiums from 25 to 50 per cent.

Mr. Speaker, the Minister of Agriculture introduced Bill C-129, an Act to amend the Crop Insurance Act, which received royal assent in September. It provides for a new method of sharing the costs of crop insurance between the federal and provincial governments, so that the farmers of every province will now only pay 50 per cent of the required premiums.

Several reasons prompted the government to introduce that bill. First, it wanted to make premium costs uniform for all Canadian farmers. Now, thanks to our proposal, farmers will all pay the same premiums and the federal government contribution to the program will be more equitable. It wanted also to urge the provinces to increase their efforts to make the program readily available to all farmers. Thanks to our proposal, as the provinces share of crop insurance costs increases, the cost to the federal government will increase faster than that of the provinces.

For its part, the federal government has taken the necessary steps to help the farm industry build itself a better and more secure future.

We have raised taxes on capital gains on the transfer of farms from one generation to the next. This is a great advantage for family farms which are the best type of operations we have in Canada.

We have proposed amendments to the Crop Insurance Act in order to help farmers offset losses of income because of ruined crops.

Through the Small Farm Development Program, we have helped Canadian farmers make their family farm operations more profitable.

We have raised the ceiling of farm loans granted by the Farm Credit Corporation and the Senate has approved the increase of the ceiling on loans granted under the Farm Improvement Loans Act.

We have also passed a measure to enable the farmers to set up national marketing boards. A well managed agency will benefit the producers as well as the consumers by ensuring more stability and more efficiency in marketing.

The farmers have set up for themselves one of the most efficient production systems in the world.

The Canadian government has also helped the farmers to establish their own marketing systems.

The farmers own a large part of the wheat handling and storing facilities in western Canada, and they also own one of the most important milk processing plants, the most modern and most efficient in all Canada.

They have set up about 120 provincial marketing agencies and this year, the first national marketing board for eggs, and they are discussing the establishment on a national basis of the marketing of poultry.

Farmers have taken the initiative in Canada and, without any substantial grant or excessive import control, they have set up modern, effective and competitive marketing procedures.

The Department of Agriculture is granting loans to farmers for the improvement and development of their operations.

In the small farms consolidation legislation, we offer special assistance to farmers who decide to leave the farm, either to retire or to take another type of employment. There are also federal-provincial special assistance programs for farmers in certain areas.

Mr. Speaker, the government intends to keep on helping farmers to compete on international markets in an objective and competent way. Farmers are naturally anxious to make as much as possible of the rather privileged situation they are in with regard to several agricultural products.

I add that the Canadian Dairy Commission is always on the lookout for export markets. When the United States asked for 25 million pounds of skim milk powder, the Canadian Dairy Commission was the first one to act and immediately call for tenders. We made every effort to get that market.

Indeed, half of the American demand was met by Canada from the Commission's supplies and those currently available for trade, at an internationally competitive price.

That is the kind of quick action that a national marketing board can take, and it is another good reason for those who are against such board to reflect on their ability to co-ordinate the efforts for increased exports.

We want the Canadian Dairy Commission to be the best of its kind in the world. This is a considerable objective, but we accept the challenge and will do our best to meet it.

The Department of Agriculture of Canada is co-operating with provincial representatives in order to develop a better and more complete facilities inspection program.

The federal government has accomplished a lot of work on the sidelines to develop today's new markets. As regards the livestock industry, we have established a new classification system; we have developed an importation program under which we can use the best producing subjects in the world to improve our stock; we have programs to test qualifications; we have opened new markets for livestock and sperms by means of commercial agreements like the one which was recently signed with Australia.

We also offer cash subsidies to farmers who increase their fodder production. But the federal government has not solved all the problems, and it cannot do so.

We have taken a dynamic position as regards the marketing of grain, including fodder. We have rejuvenated our quota system to improve our marketing. We have introduced new and better plant varieties. We have improved our transportation system to such a point that our exports are at an all-time high.

Those are all worthy achievements that helped to improve the farmers' lot, and it is only a beginning. To rest on our laurels is absolutely out of the question. On the contrary, we are determined to keep on working even harder since we foresee other great possibilities.

But I am convinced that Canadian farmers deserve 100 per cent of our efforts. I know we shall have to be persevering if we want to secure and enlarge our domestic and foreign markets for the benefit of Canadian farmers.

● (1650)

In another field, Mr. Speaker, we established an interdepartmental committee that will study proteins.

I believe we have reached a point where we cannot afford any more to live under a system that frustrates forward-looking individuals and organizations with the drive and the technical knowledge required to develop new products and open new markets for our farm products.

We reduced the income tax rate, and the biggest cuts benefited lower income groups.

We have reduced the customs tariffs on many items bought by farmers, including hardware and draining material.

We have reduced the customs tariffs on several food products, but we also warned farmers that we would be ready to restore them if the production of a particular product were threatened in the future.

We increased the direct subsidy for feed transportation to eastern Canada and British Columbia so as to maintain a healthy livestock industry in those areas.

We also changed the regulations concerning the export of foreign cattle with the establishment of quarantine stations, and that has created new outlets for our cattlemen.

Those are decisions already made and announced. We did even better, on the 1st of August, we introduced a new feed grain policy. The grain sector goes hand in hand with breeding, and those two branches of agriculture have bright prospects for development. The feed grain policy will be essential to the future of agriculture throughout Canada.

We have already provided the provinces with the Small Farm Development Program, which aims at helping directly the small farmers improve their future. Some provinces have already adhered to this formula of federal assistance.

We have not dared intrude in farm product marketing. We have been satisfied with passing an act which permits provinces to co-operate in the marketing process, in order to prevent a state of chaos from developing in the sale of farm products at the national level. During the past two years, the opposition used a smoke screen to prevent the establishment of national marketing agencies for farm products. Hon. members of the opposition may find it advantageous to consult and agree on a policy. We, the members of this Liberal government, know what we want and have made it known.

The Acting Speaker (Mr. Laniel): Order, please. I must regretfully interrupt the hon. member, but his time has expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows:

[*English*]

The hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Veterans Affairs; the hon. member for Comox-Alberni (Mr. Barnett)—Immigration; the hon. member for Grenville-Carleton (Mr. Baker)—Public Service.

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, may I say that there have been discussions, and I believe I can say there is agreement to postpone tonight's late show until some other night and use that extra half hour for this debate in order to get in a few more speakers. We may do other things as well, but at least there is agreement not to have the late show tonight.

Mr. Lang: Mr. Speaker, I would like to double-check as I understand that to the moment there is not that agreement.

Mr. Knowles (Winnipeg North Centre): Three out of four parties have agreed.

Mr. McKinley: Mr. Speaker, it would be our wish that this debate continue until 10.30 and that the late show be cancelled. It would also be our wish that later in the day we reduce the time for speeches to ten minutes because of the number of members who want to take part in the debate.

The Acting Speaker (Mr. Laniel): The Chair does not see that there is unanimous consent. While hon. members carry on their discussions, and possibly reach agreement, the Chair will recognize the hon. member for Middlesex.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O.58—STATE OF AGRICULTURAL ECONOMY UNDER GOVERNMENT POLICIES

Mr. William C. Frank (Middlesex): Mr. Speaker, I rise as a member of the House who is very concerned about what this resolution implies, namely, the inability of the government to give consistent leadership in comprehensive and co-ordinated agricultural policies and programs.

Some hon. members, and possibly even some of the public on first thought, will question the practicability of this debate when, on the surface at least, most farmers, as the saying goes, never had it so good. But, Mr. Speaker, you will notice that I said "on the surface". I mean by this that unless the farming community can be assured that they will not once again be used as political footballs, then the profit-laden path so obvious now may once again deteriorate into a quagmire of below cost of production returns. As opposition members we have a responsibility forcibly to make the government more aware of this possibility than apparently it seems to be now.

As you are aware, Mr. Speaker, for some time now in the House I have pursued a line of questioning expressing

concern about what is happening in the beef industry, which could quite easily have long-range effects on the industry and also on the consumers who, of course, are everybody. As one example, just this week I asked the Prime Minister (Mr. Trudeau) why a special cabinet meeting had not been called before last weekend in order to deal with the havoc to which our beef industry is being subjected at the present time. His answer was:

—cabinet meetings are called at my behest. The matter of time is one of internal administration. I call them as often as I find it necessary.

Time alone will tell if there should have been a temporary tariff placed on United States beef, both alive and dressed, entering the Canadian market. I am sure the Minister of Agriculture (Mr. Whelan) would also like to know the answer. Then he would not have to be guessing again about which way to move. Personally, I think such a tariff should have been imposed two weeks ago when it was quite obvious what was taking place. However, what the Prime Minister emphatically made clear in his answer to me and, more important, to the Canadian farmer, is that agriculture did not rate as high in his books as another political game that was being played last week, and won by his party, in the adjoining province of Quebec.

We all know that the Minister of Agriculture is continually crisscrossing the country, trying to put the message across that not only does our agricultural industry need to be strong but emphasizing that the government does really care. I have to admit that his so-called "Whelanese" has been well accepted by most of the farming community. It reminds me a bit of the advertisement for dog food which says, "all you need to add is love". I can assure the government that the farmers are expecting a bit more than just love at the present time. However, after the answer the Prime Minister gave me it will be very difficult for the minister to convince the farmers this government sincerely does care about their long-term welfare.

● (1700)

Let me review quickly what has happened leading up to the present state of confusion within the beef industry. First of all, the Minister of Finance (Mr. Turner) lifted the one and a half per cent tariff on United States beef entering Canada. Later the U.S. beef producers restricted their supply to market because there was a temporary freeze at the processor level. This freeze meant the processor had a ceiling on the price at which he could sell the dressed product, which automatically set the price to the producer.

To beat this problem, U.S. beef was finding its way over here to be processed and then returned, which in turn had the effect of making our beef more attractive to the U.S. market and resulted in higher prices. Our government then imposed an embargo on the export of livestock and meat products. This caused considerable concern and a drop in prices to our own producers in Canada. The minister mentioned this afternoon in the House that it was not called an embargo but, whatever it was, the price went down in a hurry.

Next, the U.S. freeze at the processor level was lifted and opened up their home market. This encouraged heavy shipments which in turn depressed the U.S. home market.

Naturally, with our market buoyant we then witnessed, and still are witnessing, literally hundreds of loads of U.S. fat cattle being shipped to Canadian packers, particularly in Ontario. In the last six weeks Ontario packers have been able to buy these American cattle at up to 15 cents a pound cheaper. As an example, an 1,100 pound steer could be bought for $165 less. I am told by responsible buyers for Ontario packers that the United States influx has been so strong that they have had either limited or no orders for Ontario cattle in the last six weeks. I am afraid many of the Ontario beef producers, by virtue of not selling their fat cattle now, will be restricted both by lack of money and accommodation and will not be able to buy their normal requirements of feeder calves from the west, which in turn will reflect in yet further disrupted markets in Ontario next year.

The sad part of this exercise is that it not only puts our producers in a very tenuous position but also our consumers in general are not getting the full benefit of these lower prices. I am given to understand that the Ontario packers are in a position where they can offer beef to the trade at 25 per cent less than they could have six weeks ago. The consumers in many instances are not receiving nearly that much of a price advantage. This is the background that prompted me to ask the Minister of Consumer and Corporate Affairs (Mr. Gray) on October 19 if he had contacted the Food Prices Review Board as to why they have not shown more concern regarding the fact that beef prices have not come down in accordance with live purchase prices. I was utterly amazed when the minister answered by saying, "I think this question relates more to the responsibility of the Minister of Agriculture". With all due respect, I think the general public, and they are all consumers, deserves a more responsible answer to a very serious problem facing all Canadians.

Mrs. Plumptre, under questioning this week by the hon. member for Bruce (Mr. Whicher), tried to defend her obvious inaction in regard to the situation I have just outlined by saying that the board was looking into the fact that meat prices should be lower on account of lower live beef prices, but it would take a while for the lower prices to be evident since there is a time lag between killing and the retail shelf. What happened to the time lag when meat prices were going up so fast, bacon in particular on which as many as three escalating price stickers were put in one week?

I would like to give just one example of why I know beef prices have not come back down to a reasonable differential with live prices. Choice ground beef for restaurant consumption at the peak price cost $1.29 per pound. It now costs $1.13 and before the drastic escalation cost 93 cents. Beef hip cuts peaked at $2.25 per pound and are still $1.79, but there again they were $1.15 not that long ago. These are London prices, Mr. Speaker. If the Food Prices Review Board is really serious about protecting the public, producers as well as consumers, then it will have to think of something more credible than that as an excuse.

As I have stated before in the House, my riding is in the heartland of Ontario's general agricultural production. Milk, eggs, beef, turkey, pork, corn and beans are produced in great quantities with some taking first place in production in Ontario. I have in past years actively participated manually in the production of many of those products. This gives me a considerable advantage over many of my colleagues, regardless of their party affiliation, in analysing on behalf of both urban and rural dwellers when a particular product is being priced at the retail level out of proportion to the cost of production.

I am reminded of a planted question during the last campaign in one of the urban all-candidates meetings. It was: "What can you do for us here in the city?" My answer was then and still is now: One important contribution will be that because of my agricultural production background I will be able to recognize, and hopefully expose, if consumers are being charged unfairly for food products, or, as our socialist colleagues to the left would describe it, recognize "rip-offs".

One difference between my analysis and theirs is that I would expose unnecessary profits. They wish to eliminate all profits of business. They need to cut a new record, or at least change the needle, because I know the rank and file wage earner working for private enterprise business today recognizes his company has to show a profit or eventually he will not have a job. The members to my left will find this out in the next election.

Many people realize increases in food prices meet with much more resentment and bitterness than price increases in other commodities. The public becomes much more aware of a two cent increase for a dozen eggs than a $250 increase in the price of a popular automobile. Although these reactions may be classified as irrational consumer complaints in regard to spiralling food prices, they are indeed quite legitimate. Price movement in the food sector can be logically approached, analysed and explained but cannot be prevented or eliminated without, in essence, imposing upon our political and economic systems.

If, over the long haul, consumers in general are going to have food product prices kept in line, the federal government has to be able to make decisions intelligently in consultation with its provincial counterparts which will have the long-range effect of maximum production at a profitable level to the producer. They must listen to the farmer for a change. Granted, as in every segment of the society you cannot believe everybody, but there are ways to overcome that problem.

As a good example of not heeding the farmers' advice on beef production, because of the total banning of diethylstilbestrol, better known as DES, the cost of fattening cattle has increased by at least 10 per cent. It is clear to most people who are knowledgeable in the production of beef that the decision to ban DES was based largely on emotion. DES was suspended first in the United States and then in Canada when it was found that heavy feeding of DES to rodents used in research produced lasiums in their liver similar to cancer. DES residues of not more than two parts per billion were found in less than 2 per cent of the beef livers examined, and on the strength of this skimpy evidence food critics were successful in having DES removed from the market on the grounds that it represented a threat to human health.

There are two important measurements I would like to use by way of illustration. Two parts per billion are the equivalent of two inches in 16,000 miles and the average yearly per capita consumption of beef liver in the United

States and Canada is one and a half pounds. In the August-September issue of the *Farmers' Digest*, Dr. T. J. Cunah, head of the animal science department of the University of Florida, provided the following pertinent information:

It is also interesting that the medical profession has been using DES against certain forms of cancer in men and women for many years, yet in spite of this evidence the use of DES in cattle feed was eliminated because half to 2 per cent of the liver showed a slight trace of DES, about two parts per billion. The reason given for it was that DES might cause cancer in humans, yet shortly after DES was disapproved for cattle, the use of DES as a morning-after birth control pill for women was still allowed. The level of DES used in 50 milligrams, is equivalent to a girl consuming 50,000 pounds of liver with two parts per billion of DES or 2½ million pounds of liver in which only 2 per cent of it has DES. A girl would need to live 33,333 years to get that much DES from consuming liver, but she gets that much in a five-day period via the pill.

Was this action against the beef producer common sense, Mr. Speaker, or one more example of emotional reaction or lack of ministerial leadership?

Another area that is equally important—I am afraid time permits me to mention it only briefly—is the need for more co-operation by ministers of departments allied to the agricultural industry. I mean that the agricultural industry, including farm dealers, must have some better means for attracting competent labour. This means that the Minister of Manpower and Immigration (Mr. Andras) and the Minister of National Health and Welfare (Mr. Lalonde) must try to co-operate with the Minister of Agriculture rather than play one against the other as it appears they must be doing now. Last summer we had an episode in western Ontario of criticism of farm labour conditions. The Minister of Manpower and Immigration kept saying, "give me definite cases". Mr. Speaker, I think we can give him a definite case that was pretty minor.

The Minister of Consumer and Corporate Affairs (Mr. Gray) must also try to help instead of hinder, as was indicated earlier this session when the Canadian Consumers Association was granted another $100,000 to investigate marketing boards. Their president emphatically denies this allegation but at the same time publicly talks down the national marketing board concept by saying marketing boards should only be provincial. Whom does she think she is kidding?

● (1710)

Canadian agriculture, as is recognized, has the possibility of finally coming into its own. To emphasize this further let me say that for several years previous to 1970 only 4 per cent of the degree student graduates from the University of Guelph want back to farms. In 1970 the figure rose to 10 per cent and in May, 1973, 18 per cent of such degree graduates went back to some form of active farming. I do not mean they were just allied to farming; they were in fact engaged in active farming.

What I have tried to emphasize is that the government must begin to take a long-term approach to our agricultural problems. The Canadian agricultural community has the expertise and enthusiasm to produce much more than we have already witnessed provided they have the opportunity of managing their own production at a profitable level. If this is accomplished, the Canadian consumer as well as world demand will ultimately be supplied with sufficient quantities of good food at reasonable prices.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, from time to time the opposition finds that it can no longer avoid discussing the subject of agriculture on an opposition day. Today the opposition motion concerns agriculture. Their difficulty, as evidenced by the last several opposition motions, has been finding a topic which makes any kind of sense as they try to criticize the government.

Today's motion asks for long-term programs and policies and criticizes ad hoc measures. At least two or three spokesmen on behalf of the Official Opposition have asked for at least one additional ad hoc measure immediately to solve a particular problem of the moment. I am talking, of course, about the serious situation regarding the production of beef. We must ensure that beef continues to be produced in this country and that more meat continues to be produced, as the Minister of Agriculture has emphasized many times. We must see to it that over any long period of time this country produces more meat rather than less. It is therefore our clear desire to maintain the agricultural industry in a viable state.

The motion before the House suggests that one of the spokesmen of the Official Opposition may have reversed his direction. May I remind Your Honour that the hon. member for Crowfoot (Mr. Horner), who also moved the motion concerning agriculture that was debated on the opposition day on June 21, encountered the same difficulty that hon. members participating in the present debate have encountered inasmuch as he, on the one hand, asked for less interference and at the same time asked for more government interference with respect to the Canadian Wheat Board.

It might be worth the while of hon. members to look back at that debate if they think they are capable of predicting and analyzing and saying where they think we should be going. May I suggest such an examination also to those hon. members who believe it is worth while to misstate facts and who go on making political allegations with regard to the marketing of grain. They make predictions that work to the great disadvantage of the producers of this country because they mislead them into thinking that the situation is different from that actually existing.

In the debate previously alluded to the motion moved by the hon. member for Crowfoot criticized the government for allegedly failing to take advantage of what he termed top world prices. The hon. member referred to wheat prices as being a little better than $3 per bushel. Another colleague of his referred to prices in the order of $3.45. The motion suggested that the Wheat Board should be at that moment selling wheat at top world prices, that it should be out there selling to the limit, and what a good thing that would be.

Today the hon. member for Crowfoot noted that the price is over $5. Yet only a few months ago he was referring to a top world price of a little better than $3 per bushel and he criticized us for not selling wheat. What he was suggesting, of course, was an uncalled for interference with the Canadian Wheat Board, which was doing its usual superb job of knowing exactly what should be sold

and when it ought to be sold. In doing its job it was making sure of the state of the crop which was coming up before making new commitments to completely new buyers. Throughout that period it was looking after the needs of Canadians and our regular customers, needs with respect to which it has a special obligation.

The hon. member for Crowfoot made one of his wild statements in suggesting that the Wheat Board had refused to sell 70 million bushels of wheat to India. I said that this was not so, but that did not deter him. He built his story on that suggestion. He said that we could have sold those 70 million bushels at the then world price, which was a little better than $3 per bushel. Hon. members who wish to look at what he said may consult *Hansard* for June 21, page 4981. He made the mistake of trying to look ahead too far, and he looks very foolish now for having done that. That is the kind of attitude that has been displayed by members of the opposition.

May I refer also to the remarks of the right hon. member for Prince Albert (Mr. Diefenbaker) who, with other hon. members, for about six months insisted on suggesting to farmers that a great deal of grain had been sold forward at very low prices and apparently convinced many farmers for a long time that there might be no final payment this year and that even next year's final payment may be low. Let me refer to the predictions of the Canadian Wheat Board with respect to the current year, which indicate a figure of about $4.50 for wheat. The final payment for the next crop year will, according to current conditions, very likely be over $1 for feed barley. This figure will come on top of the biggest initial prices that have ever been paid in our history for wheat, oats and barley. There will be some extremely high figures relating to final payments.

Nevertheless, hon. members opposite are trying to mislead the farmers of this country because they are seeking narrow political advantage and closing their eyes to the facts, which show that much has been done to make the agricultural industry viable, to make it an industry in which more farmers can survive because income levels are now approaching more closely reasonable figures than at any time in our history. It is the wish of this government to maintain those incomes.

Hon. members opposite, bewildered because so much has been done for the agricultural community, which includes the prairie region, even though the government party does not have a great political presence on the Prairies—

An hon. Member: It will have less in the future.

Mr. Lang: —suggested that somehow the Minister of Agriculture and the minister responsible for the Canadian Wheat Board have not managed to convince their cabinet colleagues of the need for acting in the area of agriculture. The situation is exactly to the contrary. Cabinet colleagues from other parts of the country have listened to my recommendations and those of the Minister of Agriculture when we have put before cabinet proposals for the improvement of the agricultural industry of this country. This is to their great credit, a credit that history will record.

The hon. member for Crowfoot said he was worried about transportation. It is true that we had a rail strike and a consequent delay in the movement of grain. However, I am happy to tell hon. members that stocks at Vancouver and Thunder Bay are moving out notwithstanding the very heavy pressure put upon the railways for boxcars by other industries. This pressure is evidenced by the interest of hon. members from British Columbia with respect to rail cars for moving lumber, potash, fertilizer, and so on. Notwithstanding that pressure, the volumes moved are creeping up.

In his motion the hon. member suggests that we should not do things ad hoc, but then he had the temerity to suggest that there is some problem connected with transportation. He was not enthusiastic when we purchased the 2,000 hopper cars. That purchase was an important move and was a step in the right direction for our transportation system. Now he says, I think, that it was a good move. He ignores the fact that the block system has been developed and that our cars are placed in locations on a co-ordinated basis. The fact that co-ordinators are working at various terminals means that there is now a most co-ordinated movement of grain.

He says that he is against ad hoc measures, yet he ignores the fact that for two years we have developed studies on the whole transportation and handling system which are now available and in the hands of the industry as a whole, including the Canada Grains Council. They are being subjected to further examination with a view to our taking steps to improve the system and make this industry the great industry that it ought to be.

Of course our transportation system has been tested to the limit by our tremendous sales effort. This has resulted from a body of co-ordinated policies respecting market development and credit facilities, the like of which we have never seen nor even imagined before. It was through these credit facilities, through the guaranteed additional and new credit programs available to new and to old customers we had lost, that we got back to the position where for three years in a row we have exported and consumed more wheat than we have produced. Naturally we cut into the reserve that we had on hand before that time.

● (1720)

With over 800 million bushels exported in the past two years we set records that were never even dreamed of a couple of years ago. We tested our handling and transportation system and got it into a position where it could do more than believed previously. However, we will not rest until it has more capacity so that we can go on challenging our producers to produce to the limit of their capacity and not hold back and fail to fertilize as we had to do in years when we were not selling an average crop in an average year. That is what this is all about.

In this year I foresee the real probability that, even though we have produced the second largest number of bushels of grain ever produced in the prairie region, perhaps not quite at the 1,506 million bushel level of a few years ago, we will again export such a quantity of grain that at the end of this year we will have exported and consumed in Canada more than we have produced. We will continue to challenge our producers to use the best possible techniques and thereby bring their farming operations into the most economical possible state.

Members opposite commented on the feed grains policy. We spent a great deal of time studying and developing our feed grains policy. Rather than ad hocking the program, we put the proposal before the farmers for further discussion for a period ending August 1 next year.

I am glad the hon. member for Lisgar (Mr. Murta) recognized the merit of the long-term proposals we have put forward in letting the market determine the prices. However, I was somewhat amazed that the spokesmen for the Conservative party today were not quite clear about the fact that supply and demand are an important factor in our economy and that controls are dangerous and difficult because they interfere with ordinary production development. Therefore they think we should not interfere with pricing. I wish they would talk to their own economic critics who do not understand that if you put on controls you have trouble with production in one way or another.

The hon. member for Saskatoon-Biggar (Mr. Gleave) talked about feed grains. He referred to the matter of whether feed grains would be a low price or high price policy. The point that the Minister of Agriculture (Mr. Whelan) and I have been making from one end of the country to another is that the purpose is to have a similar base for prices across the country. None of my colleagues from Quebec has ever argued we should pay low prices to grain farmers in the Prairies. They have said that people who produce animals in all parts of this country should have access to that grain on a similar cost plus basis. The fact is we do not have low prices.

The hon. member for Saskatoon-Biggar did not refer to the price at which feed wheat was selling before the new policy was announced. I wonder why he did not do that. He quoted the new policy feed wheat price of $3.41 5/8. The price the Wheat Board was charging is at Thunder Bay for domestic purposes before the new policy was in the area of $3.16 3/8, a good deal less than under the new policy.

There is a similarity in the case of barley. It was $2.23 before the price was announced and $2.20½ thereafter. Those prices are on the average, even at the current competitive level. This faces us with a real challenge in this country, one which the Minister of Agriculture will be dealing with in his usual effective fashion.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lang: At the moment, feed grain prices in Canada are very high. With the consumer resistance, which is promoted by most of the spokesmen for the Official Opposition, the man who produces meat is being squeezed between the Tory food critics on the one hand and the price of feed grain on the other.

I do not apologize for the fact that the price of feed grain is high. This at least means that the feed grain producers are making up for the very poor return per hour of work they received under long-term past policies in this country. Step by step this government has been doing something about the income position of our farmers with programs on the selling side, programs on the transportation side and programs of information to help the farmer make the decision that is right for Canada and right for him as well. That is the state of affairs in agriculture in this country.

We will not rest. We have a list of programs, from stabilization in the area of meat to grain marketing insurance in the area of grains to ensure that the farmer's life in this country will continue to improve. It will improve as long as this government can in fact put into place policies which do things and are good for agriculture in this country.

Mr. Mazankowski: I wonder whether I might be permitted to ask the minister a question. He dwelt to some extent on the problem of the final payment for the last crop year and the current crop year. Is the minister in a position at this time to indicate when the final payment will be made and whether the amount the farmers will be receiving has been calculated?

Mr. Lang: Mr. Speaker, The Wheat Board has now submitted to us the final figures with regard to the payments on wheat, barley and oats. The order in council to authorize those payments is in the process of being prepared and submitted. I could note that the hon. member for Crowfoot (Mr. Horner) predicted three or four months ago they would be between 20 and 25 cents. In the case of wheat, I can tell hon. members it will be approximately double that amount. In the case of wheat it will be well over 40 cents. There will be similar high figures for other grains. Rather than give the precise figures, simply let me state the global figure. The final payments on wheat, oats and barley combined in the prairie provinces will come to a total of $374.6 million. I expect that the cheques will be mailed in early November.

Some hon. Members: Hear, hear!

Mr. Horner (Crowfoot): Mr. Speaker, I rise on a question of privilege.

Mr. Deputy Speaker: Order, please. The time allotted to the minister has expired. The answer to the question went a little over the time allotted. I do not think I should permit further questions without agreement by the House.

Mr. Horner (Crowfoot): Mr. Speaker, I rise on a question of privilege. In answering the question of the hon. member for Vegreville (Mr. Mazankowski), the minister suggested I had said the final figure would be in the neighbourhood of 25 to 30 cents. I said the initial payment should be increased by 25 to 30 cents because anyone who delivered wheat in the month of July lost far more than that. Last June I said it should be increased by 25 to 30 cents. The farmers would not have lost as much money. However, the minister has no heart for the poor farmers.

Mr. Lang: Mr. Speaker, I did refer to the pages in *Hansard* which contained the hon. member's speech. I hope hon. members will look at it. It seems he did in fact indicate 20 to 25 cents. It is even more important that he is now somehow trying to give the wrong impression, that the initial price is the relevant figure. Clearly, he should know it is the final price that is important. The crucial thing is the initial payment plus the final payment from

last year or this year. It is not the exact nature of the initial price.

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, as far as the cost of living is concerned, for the consumer the year 1973 has been a disaster. For the farmer, up to this point, it has been one of the best years on record. For the cattleman, it has gone from the sublime to the ridiculous. If hon. members go back five years or even ten years, the positions that I have just outlined will be found to have been exactly the opposite. It is a case of either the farmer and cattleman having a hard time, or the consumer. I would suggest that with a little help and common sense from the federal government—something that is currently sadly lacking—we could have a situation where the farmer and the consumer are working hand in hand for a better life.

● (1730)

I believe that with sensible and imaginative policies, and with an eye on the long term rather than on the short term, we could have a situation where the farmer and cattleman have a secure market, a secure price for their product, and consumers are not stampeded by scare tactics into paying high prices for what goes on to their supper tables. For example, according to news reports of recent months, Canadians from coast to coast were buying deep freezers costing $200 to $400 and then stocking up the freezers with beef bought when its price was sky-high. These people have been cheated; they have been cheated by the federal Liberal government's misinformation.

There have been news reports about the beef shortage scare and nightmare prices for beef, reports for which in one instance I do not blame the news media. As a result, worried consumers spent hundreds of dollars buying freezers which they really did not need. Panic buying of beef drove up the price unnecessarily. This is why I am sorry for the consumer. But for the Liberal government's pressing the panic button, the consumer would never have stockpiled expensive beef in expensive freezers. However, Ottawa lost its nerve. It did not trust the Canadian producer to do his job and forgot about the basic law of supply and demand. In the result, money that the consumer could have spent on food was spent on buying a freezer and high-cost beef. The money spent on a freezer would have bought a lot of food at a time when panic buying had not inflated the price—but it is too late now.

The Liberal government which we currently have in Ottawa panicked; it reacted to a temporary situation with hit-and-miss tactics. But that is not unusual. You will remember, Mr. Speaker, that in 1970 the Minister of Justice in charge of the Canadian Wheat Board (Mr. Lang) promoted LIFT, in the Lower Inventory for Tomorrow program. This was his brainchild. Under this program the federal government actually paid the Canadian wheat farmers not to grow grain. Look at the situation today. Ottawa is begging western Canadian farmers to grow as much grain as possible; in fact, it is even scolding our farmers for growing too little. A strange situation, but one that is easy to understand. In looking at the short term, one forgets that situations can change. The Liberals look at the short term, but the Progressive Conservatives look at the long term. I ask hon. members opposite to keep that in mind.

[Mr. Lang.]

I suggest that it would be sound business to have 500 million bushels of grain in storage at all times, with the farmer being paid his storage charges. We could use an extra 500 million bushels of grain right now for export and for the feeding industry, as the minister himself knows. We do not have those extra bushels, and the Minister of Justice also knows why.

Under the Liberal government we live from day to day, from crisis to crisis, and react to situations rather than prepare for them. No wonder the consumer, the farmer and the cattleman are confused. And, I add, no wonder the minister is the only Liberal member of parliament from Saskatchewan. As my good friend the hon. member for Crowfoot (Mr. Horner), once remarked, the minister won his seat at the expense of every other Liberal candidate in Saskatchewan—hardly a commendable performance. However, it is one that the Prime Minister (Mr. Trudeau), with his strange sense of humour, might enjoy. After all, as hon. members may remember, it was the Prime Minister who less than a handful of years ago went to Saskatoon to meet the prairie farmers, and when they asked him for help in selling their wheat at a fair price he replied, "You grew it; you sell it. Why should I sell your wheat?" Perhaps after his disastrous election showing in the west just one year ago, which resulted in the Liberals obtaining seven out of 68 seats, the Prime Minister now feels differently.

However, I suggest that as far as the consumers, grain farmers and cattlemen are concerned, the change of heart, if indeed it has come about, has come too late. As far as the Minister of Agriculture (Mr. Whelan) is concerned, I guess he does have some good points. He knows, at least to some extent, what farming is all about. But he seems to have taken the advice of the non-oriented agricultural advisers and self-styled experts who inhabit Parliament Hill and the Department of Agriculture's vast complexes; he talks about controlled production, supply management and marketing boards. He talks of controlled production when half of the world is crying out for more food, when the world's population is growing by leaps and bounds and hungry mouths are increasing by thousands every day. Surely, rather than talking of controlled production and supply management we should be talking about incentives to the farmer and cattleman to produce more food. That seems logical to me. If there is a need, then let us fill that need. At the same time, let the Canadian producers make a decent living.

In recent weeks a stream of news releases from the Canadian International Development Agency have come across my desk. They tell of millions of millions of dollars—Canadian taxpayers' dollars, by the way—being given to country after country. Some of this money is given in outright grants, some in the form of interest-free loans repayable over 30 or 40 years. It is a pity that young Canadians trying to borrow money to buy a house could not get such generous help from their own government. Surely, instead of giving this money away we could, in some cases at least, give food instead. Let us buy the produce of Canadian farmers at a fair price and ship it to these countries in Canadian carriers.

We would achieve a number of objectives in this way. We would feed the hungry of the world. We would encour-

age our producers to produce as much as possible, giving them a ready market and a fair price. On top of this, Mr. Speaker, we would create employment and creating incentives seem very sensible to me because this would help Canadians to take home good wages, at the same time contributing to the needy of the world. But I suppose hon. members across the way who hold on to power by the tips of their fingers just cannot see it. They never could see this kind of sense. This is why the latest polls show the Conservatives, with their rational and well thought-out policies, especially in the field of agriculture, gaining all the time and the Liberals slipping behind.

I should like to make the following suggestion to the Prime Minister and his colleagues. Instead of the academics and theorists making policies and advising the government, why not let agricultural organizations, which are made up of farmers on the land, do this job? I think it might help. For example, it might help the consumer, the farmer and the cattleman. In fact, I am sure it would, Mr. Speaker. Certainly the government bypasses the advice of hon. members, even their own members.

I suggest that the government well the farm organizations, "Look, agriculture minister Eugene Whelan is 'Whelan' but the consumers and producers are wailin' too. Give us your advice". I suggest that the government ask the Canadian Cattlemen's Association, the Alberta Cattlefeeders Association, and Palliser Wheat Growers Association, the B.C. Cattlemen's Association, the Saskatchewan Stockmen's Association and the Ontario Beef Improvement Association, for advice. I further suggest that they listen to that advice. Let the government admit something is wrong. It must start now to rectify the situation, or face feast and famine, bust and boom, high and low cycles and other erratic situations year after year.

I am sure even the Minister of Agriculture would agree that Canadian farmers have proven their ability to produce at competitive prices. Canadians and indeed world consumers need our produce. Why, then, do we sit around living on a day to day basis and depending on hit-and-miss policies? I do not know why; neither does the consumer, the farmer not the cattleman.

I remember when Canada had a vast sheep farming population. Then the government allowed New Zealand lamb exports to come to this country and undercut Canadian prices. The sheep farmers begged Ottawa for a floor price for lamb and a subsidy for wool, but their pleas were ignored. As a result, the Canadian sheep farmer went under. How different that is from the situation in the United States, Mr. Speaker. When our farmers started to go under their sheepmen came to Canada and bought up our sheep breeding stock. Today wool prices have climbed, as have lamb prices, but the Canadian sheepman is no more. Is the Canadian cattleman destined for the same fate? I hope not.

● (1740)

Mr. Speaker this seems amazing, but look at the evidence. In the first part of this year the federal government could not even make up its mind over a feed additive called DES. It seems as though they will do anything to kill incentive. This is like the time barley was selling for 50 cents a bushel. A trucker in Lethbridge constituency suddenly found he could sell barley in Montana for 78 cents a bushel, considerably higher than the 50-cent price. Using a bit of Alberta initiative, the same type that most farmers have, he transported the barley down to our southern neighbour. This did not last long, because the Canadian Wheat Board found out and stopped him. This is a strange situation. The federal government does not like people to have incentive or initiative, hence the many giveaway programs which it institutes to stop people thinking for themselves.

I suggest this is bureaucracy on top of bureaucracy, figures on top of figures and statistics on top of statistics. It is no wonder the cattleman is worried, and no wonder the grain farmer will say this is a good year but will immediately ask what is in store for the next year. Should we not plan and promote a little more, rather than regulate and restrict? I think we should; and my constituents, both consumers and farmers, think so too. In fact, I think even the Liberals think so but the trouble is they have lost the will, if they ever had it, to do so. I am afraid they are running scared.

That is why the minister in charge of the Wheat Board, when announcing his new feed grains policy, would not come to Lethbridge. There are too many cattlemen there and he knew their reaction in advance. He really did not spend too long in announcing this policy in Brandon or explaining it in Edmonton. He knew beforehand this was a hit-and-miss policy: good today in this area, perhaps, and bad tomorrow in another area. What a way to run the country, what a way to run agriculture, and what a way to treat the consumer! The politics of confrontation come into play. For a government devoid of ideas, the only way out is to create false crises, pitting one segment of Canadians against another and one region of Canada against another. Why can we not work together? Perhaps we will be able to, after the next election.

I have already mentioned the problems facing the cattlemen and I have mentioned the feed additive, DES. Let me now mention the recent rail strike. During that strike I suggested to the federal Department of Transport that emergency measures be adopted in order to truck cattle to eastern markets. What was I told? They suggested that basically we raised the beef, and we should sell it, or we should ask the provincial government to create emergency transportation. It seems that Ottawa did not want to help the Canadian farmer and, what is more, it seems that it still does not want to help.

Let us consider tariffs for a moment. The federal government, with only a handful of members from the western provinces and only a handful from the Maritimes, for almost five months, took off the tariff on beef coming into Canada from the United States. The tariff on beef going to the United States remains. At the same time, the United States was buying up our feeder cattle, which later were imported back into Canada free of tariff. This is short-sighted and ironic: it is a hit-and-miss program. But this is what the Canadian cattleman, the Canadian farmer and the Canadian consumer have come to expect from Ottawa. We have a beef shortage in this country. The consumer wants beef. There is not enough beef because bureaucrats have meddled with the laws of supply and demand. At the same time, cattle feeders in Canada are experiencing

heavier losses than they did during the time of foot and mouth disease.

Let us look at the Maritimes. There are lush pasturelands in the Maritimes just waiting for the development of vast herds of cattle. But does Ottawa give Canadian would-be cattlemen any incentive to develop the cattle industry in the Maritimes? I suggest it does not. No wonder the Liberals find it difficult to elect members in the Maritimes. Maritimers like to use their initiative and they like to be given incentives. I am convinced that the Liberals are against free enterprise and against "get up and go" initiative. Our party is in favour of this; and we are all for the farmer, for the cattleman and for the consumer. When it comes to marketing, farmers are willing to take the lows if they also have the advantage of the highs. They want realistic floor prices, not unrealistic ceilings. They want to be given the chance to produce as much good quality produce as possible, and to avoid shortages. They believe the consumer also wants this.

When I look at the frustrations borne by the consumer, the farmer and the cattleman today, I begin to wonder about this government. I have come to many conclusions, but being a man of some forgiveness, a man with some kindness in his heart, may I leave hon. members, as I look across the House at those who have put agriculture and the Canadian consumer in the position they occupy today, with one sobering thought. To the House and to the Canadian public, I say of the Liberal members: Forgive them, for they know not what they do.

Mr. Lang: Mr. Speaker, there have been further discussions to those which occurred earlier, and I believe there is agreement now that we not have the "late show" this evening but that the debate on this subject matter should continue until 10.30.

Mr. Deputy Speaker: The House has heard the suggestion of the Minister of Justice (Mr. Lang). Is it agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Marcel Roy (Laval): Mr. Speaker, I am happy to bring my humble contribution to this debate on the motion brought forward by the hon. member for Crowfoot (Mr. Horner), in the opposition, which reads as follows:

> This House deplores the government's inability to give leadership in developing and implementing comprehensive and coordinated agricultural policies and programs and regrets that by ill-advised and *ad hoc* remedies the government has weakened the overall agricultural economy.

Mr. Speaker, I have heard the mover and other hon. members in the official opposition put forward their cases. I have really wondered whether we had looked up the same statistics because we know very well, as do indeed hon. members in the opposition, the situation which prevails in the agricultural area.

One only needs to refer to the statistics of 1972 and 1971 to see that there is an increase of 17 per cent, an additional revenue of 17 per cent, Mr. Speaker. But what is even more encouraging is that if we consider the figures published by Statistics Canada, we see that the revenue from farming between January and August 1973 are estimated at $4,020,000,000 as compared with $3,146,000,000 for the corresponding period in 1972. Therefore, I wonder whether opposition members have access to the same statistics or whether they are trying to juggle figures in an another attempt to play politics on the back of farmers. We wonder whether we are still in the same country when we see the official figures that are published and that some people have the guts to introduce such motions when one is aware of the economic situation that prevails in the area of agriculture. In view of this situation, Mr. Speaker, I feel that I could not remain seated in my chair, because I have heard the hon. member for Crowfoot (Mr. Horner) say the same things since 1968. It is always the same record, always the same tape: he is trying to give a gloomy view of the agricultural situation. One could even call the record of the hon. member for Crowfoot as follows: How to discourage Canadian farmers in order to reduce their number to better serve one's own interests. I feel that this is the situation but, happily, farmers do not listen too much to the hon. member for Crowfoot in view of the fact, Mr. Speaker, that between 1966 and 1971, the number of farms that have chalked up a profit of $10,000 or more has considerably increased.

Therefore, one can see that the agricultural situation is not quite as outlined by the hon. member for Crowfoot.

Since 1968, Mr. Speaker, I have heard the same criticism. I am led to ask myself questions about the following matters: So far as the hon. member for Crowfoot, the hon. member for Lisgar (Mr. Murta) and the hon. member for Saskatoon-Biggar (Mr. Gleave) are concerned, what interests do they want to serve in this House? Are they conscious of their role as legislators at the service of agriculture in Canada or do they want to play the role of a grain or beef producer who wants to sell his own production to the Canadian Wheat Board? I might wonder about the aims of those hon. members when they try to make us believe or suppose that agriculture is still in a discouraging situation. I wonder about the aims of such interventions and the aim the hon. member for Crowfoot pursues in introducing today a motion on the agricultural situation.

I would like it to be possible to further discuss that one day. I remember quite well when I was sitting on the agricultural committee that we passed a legislation dealing with amendments to the standards and classification of grains and there again during a year and a half the hon. member for Crowfoot objected systematically to the improvement of that very agricultural policy. We had another proof of that when we tried to do something being aware of the fact that the producer's income was not proportionate to the cost of production. When national legislation setting up marketing agencies was introduced again we had to listen to the wailing of the hon. member for Crowfoot and the opposition who once again systematically opposed that legislation.

And they say they will be the spokesmen for agriculture.

The mass of legislation passed by this government is so impressive that farmers know exactly who their real protector is. The figures I have quoted at the beginning of my remarks confirm how this situation is true.

In addition to all the acts already mentioned by the Parliamentary Secretary to the Minister of Agriculture

(Mr. Corriveau), I would like to mention how the government is concerned with farmers. During the Liberal convention 19 resolutions were adopted with a view to further improving farmers' conditions. We keep on encouraging young farmers to produce through training, labour retraining, transportation policy and feed grain marketing policy because situations accepted since 1935 will no longer be tolerated. As mentioned by the minister, we no longer want policies aimed at depriving western producers from whatever they are entitled to have; we will demand a fair policy for western producers and eastern grain consumers. We insist on it and we do not want to deprive western grain producers of anything.

In 1969, I visited the western provinces with the members of the committee on agriculture; I think we met 18,000 grain producers. We sympathized with the grain producers who were selling their grain 50¢ a bushel. We saw it on the spot. We sympathized with them and we all agreed that such a situation should be corrected.

And today, we see those very same people criticizing all we have done in the field of the new feed grain policy. And yet western producers were not deprived of anything. It has been said for instance that the grain producer will get a price consistent with the production cost, a price which is competitive in relation to that obtained by eastern producers.

When some hon. members make a speech, I wonder what type of hat they are wearing. Is it a grain producer's hat, a cattle feeder's hat or a protective hat like those of western grain elevator owners? I would like to know once and for all on whose side they are: on the side of the grain elevator owners, of the grain producers, or of the cattlemen or the feeders?

I believe that when we talk about legislation concerning agriculture, we should aim at developing a national agricultural policy instead of a policy which seems better suited to personal interests.

I have no intention of continuing any longer, Mr. Speaker, but I should like to add a comment about the fodder policy, which is very important for eastern producers. As to the differences in prices between eastern and western Canada, we want equal treatment. That is all we want—

[*English*]

Mr. Baker: Speak to the minister in charge of the Wheat Board about it—

[*Translation*]

Mr. Roy (Laval): That is exactly what we are asking for.

Mr. Speaker, if we compare food prices of different countries of the world, Canada appears to be well protected; Canadian consumers can buy higher quality products, healthy and very well classified products at highly competitive prices. Take Japan, for example, where sirloin steak is $12 a pound.

In view of the current price situation, the consumer became somewhat more sensitive to the problem because agriculture has a role to play and the Department of Agriculture therefore needs more funds which it could use not only to help farmers but also to contribute in keeping consumer prices at a reasonable level.

In conclusion, I will deal with the question of the marketing board, by appealing to all provinces. If each of them keeps on implementing a provincial marketing policy, they will find that the province of Quebec can produce twice as many broilers and eggs than it does at the present time.

If the provinces have a national marketing board, they must work together, for producers do not wish to experience another situation like that of 1971, when eggs were selling for 23 cents a dozen, and broilers for 16 and 17 cents a pound. In order to prevent such a disaster, I call upon all provinces, all producers to work in close cooperation with the marketing boards, not only at the provincial level but also at the national level. For, if every province keeps on working in isolation, we might experience once again next year the dark days of the chicken and egg "war".

We have today an excellent tool, the National Marketing Board, and if all producers stay alert, production could be doubled. And who would be the first losers? The producers, and in the long term, they would have to pay prohibitive prices for consumer goods, simply because farmers are not interested to produce, since profitability in the field of agriculture can not be compared with investment yields in other areas.

Mr. Speaker, I have concluded my remarks, for it is six o'clock.

[*English*]

Mr. Deputy Speaker: I think there would be agreement that the hon. member be permitted to finish his speech. He would have another two minutes. If he wishes to use that time now, I believe the House would be agreeable because of the long interval we will have this evening. Is this agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Roy (Laval): Mr. Speaker, here is my conclusion: I think that it is difficult to compare agriculture with industry because agricultural productivity can in fact be doubled. It is as simple as that. But I think we should adjust agriculture to the consumer market. Consumption does not increase at the same rate as production.

Thus I think we should not minimize the problems of agriculture but consider them objectively, and together we can adjust agriculture both to the domestic consumer market and to exports.

[*English*]

Mr. Deputy Speaker: It being 6 p.m., I do now leave the chair until 8 p.m. I would remind the House that at that time we shall take up motions again.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

The Acting Speaker (Mr. Laniel): Order, please. In accordance with the order made earlier today, the House will now proceed to motions, under routine proceedings.

Oil and Gas

ROUTINE PROCEEDINGS

[*English*]

ENERGY

OIL AND GAS—INCREASES IN PRICE AND EXPORT TAX—GENERAL POLICY TO MAINTAIN SUPPLY

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, on September 4 the government asked the oil industry to refrain, on a voluntary basis, from further price increases to Canadian consumers before January 30 of next year. This price restraint would apply except where, to the satisfaction of the Minister of Energy, Mines and Resources, the increase in the cost of imported crude oil warranted a Canadian price increase. The government was concerned then, as now, with the inflationary push and its impact on the Canadian consumer.

During September and October, crude oil import costs have risen substantially. One price rise alone by the Arab producing states, followed by Venezuela, was in the vicinity of a 35 per cent increase. My department and the National Energy Board have been carefully monitoring these changes. We have received requests from major refiners using foreign crude oil in Quebec and the Atlantic provinces to increase product prices. These requests reflect only actual increases in crude costs which have already been borne by importers. Each company has experienced different cost increases depending upon the source of the crude and varying ocean transportation costs.

I am today notifying refiners in eastern Canada that the government will have no objection to any decision on their part to raise product prices to levels consistent with each company's crude cost experience in September and the first half of October. The average increase in gasoline and heating oil prices east of the Ottawa Valley line will be about 2 cents per gallon.

Apart from the product price increases which I have just described and which will become effective immediately, our best indications suggest that the average price of international crude delivered at Montreal, from the eastern and western hemispheres, will rise by upward of $1 per barrel during November. Refiners in eastern Canada supplied by international crude will, at a future time, be permitted to reflect crude cost increases for the second half of October and for November in product prices.

A significant part of the market for home heating oil in the central Ontario area is supplied by imports of home heating oil from overseas. The rapid increase in demand for international supplies of home heating oils, with the consequent price increase, has made it difficult for Ontario suppliers to secure adequate supplies before the close of navigation in December.

In these circumstances, it is the government's intention to entertain requests by marketers for immediate price increases in home heating oils west of the Ottawa Valley line and particularly in Ontario and British Columbia. This action will both assist in the securing of supplies west of the Ottawa Valley line and will offset any tendency for these supplies to move out of those markets. With the exception of this product, it is the government's intention to request continuing voluntary restraint at current price levels west of the Ottawa Valley line on the part of the Canadian oil industry until February 1, 1974.

[The Acting Speaker (Mr. Laniel.)]

The government is, and intends to continue, watching this situation closely and will relax its restraint program further if, in its view, such action would materially assist in what must be its predominant concern—the provision of adequate supplies for Canadian consumers.

The National Energy Board has advised me that if western crude prices continue at their present restraint levels through December, the just and reasonable price for exports to the United States would, for December, generally be at the level of about $1.90 a barrel higher. I am able to announce, therefore, that I shall be seeking authority from parliament to raise the level of export tax from 40 cents per barrel in November to $1.90 per barrel for December exports.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): This tax rate of $1.90 per barrel is a direct measure of the savings to Canadian consumers west of the Ottawa Valley line brought about by the government's policy of continuing restraint.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): I would like now to say a few words about the Canadian crude oil and products supply situation. The outbreak of hostilities in the Middle East and the moves by Arab countries to embargo oil deliveries to the United States and the Netherlands and to impose cumulative reductions in their production rates have cast significant uncertainty on the crude oil supply situation for eastern Canada. It might be that Canada will be affected by the reduction of oil production in Arab countries. Any significant curtailment in our imported crude oil supply is bound to have an unfavourable impact upon the product supply situation in eastern Canada.

Our ability to deal with shortfalls in crude oil supply to eastern Canada is under extensive study, both within the government and in concert with industry. The government has established a technical advisory committee on petroleum supply and demand under the chairmanship of the National Energy Board. The committee, which includes representatives of companies importing and refining foreign crude oil, is set up to advise as to the outlook for petroleum products supply and measures to bring supply and demand into better balance.

The exact magnitude of the possible oil import curtailment which we face is uncertain and will remain so for some time. Prior to the Middle East fighting, stock levels for oil products were generally in a fair position. The supply of heating oil in Ontario and eastern Canada for the coming winter appeared to be in delicate balance against demand, assuming normal cold weather. If imports of crude oil cannot be maintained at programmed levels, this balance will obviously be disturbed.

The pre-hostilities situation in regard to motor gasoline supply in eastern Canada was generally satisfactory with a seasonal inventory build-up foreseen. Curtailment of crude oil imports would affect this build-up, with a conse-

quent impact on next season's gasoline, even if it were possible to meet winter requirements in full.

● (2010)

On the Prairies the situation is satisfactory in regard to supply of all product categories. Pre-existing concerns, that is to say, concerns which were prevalent prior to the problems arising from the Arab oil interruption, about the supply of heavy fuel oils in British Columbia have been heightened because this region normally imports significant amounts from the United States which now, of course, faces its own supply difficulties.

In light of this over-all supply situation, it seems prudent to consider carefully appropriate means to reduce energy demand throughout Canada but particularly for those products and regions which I have specifically mentioned. A number of provincial governments have already been contacted, and others will be, to outline the nature of the crude oil and product supply situation as it is emerging and to inform them of the price developments which I have just mentioned.

The government is considering further steps, and has an allocation program for application at the wholesale level which will be introduced if a more serious supply situation becomes apparent. Although it is recognized that security of supply for priority users must be protected, the government is reluctant to interfere at this stage with the normal marketing arrangements of the industry. At this stage I am calling upon Canadian consumers, municipalities, heavy industry and provincial governments to study means of reducing consumption on a voluntary basis. We will be in touch with them to exchange ideas, develop and provide details of our conservation program.

Before resuming my seat, Mr. Speaker, I would like to take this occasion to express my appreciation to the oil industry, with one notable exception, for the co-operation that has been evident from them in the past two months in keeping Canadian prices down. The notable exception is Gulf Canada. I feel it necessary at this time to call attention to a report which appeared in the Toronto *Star* on Wednesday, October 31, in which Mr. McAfee, the president of this corporation, said with respect to the fact that Gulf Canada broke the freeze restraint and I quote from the *Star* report:

> When we hadn't heard from the minister from October 12 to October 29, we figured the increase was okayed or the government was stalling.

I would just like to quote from a telegram sent to the same Mr. McAfee by my deputy minister, in my absence from the country, on October 12, in which was repeated what had been stated to Mr. McAfee earlier, that the government wished the company to continue its price restraint. I am prepared to lay a copy of the telegram on the table if the House wishes. I quote one paragraph as follows:

> As I told you during our telephone conversation today in response to your letter to the minister of October 9, 1973, requests for price increases have been received from a number of companies and the department has the question of all cost increases under active review. The minister will take to cabinet shortly a proposal for price increases due to higher crude oil import costs. We request that you continue to refrain from price increases until the cabinet takes a decision in this area.

Therefore, contrary to what Mr. McAfee has been quoted as saying, he was specifically requested to refrain from further action until cabinet had taken a decision.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Mr. Speaker, I and other members of parliament have been to symposia and meetings over the years to talk about good corporate citizenship, but this American president of that American corporation has set this House a good example of bad corporate citizenship.

Some hon. Members: Hear, hear!

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I think most Canadians are aware that there has been, and is, a world energy problem. They knew that Canada had sufficient energy reserves for its own needs and probably a little bit to spare. After September 4 they thought they were free, price-wise, of any increases until the end of January, 1974. Now, after tonight, they know that the September 4 statement by the Prime Minister (Mr. Trudeau) was merely a pose to let people think members of the government were the friends of the consumers until the government got a vote of confidence from the NDP.

Some hon. Members: Hear, hear!

An hon. Member: Gulf Oil speaks.

Mr. Hamilton (Qu'Appelle-Moose Mountain: Tonight's statement by the minister ends the price freeze so far as consumers are concerned. It adds immeasurably to the tensions of this federal nation, and I suggest it means a whopping big increase for all types of consumers after February 1. Under this statement, every consumer east of the Ottawa Valley line will have a price increase, effective tomorrow, of 2 cents a gallon. But the minister's statement indicates that with the price rise during November there will be a further 3 cents at the end of November, and every month more increases. The Ontario consumer, under this statement, if he is the driver of an automobile is safe until the end of January. But the home owner in Ontario, and particularly in eastern Ontario, will carry the full burden of increasing costs during this winter.

Prairie consumers are held safe until the end of January and then they, too, should experience a walloping great increase when pent-up, built-up costs and losses are piled on to them in increased prices.

The next point I want to emphasize—and this is the main point—is that this statement tonight, more than many statements made in this parliament over the last number of years, adds additional tension to confederation. Can't you imagine tomorrow, as the people of the Atlantic provinces, hard hit as they have been since confederation, have to take another wallop? Can't you imagine, in Quebec, how all those people who voted Liberal will wonder? Can't you see, in Ontario, the richest province in Canada, people being proud of the fact that the automobile drivers are being subsidized by the producing provinces, and the home owners get the full treatment?

On the Prairies we are free from any increases until the end of January has passed, but I predict that these pent-up losses, the sense of dissatisfaction and the tension will see an increase of prices that you cannot hold back. This will be much worse than if the government had done it the proper way. I am referring to the $1.90 import tax.

Mr. Douglas: Export tax.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Export tax. Any person who was in the west during the period of the 40-cent export tax announcement and who was a serious lover of his country would have recognized the strain that was put on confederation by that announcement. What will it be tomorrow, as they realize that what they heard in the speculative stories over radio, television and in the press these past two days about the good spirit between Alberta and the federal minister, is now kicked down the drain and for the month of December the export tax is being raised to $1.90?

And what of British Columbia? Look at the short shrift they get there—higher prices on every front, with no effort made to assure them of supplies. So I predict that the fundamental significance of this statement is simply a question of delaying today, and that we are going to have higher prices for tomorrow.

● (2020)

I want, now, to go back to the $1.90 export tax. I could not help noting, as the minister read the statement tonight, the joint applause of the New Democratic Party and the Liberal Party. I ask everybody in Canada: Where will the $1.90 go? On our part, we have made it clear that every bit of this $1.90 tax, or any type of export tax which is a tax on the resources of a single province like Saskatchewan or Alberta, should be returned to the producing province.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): This statement does not make clear who will get it. Will the Maritimes get it? Will Quebec get it? Will British Columbia get it? Many years ago there was an advertising slogan that we heard over the radio—"I wonder where the yellow went?" Now it will be, "I wonder where the $1.90 went?". I want to speak to the minister in a personal way by saying how the situation should have been handled. The first and obvious thing is that the only way our fuel system will work is when the nine provincial provinces, the two territories, and the federal government—

Some hon. Members: Oh, oh!

An hon. Member: There are ten provinces.

Mr. Hamilton (Qu'Appelle-Moose Mountain):—the ten provinces, the two territories and the federal government share responsibility for management of resources. The only way to make it work in our federal system is by consultation beforehand and jointly arrived at plans to meet this problem.

This government does not give us confidence. Just a few weeks ago it announced that it was phasing out the

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

National Council of Resource Ministers. This was a sophisticated technique set up so that the 11 equal governments and the territories could jointly work out problems for the joint management of their resources. René Lévesque, who has been in the news these last two months and who was a Liberal minister of the Crown in Quebec where this council was set up, is on public record as saying, as a sincere man like him would say, that the only way we will make the federal system work is through this form of consultation, with people meeting as equals and acting in the best interests of all the people. If they had used the process of consultation, we could have sat down and made concrete plans with the provinces to lessen the impact of the world energy revolution on the consumers of Canada.

I am going to say what I mean by consultation. To us, consultation means concrete plans with the provinces for the maximum and best use of resources. In the present situation, it means co-ordinating policies with producing provinces of oil and gas to lessen the impact of a world energy revolution on consumers. It means heavy emphasis on positive policies to enlarge our present industries and to add new industries based on the comparative advantage that our oil, gas, uranium, coal and hydro power potential gives us. Provinces with energy potential have waited a long time for this industrialization to come to their areas. This was their great opportunity.

The second thing we would have done would have been to sit down with the provinces and seriously consider all the conservation areas we could have used to save fuel in view of today's wasteful consumption.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): I am not just referring to turning out the lights in the Pearson building. We could have sat down and worked out transportation techniques to move fuel from surplus areas to deficit areas. We could have talked over the question of storage. We could have considered the humanitarian concerns of the people so dependent on fuel in the winter time. But, above all, if it is a question of working out with the provinces the *quid pro quo,* we could have resolved the wants and desires of the producing provinces and their ambitions for the future, with the needs of the consumers to meet this shock in a staged manner so that the impact would be lessened or equalized all over the country.

For instance, one of the things that could have been put before provinces which have potential gas and oil is our insistence that if any gas or oil goes across the border in future, the Americans must take off the petrochemical tariff and give us a chance to build industry in Canada. This is the type of thing on which we would like to place emphasis.

Mr. Speaker, I shall not take any longer than the minister took. I want to say, as I did the other night, that consultation is not a dirty word, nor is it demeaning to sit down with our equals in the research field of the provinces to work out programs on how to get a Montreal pipeline in place quickly, and how to make deals with Venezuela and Nigeria on getting oil. Plans could be worked out so that the people least able to bear the problem will not suffer. All these suggestions have been made to the minister, as we all know, since January of this

year, but no positive reaction came until this sudden blasting in all directions on September 4, September 13 and, I suspect, again tonight.

Finally, Mr. Speaker, nothing in this great energy policy statement deals with the fact that no effort whatsoever is being made in Canada to find and to put on the market in the next three or four years alternative forms of energy to oil, gas and coal.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): When I see our neighbour country to the south, which is in worse shape than we are, spending $2 billion a year on this type of research—as much as they spent on getting to the moon—and we are spending literally as close as you can get to absolutely nothing, I wonder. The latest report of the Department of Energy, Mines and Resources stated flatly that it is the agency of the federal government for non-renewable resources. I suggest to the minister and to the whole country, Mr. Speaker, that it is time his department looked at alternative forms of energy, because in the short run and in the long run they are the only ways we will be able to check prices. There is no point in going along with the government being defender of the consumer when we have arbitrary acts such as we have witnessed in the statement tonight.

Some hon. Members: Hear, hear!

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the present oil crisis in which Canada finds itself is due to the deplorable lack of planning by the federal government over the past ten years, and particularly over the past five years. It has been glaringly apparent for some time that the United States was becoming increasingly dependent upon imported oil. It was also apparent that the Middle East, which has over 80 per cent of the world's oil reserves, would be using the growing world demand to raise the price of its oil. For years the New Democratic Party has been urging the government that Canada, as a net exporter of oil, should do two things. The first is to assure its consumers security of supply. Second, the government must protect those consumers from being gouged by the oil industry, which is seeking to take full advantage of escalating world oil prices.

● (2030)

To this end we have urged a succession of ministers of energy, mines and resources to extend a reversible oil pipeline to eastern Canada and to reduce proportionately our exports of oil to the United States. This has not been done. We now find ourselves threatened with a shortage of imported oil and a dramatic increase in price of such imported supplies as we are able to procure. The consequences of the government's procrastination are now upon us. The chickens of the indecision are coming home to roost. It is the consumers of eastern Canada who will pay the price for the government's lack of foresight.

An hon. Member: Who is going to believe that?

Mr. Douglas: While facing this situation in which we have witnessed a deplorable lack of planning, we have been waiting for the government's long awaited and much vaunted statement as delivered by the minister. It was so important that it was postponed twice today. I must say that when one reads it one will find, surely, that this is a most inadequate response to a desperate situation.

Some hon. Members: Hear, hear!

Mr. Douglas: As a matter of fact the leader of my party, the hon. member for York South (Mr. Lewis), and I were given only one copy of the statement in each language. I read the English version and he read the French version. When we had finished, we were sure some pages were missing. We just could not believe that we had read the minister's statement, in view of all the fuss and furore and the waiting until the stockmarkets had closed.

What are the proposals contained in the minister's statement? First, the minister proposes to retain the price restrictions with respect to western crude oil until the end of January. Of course, we commend him for that. We hope that these will be continued beyond the end of January. Certainly, by imposing these controls the government has saved the consumers of Canada millions of dollars.

Some have cried very loudly—particularly members of the government of Alberta—about the great harm this has done to the oil industry. The fact is that the oil industry in this country in the ten months prior to the government's imposing the freeze had raised the price of crude oil by 37 per cent, or 95 cents per barrel. That increased their annual revenues by $700 million per year. The government, when it imposed the freeze, was too late. Nevertheless, thank heaven somebody put it on. When I listen to the objections of some hon. gentlemen to my right, I wonder how long they want the public to be exploited by the oil industry which wishes to take advantage of the rising and ever higher prices in the United States.

As well, the minister proposes raising the export tax on oil going to the United States from 40 cents per barrel to $1.90 per barrel. This is in keeping with the commitment he made to this House. When the legislation for the export tax is brought down, that tax will represent the differential in price between the Canadian price and the Chicago price, and this will be done in order to insulate Canadian consumers from the rising prices in the United States. There is an oil shortage in that country but there is no need for us to experience an oil shortage. The minister is proposing to raise this tax for December. I assume the legislation will give him authority to raise the tax at any other time when the differential increases and to reduce it when the differential declines.

As I listened to the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) complaining about this export tax, I wondered how many people realize that if the export tax had not been levied, the oil companies in this country would have made $185 million a year extra by getting 40 cents a barrel more in Chicago for oil than they were buying it for in Canada, and that the government of Alberta, which has been protesting loudly about the export tax, would not have got a five-cent piece of that $185 million.

Mr. Lambert (Edmonton West): That is where the hon. member is wrong. The government would have received royalties.

Mr. Douglas: Although the Premier of Alberta says that this has cost Alberta $300 million a year, may I remind you, Mr. Speaker, that the government of Alberta is actually losing only $60 million. I support the idea of the federal government's fully reimbursing that province and turning back to the producing provinces the export tax. What the premier does not point out is that $240 million would have gone to the oil companies. If the oil companies had been allowed to raise by 40 cents per barrel the price of domestically consumed oil, Canadian consumers would have paid another $72 million a year.

Mr. Lambert (Edmonton West): This is crazy. The hon. member is all wrong.

Mr. Douglas: Therefore, Mr. Speaker, we support maintaining the export tax in order to protect Canadian consumers from rising prices. The minister also said that the government is prepared to consider applications for increasing the price of heating fuels. This would apply west of the Ottawa Valley. The government would consider that, the minister said, in order to offset the tendency for such supplies to move out of the area. I hope the minister will explain that in the question period.

For instance, I do not know how supplies of heating oil could move out of British Columbia unless the government is going to allow that province to export such fuels to the United States. I do not know how such fuels would move out of the Prairies. There might be some such movement out of Ontario, but I would point out that west of the Ottawa Valley, and certainly in most of Ontario, it is possible to get all the western crude you need, and the people in that region can process all the heating fuel they need. Therefore, I think this permission for oil companies to raise the price of heating oil west of the Ottawa Valley is totally uncalled for.

Let me deal with another matter. The two problems which face eastern Canada have to do with providing some protection against price increases and, secondly, continuity of supply. I point out that the minister has not offered any solution. He merely says that he is prepared to let the oil companies raise the price to the consumer, and that price increase is to be proportionate to the proven increase which the companies must pay for crude oil. Certainly, as Venezuelan oil is going up in price there is no doubt that the consumers of eastern Canada will pay much higher prices for oil this coming winter.

On the matter of continuity of supply the minister had nothing to offer. He merely said that the government will continue to watch the situation carefully. That certainly will inspire confidence in those who are worried about oil shortages this coming winter. He is also going to set up a technical advisory committee which will look at petroleum supply and demand. One of its tasks will be, as the minister says, advising as to the outlook in this field. I submit that the best advice they will be able to give Canadians is: Dig out your red flannel underwear.

Mr. Macdonald (Rosedale): Your Stanfields.

● (2040)

Mr. Douglas: Surely we ought to be dealing with the problems of protection of price and continuity of supply on a Canadian basis. We in this party have been pressing the minister for the setting up of a national petroleum corporation, one of whose purposes would be that it would function as the sole purchaser and marketer of oil in Canada.

Some hon. Members: Hear, hear!

Mr. Douglas: It would enter into bilateral agreements with oil producing countries. It would also purchase the domestic oil. It would distribute and allocate that oil. Such a corporation would be able to pool the oil resources and standardize prices so that the people of Canada who use oil, no matter whether it came from the Middle East, Venezuela or western Canada, would have not the same price but a standardized basic price plus the cost of transportation. That is the kind of policy we ought to have. It is rather significant that in a brief which the minister took to cabinet around April 10 or 12, the minister's own department suggested setting up such a national petroleum corporation. When the National Energy Board report came out, it was hashed over and watered down. It listed the advantages, and three times as many disadvantages.

I am convinced there are people in the minister's department and in the National Energy Board—and to a large extent the minister himself—who recognize the inevitability of establishing a national petroleum corporation to pool the oil resources that are available to the Canadian people, whether domestic or imported, to provide for some price standardization and guaranteed continuity of supply. I strongly suspect the reason we had to wait all day instead of getting a report at two o'clock or five o'clock this afternoon is that the minister was pushing for such a national petroleum corporation. I have the feeling he was clobbered by the neanderthals in his department.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): They are like the great men of Saskatchewan. You lost the oil industry.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Laniel): Order, please.

Mr. Douglas: The oil sheik from Edmonton is talking from his seat. If he wants to make a speech, he will have lots of opportunity to make it. He was for years the apologist in this House for the oil industry. The hon. member for Qu'Appelle-Moose Mountain accused the New Democratic Party of supporting the government on its oil policy. One of the reasons I did that is that I would have nightmares if I thought the hon. member for Edmonton West (Mr. Lambert) was in charge of it.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): People left you in the tens and twenties of thousands.

Mr. Douglas: I shall not keep replying to the hon. member for Edmonton West. A former prime minister made him a cabinet minister. It lasted only two months. That was the wisest decision ever made in history.

I conclude by saying that this matter of a national petroleum corporation is too important to be smothered by a few reactionaries in this House or in the government. It is the people of Canada, particularly those east of the Ottawa Valley, who will be the sufferers unless we set up some type of national marketing mechanism. As far as the New Democratic Party is concerned, we shall continue to push the minister and the government to bring in legislation between now and Christmas for such a national petroleum corporation.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, following the statement by the Minister of Energy, Mines and Ressources (Mr. Macdonald) who this time sent us a copy of his statement in advance and in French it gives me great pleasure to join with my colleagues in making comments in this House on the important problem raised by him.

Our shortage of energy and oil in Canada, Mr. Speaker, is due primarily to a lack of energy and foresight of this and previous ministers who failed to take preventive measures when they should have in respect of the energy problem in Canada.

The statement made today called for the acceptance of price increases requested by oil companies in Canada, one of 2 cents a gallon for September and October, and another of $1 a barrel for November.

The minister stated that price increases have to be granted to those companies if Canada is to be assured of an adequate supply of petroleum products. That, Mr. Speaker, is another proof of our economic dependence on petroleum products because price increases must be accepted if we are to heat our homes and run our cars.

There again, Mr. Speaker, is proof that we are colonized when 83 per cent of the oil industry in Canada is under foreign control. We export Canadian gas at ridiculous prices and we import gas at higher prices. We are the eternal milk cows of multinational oil companies. It is proven today, Mr. Speaker, that there is no real oil surplus in Canada and yet we have been exporting our products for years and at ridiculous prices. Even if we had surpluses we should save them to meet the demand in coming years while at the same time ensuring a low domestic price. But no, the opposite was done. We have exported at low prices—

Mr. Roy (Laval): I think that prices—

Mr. Rondeau: Prices change every week; you just have to follow the rates at the Montreal Stock Exchange to know the export prices.

I notice that the hon. member for Laval (Mr. Roy) is not familiar with oil problems and that he will be short of oil. If he has not yet been short of fuel oil, he has been without light for a long time.

We import at higher and higher prices, as the minister has just said, when he announced an increase in prices on imports. The policy of the minister does not make any sense. The Canadian consumer is always footing the bill and multinational oil companies pocket millions of dollars while an embarrassed and powerless minister looks on, a member of a party "liberally" financed by the same multinational companies.

Those companies rule the roost, they determine the prices and the future of Canadian petroleum products at the face of the minister, they use tax exemptions allowed for research to swallow up the profits and in this manner they finance their oil explorations throughout the world instead of promoting the industrialization and the marketing of Canadian products.

This evening, according to the minister's statement, the export tax is increased by $1.90 a barrel for the month of December, and the companies increase their import prices. A tax of $1.90 a barrel is applied on export prices and it is agreed to pay more for our imports. Where is the difference? Here it is: the Canadian consumer will pay more for imports than the additional amount the government will collect in export taxes. Mr. Speaker, it takes economists to do that. Government economists are seeking a solution to the oil problem. They must certainly not find one as they would then lose their job. They are paid to look and they must look without finding anything. They have nevertheless found a solution, but it solves nothing. And the minister tells us that there is an energy problem in Canada. On February 14, 1973, the minister was reported as having said:

● (2050)

[*English*]

. . . the oil wells of the western provinces are not being over-produced; and that no shortages of crude are on the horizon for Canadian refineries.

These assurances have come from energy minister Macdonald, from members of Alberta's cabinet, and from all oil industry spokesmen, as well as from such U.S. authorities as Senator Henry Jackson and Senator Frank Ross.

[*Translation*]

Mr. Speaker, why is it that in February we were told that there was no problem, that the oil production in Canada was adequate, and that today we hear about a shortage of oil products? And the *Winnipeg Free Press* of July 10, 1973, tells why we are supposed to have a shortage of oil products in Canada. Here is what this newspaper said:

[*English*]

"Phoney Shortage".

Since the start of the present energy crisis in the United States, which has seen hundreds of service stations close down and hundreds more restrict their hours of service, there have been claims that the crisis is a phoney—a crisis brought on deliberately by the major oil companies.

This view, much as it may have been discounted in the beginning, has now been given overwhelming support by the U.S. Federal Trade Commission in a staff report. According to the report, 18 major oil companies in the U.S. have, for all intents and purposes, worked as a cartel or monopoly with a view to squeezing out their independent competitors and keeping their prices—and profits—high.

[*Translation*]

Mr. Speaker, the minister would have us believe that he is forced to limit the consumption of oil products in

Canada because of a shortage. However, in its issue of July 10, 1973, the *Chronicle-Herald* said this:

[*English*]

Possible oil reserves off the Canadian east coast, as estimated . . .

[*Translation*]

estimated not by the Minister of Energy, Mines and Resources, but by the Canadian Petroleum Association.

[*English*]

. . . is 32 trillion barrels of oil and 110-115 trillion cubic feet of gas.

By comparison, the proven oil reserves in the North Sea are 12 billion barrels and 64 trillion cubic feet of gas, he said.

[*Translation*]

Therefore, Mr. Speaker, there is a lot of rot in those comments of the minister who tries to make us believe that there is a shortage of oil products in Canada, that we may perhaps soon have to face it due to his improvidence, his lack of information and drive, because he did not have enough foresight to help the companies to develop the Canadian oil fields and since also the companies are interested in keeping their profits at a high level by inducing a shortage of petroleum products. Moreover, we could read on page 6 of *La Presse* dated May 31, 1971, that is two years ago: "A sea of oil under the turbulent waters of the Hudson Bay?—

I do not have enough time to give particulars on the result of inquiries carried out in Canada but which are kept secret by multinational companies controlling prices, as established by the conclusions of a senatorial inquiry conducted in the United States. Those companies also control the market as well as our Canadian production. Indeed, there is no doubt that Canada, especially Quebec, have extremely rich oil resources. Here is a good one. An election took place recently in the province of Quebec and the party in power used the following motto: Bourassa builds up. As a matter of fact, they promised to build an oil refinery in eastern Quebec and a deep-waters harbour for supertankers in Gros-Cacouna. But there is certainly a lack of communication between the federal and the provincial government for I cannot believe that they promised to build a harbour for supertankers if there is no more oil. They could just as well have promised to build bridges over nonexistent rivers.

● (2100)

Mr. Speaker, this is just about what happened in the province of Quebec. The solutions that we had to propose were very plain. First, we must take stock of our energy needs for the next 25 years in Canada; second, we must maintain an inventory of oil products to meet the demand for the next 25 years as well; we must also grant a special retail discount on oil products in order to encourage consumers to use Canadian oil products. We must oblige multinational corporations to re-invest their profits at home. We must supervise research expenditures of multinational corporations that are now secured through taxes and are only designed to divert money from tax authorities. We must ensure through research activities that the whole energy potential in Canada is known by the government. We must also provide research grants to private individuals who want to develop new forms of energy which eventually will be beneficial substitutes for the products that we know today.

Mr. Speaker, the minister will have to smarten up, to be a little more energetic and stop sheepishly following a policy prescribed by multinational oil companies.

Mr. André Fortin (Lotbinière): Mr. Speaker, on a question of privilege.

Mr. Speaker: Order. Is the hon. member rising on a point of order?

Mr. Fortin: Mr. Speaker, I rise on a question of privilege. While my colleague from Shefford (Mr. Rondeau) was making very pertinent remarks on behalf of my party, he has been harassed—and I am a witness as are some of my colleagues—by the Quebec members of another political party.

Mr. Speaker, we are very far from the Chair. These members' attitude is ill-advised; perhaps they are interested in protecting the power, but since we are the only Quebec members of the opposition both in Ottawa and in Quebec, we have the right to express our views and we are entitled to the respect of this House.

Mr. Speaker: Order.

Mr. La Salle: Mr. Speaker, on the same question of privilege, I would like the House to realize that when the hon. member is saying sensible things, I am all ears.

Mr. Speaker: Order. The hon. member for Lotbinière (Mr. Fortin) has risen on a point of order. I listened with interest. I must admit that perhaps there have been some interruptions while the hon. member for Shefford (Mr. Rondeau) was bringing his most interesting contribution to the debate, but I must suggest that the hon. member was adressing the Chair, and that I have listened to him with attention and interest.

Mr. Fortin: Mr. Speaker, I would like to thank the hon. member for Joliette, because I know that he always listens to the Créditistes, since we always say something sensible.

[*English*]

Mr. Speaker: Order, please. My understanding is that we will now return to the question period for 20 minutes.

[*Translation*]

I think that we now ought to get back to oral questions for a period of approximately 20 minutes, after which we will resume the debate which was interrupted at six p.m.

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL AND GAS—GOVERNMENT MONITORING OF PRICE INCREASES EAST OF OTTAWA VALLEY LINE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources, who said in the course of his statement that east of the Ottawa Valley line the price of gasoline and home heating oil would immediately be increased by an average of 2 cents a gallon although the price would vary from company to company depending upon cost. I ask how he proposes to have the government involved in monitoring those price increases.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, judging from the experience we have had in the last several months, there will be a very quick reading as to how prices will be involved. There will, of course, be some adjustment in margins at the retail level, but in effect I would anticipate that the price leaders whose prices will be somewhere just under 2 cents will probably, at least for those higher than 2 cents a gallon, dictate the price level. We would expect to have the kind of feedback we had earlier when restraints were put on but which fell off afterwards. Normally we would get an early reading as to particular prices of particular companies.

OIL AND GAS—TIMING OF ANNOUNCEMENT OF PRICE INCREASES IN QUEBEC AND ATLANTIC PROVINCES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, would the minister tell us when he proposes to make a further announcement as to the next round of price increases in Quebec and the Atlantic provinces based upon the anticipated increase in crude prices mentioned by the minister tonight, which might well be higher than the price increase he has just announced? When does the minister propose to let the next shoe drop?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, that will depend very much upon the kind of proof the companies can bring forth, if indeed they have had additional costs. In the normal course it will take some time before the price increases of last week find their way through to inventory.

HOME HEATING FUELS—APPLICATIONS FOR PRICE INCREASES WEST OF OTTAWA VALLEY LINE—GOVERNMENT CRITERIA IN CONSIDERATION THEREOF

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have one further supplementary question, and perhaps I might really get an answer to this one. The minister has stated his willingness to accept applications for price increases in respect of home heating fuels west of the Ottawa Valley line but he did not indicate the basis upon which applications for increases would be accepted or rejected. Would the minister now indicate to the House the basis, or the criteria the minister would use in determining whether an increase in the price of home heating fuels west of the Ottawa Valley would be granted by the government?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, perhaps I might read to the hon. gentleman that portion of my statement which related to this. I pointed out as follows:

> A significant part of the market for home heating oil in the central Ontario area is supplied by imports of home heating oil from overseas.

This has been the case for a number of years. To continue:

> The rapid increase in demand for international supplies of home heating oils with the consequent price increase has made it difficult for Ontario suppliers . . .

An hon. Member: Don't read so fast.

Mr. Macdonald (Rosedale): I agree that I would have to read it very slowly and with great precision to make an impact on the Leader of the Opposition.

Some hon. Members: Oh, oh!

An hon. Member: Be serious.

Mr. Macdonald (Rosedale): To continue the quotation, Mr. Speaker:

> The rapid increase in demand for international supplies of home heating oils with the consequent price increase has made it difficult for Ontario suppliers to secure adequate supplies before the close of navigation in December.
>
> In these circumstances it is the government's intention to entertain requests by marketers for immediate price increases in home heating oils west of the Ottawa Valley line and particularly in Ontario and British Columbia.

This is where the same criteria applies. Basically, if there are additional costs indicated by particular importers into Ontario, and we have had some indication from independent importers of this previously, at a price level that makes it difficult for them to import and sell at a cost which would enable them to recover their cost, of course we will entertain an application of that kind. This will depend very much on the situation of individual companies. Obviously, I think it is fair to say that anyone who has a western Canada supply and has not incurred the same cost increase as an independent would not be in the same position to get compensation for increased costs.

Mr. Stanfield: Mr. Speaker, I have one further supplementary question on this point. I would point out that the minister did not say that in his statement, although he tried to give the impression that I ought to have understood this.

Mr. Macdonald (Rosedale): Mr. Speaker, I read the statement.

Mr. Stanfield: Mr. Speaker, I rise on a point of order. The minister did not indicate in his statement the criteria on which an increase would be granted, although he has done so now. I should like to ask whether he is now saying, and intends it to be understood to mean, that an application for an increase would be accepted or granted only where there is indication or proof of increased costs.

An hon. Member: That's what he said.

Mr. Macdonald (Rosedale): Exactly, Mr. Speaker.

Mr. Stanfield: Then why didn't you say it?

Mr. Macdonald (Rosedale): It is exactly as has happened with regard to the eastern market.

Mr. Stanfield: Why didn't you say it?

Mr. Macdonald (Rosedale): Well, I did say it.

Mr. Stanfield: You did not.

OIL—INCREASE IN EXPORT TAX—GOVERNMENT DISPOSITION OF ADDITIONAL REVENUE—INTRODUCTION OF ENABLING LEGISLATION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I should like to direct my question to the Minister of Energy, Mines and Resources. In view of the fact it is now some time since he announced an export tax on crude oil, and the government is already collecting that tax, I should like to ask two questions. How soon does the minister intend to introduce legislation to give legislative support to the action he is taking and give the House the particulars on which that action is based? Also, is he prepared tonight to give an indication to the oil producing provinces of his intentions regarding the disposition of the revenue which is to be received from this tax? The increase announced today, of course, means a great deal more money, and it seems to me the provinces are entitled to know the minister's intentions.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, on the latter point, the intention is the same as I indicated initially to the province of Alberta on September 13, that we would be prepared to make good to the province the revenue which otherwise would have accrued to it, not by way of an increase in selling price to the United States; from the increase it would have got if the market as a whole had gone up. I have said that before in the House and to provincial representatives and it remains the federal position.

As to the balance of the question, we feel it is in the general interest of Canadians that the financial assets created by this windfall, in large part from action of the federal government, which would have gone entirely into the accounts of non-Canadian owned corporations should go toward the development of additional energy resources in Canada, particularly in those provinces which are now producing this resource.

Mr. Douglas: Mr. Speaker, would the minister be prepared to pay the provinces an amount related to the royalties they would have obtained had the Chicago rates been obtained at the wellhead? Does this apply equally to the price of domestic oil which, of course, is frozen and which would also have risen to the Chicago price had price ceilings and restraints not been imposed?

Mr. Macdonald (Rosedale): Yes, Sir. We would put the provinces in the revenue position which they determined

[Mr. Stanfield.]

to be fair from the standpoint of royalties which would have prevailed had the higher price prevailed throughout, whoever their customers might have been.

● (2110)

Mr. Douglas: Mr. Speaker, the minister said, and I agree with him, that there is a great deal of merit in seeing that part of this revenue goes into developing oil production in Canada to meet our future needs. Is the government making any proposals to the oil producing provinces indicating its willingness to take the balance of the money over and above what it pays the provinces in return for their royalties for the development of, for instance, the oil sands or the heavy oil in the Lloydminster area?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker. We have talked both at the western conference and since then with the provinces with regard to the very heavy investment job which has to be done, for example, in defining the nature of the resource in the Athabasca oil sands and also in defining or establishing if there are better methods for lifting the heavy oil not only at Cold Lake but in the Lloydminster area, which applies to both Alberta and Saskatchewan. We have also talked with the government of Saskatchewan in this regard which has a very active interest regarding some of the additional levels in some of the fields they have in production now. So we have had discussions in this regard. I think it would be very fruitful, not only from the standpoint of these provinces but from the standpoint of Canadians generally, that these assets be put to work for Canadians generally and for the inhabitants of those provinces.

* * *

[*Translation*]

POSSIBLE INCREASE IN PRICE OF PETROLEUM PRODUCTS—INQUIRY AS TO STUDY

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I have a supplementary for the Minister of Energy, Mines and Resources.

Since he informs us that the refineries of eastern Canada which get their crude oil supplies from international markets will probably be allowed in the near future to hike again their prices according to the oil import costs, has a study been made to determine approximately how important the rise will be in October and November and whether the figure of 6 cents a gallon quoted by newspapermen can be said to be realistic?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in my comments I talked about $1 a barrel, I think, as regards the possible increases for November. Divided by 35, the figure means for that month a possible increment of almost 3 cents a gallon.

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a supplementary for the hon. Minister of Energy, Mines and Resources about a problem peculiar to the area located east of the Borden line.

The minister has already stated in the House that he had had discussions with the Quebec government and, among others, with the Minister of Natural Resources who was then on vacation. Could the minister tell us—

An hon. Member: Before his victory!

Mr. Fortin: That is true, before his victory, because he was not there.

Would the minister tell us the outcome of his discussions with the Quebec government among others? Moreover, can he tell us which consultations he had before his statement of tonight and ensure the House that he will see to it that the region east of the Borden line gets the necessary supplies for the next season in the light of the announcements made by the Quebec government during the last election campaign? This is no longer a question of election but a question of life.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am sorry but I am not quite certain I did understand the hon. member's question. In any event, we have discussed with the provincial government the question of the pipeline extension. As you know, a proposal for the building of a supertanker harbour has been drafted.

We know that both projects could be implemented so as to ensure that the Quebec consumer will be supplied through an oil pipeline as well as enjoying the benefits of overseas supplies. I must say that the current priority is to ensure crude oil supplies to the Montreal refineries. For this reason and in the light of the international situation, the issue is supplies and not prices.

[*English*]

DOMESTIC CRUDE OIL—SUGGESTED STAGED PRICE INCREASES—CONSULTATION WITH INDUSTRY

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is supplementary to that of the Leader of the Opposition, the only party leader who has seen fit to be here this evening to listen to this discussion.

Some hon. Members: Hear, hear!

Mr. Andre: When does the minister intend to implement his promised Montreal-based pricing policy for domestic crude, and is he consulting with industry and the provinces to seek a means of achieving a staged series of domestic crude increases up to the Montreal-based international price starting now, rather than a massive price jump on February 1?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we would expect that this would become active on February 1. Certainly the question of staged increases has been considered. On the whole, the consideration was that the protection of several months would be advantageous from the consumers' standpoint.

Mr. Andre: I have a supplementary, Mr. Speaker. In answer to a question by the hon. member for Nanaimo-Cowichan-The Islands, the minister indicated the government's position in respect of the disposition of the revenues from this export tax. Is this a firm position and has it been accepted by the producing provinces? Is the minister still in discussion with the producing provinces in respect of this tax, and why is there no revised tax figure for November and for the massive increase in December, which does not appear to make much sense?

Mr. Macdonald (Rosedale): Mr. Speaker, on the latter question, the hon. gentleman will have noted that there has been a dramatic increase in the international cost in just the last 15 days. With regard to the attitude of the provinces, I can say with reference to Alberta that I think its position is that the tax is absolutely immoral but it is very keen to have the proceeds.

OIL AND GAS—INCREASES IN PRICE—EFFECT ON COST OF LIVING

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Finance. I ask the Minister of Finance what measures he intends to introduce to offset the additional burden this will place on the highly overburdened Canadian consumers, especially in the five eastern provinces where this latest move will contribute substantially to the already high cost of living.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the government has already taken measures both at the pension level and the family allowance level—

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): —to protect the interests of the Canadian consumer. The primary motive behind the statement by my colleague, the Minister of Energy, Mines and Resources, tonight was not only to protect the price to the consumer but to protect the supply to the Canadian consumer.

Mr. Speaker: Order, please. I remind hon. members that there are exactly three minutes before the end of the question period.

Mr. McGrath: Mr. Speaker, is the minister prepared to meet with the governments of the provinces to enter into ways and means of offsetting this additional increase in the cost of living?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, that is an interesting question. I suppose one of the most substantial inputs into the cost of gasoline for consumers in most of the provinces of Canada is the very substantial sales tax taken by the provincial governments.

KEROSENE AND STOVE OIL—GOVERNMENT INTENTION IN RESPECT OF PRICE

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, on the same line may I ask the Minister of Energy, Mines and Resources whether the government has any plans for specially reduced rates on sales of kerosene and stove oil products which are extensively used by low-income Canadians?

Agriculture

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think I am correct in saying that these are both middle distillates which are covered by the program. But, of course, with regard to this area of middle distillates I think the most important question, as my colleague has said, is to continue to ensure its supply, which is in a pretty tight situation, as opposed to the price question.

● (2120)

OIL—EXPORT BOYCOTT BY ARAB STATES—EFFECT ON CANADIAN SUPPLIES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of reports that the minister has received information about the disruption of supplies from the Middle East, and also the statement by a United Nations Arab diplomat that Canada might be denied future oil from Arab states, can the minister explain to the House what the situation is, and set the country straight as to whether we can expect secure supplies or whether we are, indeed, boycotted by the Arab states?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I can say, from the latest information I have from Saudi Arabia, that at least in so far as that state is concerned we are not on their embargo list as, for example, are the United States and The Netherlands. We are regarded by those states as being neutral. Therefore, we will be in the situation of having a potential interruption of supply but not the total interruption which those two countries are suffering. However, one of the most difficult points remains with regard to the port of Portland which in the wintertime is the principal source of oil for Montreal refineries. My understanding at present is that this is regarded as being an American destination, notwithstanding the fact that oil comes in bond through to Montreal. So we can anticipate, subject to further diplomatic action, some interruption the extent of which we cannot foresee at the moment.

Mr. Speaker: Order, please. The Chair has to call orders of the day.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—STATE OF AGRICULTURAL ECONOMY UNDER GOVERNMENT POLICIES

The House resumed consideration of the motion of Mr. Horner (Crowfoot):

That this House deplores the government's inability to give leadership in developing and implementing comprehensive and co-ordinated agricultural policies and programs and regrets that by ill-advised and ad hoc remedies the government has weakened the over-all agricultural economy.

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, perhaps this is not a topic that is as appealing as energy:

[Mr. Lundrigan.]

nevertheless, it is crucial to Canada, the Canadian farmers and the Canadian consumers. Earlier this evening, the minister in charge of the Canadian Wheat Board (Mr. Lang) indicated that the opposition parties were misleading the farmers in their statements out west. All I say to the minister is that the farmers on the Prairies are too smart to be misled by either the opposition or the minister responsible for the Canadian Wheat Board.

He said also that the government bought some 2,000 hopper cars to facilitate the movement of grain from country elevators on the Prairies. I represent a huge riding in Saskatchewan, and I have not yet seen one of these hopper cars in my area. I believe this whole matter of buying hopper cars was not a deliberate government policy but, rather, a policy conceived in desperation during the election when the minister realized that the Liberal party in the west was in serious difficulty.

The two old-line parties, the Tories and the Liberals, have together undermined the situation of the farmers in the west. I am referring to the Liberals and the Conservatives because I believe they have been in collusion on a number of policies with which western farmers disagree. I should like to refer to two of the policies on which I believe the two parties have been in collusion and on which there have been under-the-door agreements between them. First of all, it should be mentioned that government policies with regard to brucellosis have been negligent, ill-advised and totally inadequate. I am referring to brucellosis or Bangs disease about which hon. members heard earlier this year. For five years brucellosis has been spreading throughout Saskatchewan, but the government did not do too much in this regard. Last spring they suddenly smartened up and I must admit that the compensation rates were increased. This is certainly appreciated by the farmers affected. However, the compensation rates are still far from adequate. There are still a number of improvements that could be made with regard to the administration of the Animal Contagious Diseases Act.

First, uniform compensation rates should be allowed for calves. At present there is no consistency in this regard. Some farmers are paid for calves; others are told they will not be paid for them. The farmers who are obstreperous and engage in some negotiations do get paid for them. I think there should be some consistency. Secondly, compensation rates should be higher in the spring than they are in the fall. I say this because in the spring cows are usually very thin and scrawny and do not bring the best market price for slaughter purposes. Therefore, compensation rates should be higher to compensate for the lower slaughter prices at the packing plant at that time of year.

Third, once the farmers' herds have had a positive reaction to a number of tests and it appears that the disease cannot be eradicated by conventional methods, the whole herd should be sold. Fourth, there is another problem with regard to brucellosis, that is, the whole question of timing of compensation payments. The farmers' cattle are shipped out. However, compensation payments are held back for three, four, five or six months. A farmer cannot survive if he does not have the financial means. That is why I feel that when compensation is awarded to a farmer and cattle are taken away from him, he should receive at least part

payment for his herd. The remainder could follow after the premises have been cleaned up and inspected.

Fifth, another question plaguing farmers with regard to brucellosis is the whole matter of income tax. The income tax status of a farmer who loses an entire herd because of brucellosis could be based on a five-year average. However, this is not very satisfactory and I believe consideration should be given to farmers whose herds are sold because of a government law or edict.

Now I should like to speak on another topic, namely, the rapeseed vote about which we heard a few days ago. I believe it is a phony vote, a masterpiece of Liberal trickery with which the members of the Tory party agree completely, it seems to me. I say this because the hon. member for Lisgar (Mr. Murta), who is the Conservative Party's spokesman and replied to the minister's statement last week regarding the rapeseed vote, stated that perhaps the vote should not be taken after all. He seemed to be very pleased that the cards were stacked against the proponents of orderly marketing.

There are three things about the vote that are phony and dishonest, and I certainly cannot see how it can be compatible with the so-called Liberal philosophy, if they have any philosophy. First of all, there is the matter of the 60 per cent majority required. Would it not be something if our whole democratic system were based on a 60 per cent majority and we could not win a seat in the House unless we had 60 per cent of the vote? I feel that these guidelines should be revised and all that should be required in this case would be a simple majority. If slightly over half the farmers say they want rapeseed under the administration and jurisdiction of the Canadian Wheat Board, that is the way it should be.

Second, only those rapeseed producers can vote who have produced rapeseed two years out of the last three years. This is ridiculous also, and certainly mitigates against the farmer in the northern prairies. I say this because the Minister of Agriculture (Mr. Whelan), or the minister responsible for the Canadian Wheat Board, may not be aware of this but three years ago we had a severe outbreak of the Bertha army worm in the northern prairies, right across the north. Many farmers lost their crops or spent a great deal of money spraying them from aeroplanes. The crops were severely damaged.

● (2130)

Following this experience, and on the advice of many farm experts, farmers were told that it would be to their benefit if they did not grow rapeseed on those fields for several years. Consequently, many rapeseed producers went out of production during the last two years. Therefore, in many cases the traditional rapeseed producer has grown only one crop in the last three years, and now he is not allowed to vote. I think the minister responsible for the Canadian Wheat Board is aware of this and did it deliberately in collusion with his Tory colleagues. I think that all Wheat Board permit holders should have the right to vote, or failing this, anyone who produced at least one crop of rapeseed within the last five years. This would certainly be more just so far as the rapeseed producers of western Canada are concerned.

Thirdly, Mr. Speaker, I understand that the ballot paper is to have "yes" and "no" categories and also an "undecided" category. This is totally unfair because apparently the undecided category is to count as a "no" vote. This further stacks the cards against the farmers who are interested in an orderly system of marketing in this country. Apparently there are powerful forces at work to destroy the concept of orderly marketing in Canada, into which years of labour and toil have been put by farm organizations, wheat pools and farmers' groups on the prairie provinces, at least ever since the 1920's, the beginning of the progressive movement, the labour movement, the co-ops and what-have-you.

Every farmer who supports the principle of orderly marketing through the Canadian Wheat Board should be extremely uneasy and concerned at the announcement by the minister responsible for the Wheat Board on the new feed grains policy and the apparent support he is getting from the Conservative Party. They are being awfully quiet about that policy. All they talk about is supply and demand, as though supply and demand existed in this country today. The minister has spoken of the "equity" he is trying to create for livestock producers in British Columbia and eastern Canada in order that they need not pay more for feed grains than livestock producers in the prairie region, except for the costs of transportation and handling. Unfortunately the model of equity he intends to use is the notoriously inequitable and unjust open market feed mill and feed lot prices for feed grains paid to farmers for years in the prairie region. In order to extend this kind of equity, at the grain producers' expense, to other parts of Canada the function of the Canadian Wheat Board in setting prices on all domestic sales is done away with.

What has been the Wheat Board's crime? Apparently it had come to the attention of feed grain purchasers in eastern Canada that the Wheat Board was doing a much better job of getting a good return for grain producers on the Prairies than were the prairie feed mills and feed lots. It was doing so much better, in fact, that eastern livestock feeders felt they were at a competitive disadvantage with prairie livestock feeders, in spite of the fact that they get $5 per hundredweight more for their cattle here than they do in the west.

How, then, to create equity? "At the expense of prairie grain producers," says the minister. The Wheat Board will no longer set prices for any feed grains sold in Canada. Feed mills and feed lots, which for years have paid grain producers the lowest possible price, often below production costs, now dictate the price at which feed grains will be sold in the rest of Canada as well. In this way the minister claims he is creating equity. For whom? He is supposed to be responsible for the Canadian Wheat Board, an organization which serves the interests of grain producers. But obviously he is catering to agribusiness interests. The policy is designed to put a potential candidate for leadership of the Liberal Party—I am referring to the Minister of Justice—on the right side of the Quebec farmer and of the politicians who speak for the Quebec farmer. The minister attacked my colleague, the hon. member for Saskatoon-Biggar (Mr. Gleave). My colleague stated facts and figures, and the minister did not like those facts and figures.

Many of these problems would not have developed in the first place if federal governments over the last 15 years had developed stable floor prices for farm products based on the costs of production. This is something that successive Liberal and Conservative governments have failed to do—and this has been the cry of the west for years. Now Canadian consumers are being pinched and squeezed because of high food prices due to the total failure of previous governments to stabilize the agricultural economy.

In the province of Saskatchewan thousands of farmers have left farms because that supposedly would make the remainder more efficient. Many farmers got by, by the skin of their teeth. Now, when things are looking better, everyone is screaming that the farmer is getting too much—

Mr. Whelan: Not everybody.

Mr. Nesdoly: —when in effect he is getting only what is due to him.

In the province of Saskatchewan, on October 15 a floor price was announced for hogs. This was done to encourage farmers to stay in hog production. Studies indicated that it cost approximately $48 to $50 to produce one hog. Therefore, the government of Saskatchewan said, "All right; we will give you a floor price of $52 a hog plus a $5 incentive to stay in hog production." The result is that the farmers have a floor price of $57 per hundredweight on hogs at the present time. This will exist for a three-month period and then it will be reviewed and probably renewed for two further three-month periods until July 15 next. Hopefully, by that time the federal government will waken up and negotiate some sort of a stable floor price for hogs. This is essential if farmers are to stay in hog production. Certainly the federal government should be moving into this scheme because I do not think the people of Saskatchewan should be subsidizing hog prices for all of Canada. And, Mr. Speaker, we export 80 per cent of our hogs.

The hog population in Saskatchewan has dropped slightly and people are saying it is because of the hog marketing commission that we have in the province. The Tories in Saskatchewan are trying to destroy it. I would like to point out to you, Mr. Speaker, that for the period ending October 1, according to the Dominion Bureau of Statistics the number of hogs dropped by 4.4 per cent in Saskatchewan, compared with a drop of more than 10 per cent in Alberta where they do not have the type of marketing board that we have.

Another related matter, so far as the agricultural industry in the west is concerned, is the whole question of administration of agricultural policies. We have a minister for the Canadian Wheat Board, we have a Minister of Agriculture, and in Saskatchewan the federal community pastures come under the Department of Regional Economic Expansion. This divergence of the various ministries causes problems so that the right hand does not know what the left hand is doing.

Mr. Deputy Speaker: Order, please. I regret very much interrupting the hon. member, but the time allotted to him under the agreement made earlier today has expired.

[Mr. Nesdoly.]

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, it is with pleasure that I enter this debate to support the motion on agriculture. I would like to begin by quoting an editorial in *The Grower*, which is published monthly by the Ontario Fruit and Vegetable Growers Association. It is headed, "Farm policy a tragic farce," and among other things it says:

> The currently higher farm commodity prices . . . could mask the fact that Canada still does not have cohesive farm policy . . . none of the several departments concerned had studied the implications of sweeping tariff reductions.
>
> Canadian beef and pork producers have been kept on a yo-yo since last February.

● (2140)

Well did the fruit and vegetable growers of Canada know what this means, because they have been kept on a yo-yo for many years because of lack of a farm policy. The soybean market was wrecked and the report from the Department of Agriculture is that farmers have been discouraged from expanding production. An important fact concerning agricultural policy is the federally-divided responsibility for agriculture: Canada has an emasculated Department of Agriculture.

This afternoon the Minister of Agriculture (Mr. Whelan) was complaining that some people were worried about the number of speeches that he makes. I am not worried about the number, but I get a profusion of these speeches sent to my office and it is the content that I complain about. I do not even have to read them any more; I can just scan them because they are all the same. After reading these speeches over the last few months, it appears that the minister has traded his pitchfork for a trident and is about to grow a beard so that he can keep permanently in place the halo that he thinks is over his head. In most of his speeches he takes credit for what has happened in agriculture in the past few months, which has come about more by accident than by design; there is very little there about the policies of his government.

Why does he not tell the farmers what he is doing to help them in transportation and marketing? What about feed assistance for the people in southern British Columbia where there was a very severe drought this year? With feed assistance for their cattle they could maintain their basic herds. What about the cold storage subsidy? We have heard little about that. What about the livestock inventory provision of the Income Tax Act? What about the tender fruit industry study? We hear very little about these things, Mr. Speaker. I should like to deal with some of these policy matters, but as my time is short I will not be able to cover them all.

This afternoon the minister was going to tell the House about policy, but he got hung up on farm credit. Marketing is the thing, Mr. Speaker. What is the use of setting up credit for farmers, or even giving them money to get into farming, if they cannot market their produce? Marketing is what they need; they have to earn their living in the marketplace. Why does the minister not tell us what he is doing to give the Canadian producer a market in Canada and to help him market abroad? In a speech in the House earlier this year the minister said that no one would bring products into Canada and upset the market of Canadian producers. Is this what he means? How about what hap-

pened in onion marketing in Canada this year? What about fresh peach marketing in Ontario this year? What about the marketing of cherries in Canada this year?

Let us now deal with tomatoes. I have a letter from a constituent telling me what happened when his tomatoes were ready for picking. At the peak he had 500 boxes of tomatoes for sale, so he called his marketing board. They gave him an order for 20 packages of tomatoes, or 800 pounds. I have a copy of his account sales from the marketing board. The tomatoes were sent to Vancouver and he received $50 for them, seven cents a pound. The marketing board told him this was because of the produce coming in from the United States at, they allegedly told him, 3½ cents a pound. He got seven cents a pound shipped to Vancouver. If the wholesale and retail mark-up and transportation had taken an equal amount, that would mean that tomatoes should have been selling for 14 cents a pound in the stores in Vancouver. I wonder how long it has been since we saw tomatoes at 14 cents a pound retail?

When the peach crop in Ontario reached its peak for marketing, what happened? There was an influx of peaches. I do not think the minister did very much about this, although I heard him say in committee he was going to give the growers a cold storage subsidy so they could build CA storages to put their peaches in, and then market them at Christmas after everybody else had had a good run at the market and the fruit had lost peak condition. What a way to market Canadian produce! The producer is denied the marketplace at the peak of production and the government is going to help him spend the taxpayers' money to put the crop into cold storage, and then bring it out after everybody else has had a run at the market. The minister said that his researchers told him this could be done. I have never heard of such research. Peaches are one of the most perishable products. I would like to see the day when you could put them into CA storage until Christmas after they had been picked in August.

Why does the minister not tell the Canadian people that none of the prices for farm products are set in Canada? The beef producers are finding that out today, although we have been telling them for years that it was going to happen. We know from experience what has been going on because of lack of policy. Prices are not set in Canada, but outside. We had a really good price structure this year for apples, one that would probably have brought us in proper remuneration considering the increased cost of inputs such as labour, spray, gasoline and diesel fuel, farm machinery, and so on. What happened? There was a large apple crop in the state of Washington and they started rolling cars in. Immediately the price went down and this was the price we had to compete with. So we are back down to the price we got three years ago, but we are not paying the price for gas that we paid three years ago.

What is the minister doing to help us in the area of transportation? We cannot get cars. In the Okanagan Valley we are short 73 cars for shipping fruit. We have a railroad just south of the border which is willing to haul our fresh fruit at no extra cost to us if we agree to send it through the United States and back into Canada. It is the Burlington Northern and it has the rail cars. Yet what has happened? The Customs people have decided that they cannot go five or ten miles and put their stamps on the cars and seal them. That is too far for them to go, even though the railroad has offered to pay their way down there and back. Therefore we cannot take advantage of this service. What a way to do things! We are told that our cars are in the United States, yet there are empty American cars which are available if we want to ship our produce.

● (2150)

Yesterday I mentioned the apples that are sold in the House of Commons restaurants and cafeterias. We cannot ship our apples to Ontario and Quebec. The Americans are getting their apples here and they fill the vacuum quickly. More than likely, that is why we cannot bring our apples in. American apples certainly come in. Mr. Speaker, what a way to handle the crops of Canadian farmers!

I have in my possession a study on tender fruit. I do not know if it has been released officially but I have a copy of it. It does not contain too much input from the industry. It says, in so many words, that there should not be any canneries in Canada. I point out that this publication was put out by the Department of Agriculture. It says that we should market everything we grow in the fresh state. You must market fresh fruit as well as canned fruit. You cannot market just fresh fruit. Yet the people who put out this publication are saying to the producers of Canada, "Send your produce to Australia, to California, to South Africa or to anywhere else in the world and take jobs away from Canadians." That is what they are saying, instead of, "Look, we want a healthy canning industry in Canada and we will see to it that we have a healthy canning industry."

Last year the people in Quebec sent 250,000 boxes of apples across the line to be processed. They should have been processed in Quebec. There was a shortage of apple juice in Canada and the apples should have been processed in this country.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him under the order made earlier today has expired.

Mr. Ross Whicher (Bruce): Mr. Speaker, over the years I have developed a great respect for the hon. member for Crowfoot (Mr. Horner), the mover of the motion we are considering. I have grown to respect him for his deep knowledge of agriculture as well as of other subjects which we discuss in the House. Frankly, however, I submit that in moving the motion standing in his name today he has made a mistake. The last sentence reads in part "—the government has weakened the over-all agricultural economy". If that motion had been presented five years ago or two years ago, or at any time in the 20 years prior to the last two years, very few people would have stood in this House, or in any provincial legislature, and denied the correctness of it, if they spoke with truth and sincerity. Why do I say that?

Since the end of the last war the farmers and others making up the agricultural industry of Canada have not been given a square deal. That they should be given a square deal has been emphasized by politicians at all levels of government and of all parties. Nevertheless, in my view the people of Canada have never appreciated that

the people in the agricultural industry are like people in other segments of our economy in that they should have a fair share of the good things of life.

Mr. Speaker, for three or four years I was in western Canada. I think it was in 1969 when the agricultural committee of the House of Commons went to that part of the country. The farmers had on hand approximately one billion bushels of wheat and millions of bushels of other grains. Their complaint was that they did not know what to do with all the grain. If the hon. member for Crowfoot had moved then a motion such as he has moved today, and suggested that the government had failed the agricultural community, many in this chamber would have agreed with him. They would have agreed with him only two years ago when the hog farmers of Canada were starving to death, were being starved out of business—not necessarily, I hasten to add, because of the policies of any one government.

Some hon. Members: Oh, oh!

Mr. Whicher: I see an hon. member laughing. I am willing to be fair. Many governments on the North American continent did not do their best for hog producers. I am speaking of producers of the United States as well as those raising hogs in Canada. The point is that hog producers could not make a living.

As well, look at the egg situation. Members representing rural areas of Canada know that not long ago farmers were producing eggs which sold at approximately 20 cents a dozen, or less. We all knew then that it took a selling price of 29 cents per dozen for the farmer to break even. Without meaning to laugh at the farmer's expense, the housewife went to Loblaws, Dominion Stores and Safeways and chuckled to herself as she bought five dozen eggs for a very reasonable price, not realizing that what she was paying for every dozen was hurting the farmer who had to produce those eggs. Mr. Speaker, the farmers of Canada have not been given a fair deal for the past 20 years.

In the last year or so a breath of fresh air has blown over the agricultural industry of Canada. I have often heard people, when talking about the policies of the Liberal Party, the Conservative Party, the NDP or any other party say that the leader of the party represents policy. In the majority of cases such people would have been correct in past years. However, in the last few months a leader has emerged, who is helping the agricultural producers of Canada. I am referring to the Minister of Agriculture (Mr. Whelan). He has brought with him a breath of fresh air in enunciating policies affecting the agricultural industry of Canada.

Mr. Knight: What about the minister in charge of the Wheat Board?

Mr. Whicher: Over the years I have heard various ministers of agriculture, provincial as well as federal, straddle the fence, walk along the rail because they did not want to hurt anybody's feelings. The present Minister of Agriculture, and I say this most sincerely, is all for the farmers of Canada. He is for the people of Canada. My Conservative friends should be mighty glad that we have a minister who goes to western Canada and speaks to farmers in that region. Although people in the past may have disliked the government, they like the policies of the Minister of Agriculture. These policies help hon. members in their capacity as members of parliament, I can assure you.

An hon. Member: You could have done that.

Mr. Whicher: An hon. member across the way says that somebody else could have done that. The fact is, and nobody can deny it, that the Minister of Agriculture has been doing this and in my opinion he deserves all the credit in the world. His policies have been criticized. As I understand it, in plain words he wants us to have good, wholesome food at reasonable prices and he wants a reasonable profit for the farmer. For many years the people of Canada have been getting good and wholesome food. However, "reasonable" does not mean much to some people when it comes to buying food. They do not want reasonable prices; they want food at prices which are cheap, to the detriment of the agricultural industry of Canada. They do not necessarily want the farmer to earn a reasonable profit. They do not give a darn about the farmer's profit so long as they can buy food as cheaply as possible.

• (2200)

This is one of the reasons why the people of Canada have to pay higher prices for their food today. Because so many farmers have been almost starved out of existence in some instances, we are short of food, if not in Canada in the world at large. Farmers, not just in Canada but in the whole world, have to make a reasonable profit figure so they will produce the food that is so necessary to keep this earth of ours going.

This afternoon the hon. member for Crowfoot said the government has weakened the over-all agricultural industry. It is not generally my policy to read anything, but there was an article on the financial page of this morning's *Globe* and *Mail* headlined "Very good year is reported for farmers". This is from the latest issue of the Bank of Montreal business review. There is much criticism of banks but generally it is that they do not face facts as far as the business world is concerned. I suggest these figures are true because they are found in agricultural reports across Canada. These facts were reported by the Bank of Montreal only this morning. The article states that farm cash receipts of Canadian farmers improved by 30 per cent in 1972 over 1971. Does that show, as this motion suggests, that the government has weakened the over-all agricultural economy of Canada? The article further states:

A further increase of between 25 and 30 per cent seems in store for this year.

If my Conservative friends—they are my friends, because I sit with them on the agriculture committee and respect every one of them—want to be fair, they may criticize certain areas of agriculture. However, they should admit that the agricultural economy of Canada, for the first time in 25 years, increased by 30 per cent last year and will increase by another 30 per cent this year. Some members who spoke this afternoon have been able to take advantage of that because they are farmers, and good farmers at that. Much criticism can be made. As far as agricultural workers are concerned, this is not heaven. We

all know that. It is not perfect. However, many things will have to be perfected in the future.

Within the past couple of years national marketing legislation has been passed by the House of Commons. Our unions, which are so important for the development of Canada, can get people together to work as a team. The United Automobile Workers have been able to get what they regard as reasonable pay for the work they do. The workers at International Nickel have a union. But the farmers have not been united. This is because they have not had legislation that would allow them to unite across Canada. However, the national marketing legislation which was passed last year after much controversy and criticism from people not on the government side of the House will be a good thing for the agricultural future of Canada. I would be the first to admit it has not had a substantial effect up to the moment, but these improvements do not happen in a year or so. As a result of that legislation we have the national egg marketing plan. That was set up as a result of the passage of Bill C-176. It has had a dramatic effect on the returns of egg marketing plan producers. No one can deny that.

With regard to stability, we do not only need stability as far as hogs, tomatoes and vegetables are concerned. We need stability as far as our cattle products are concerned. Incidentally, sales of our beef products produce more revenue than wheat, which might surprise some people. I hope that when the cattlemen come to Ottawa tomorrow to meet government officials, they will be able to sell this government, my government, the idea that for a certain short period of time this particular industry needs help.

The outlook for farmers in Canada, in my opinion, if agriculture is properly handled by national farm marketing agencies and sympathetic government—I include not only the federal government but all provincial governments—is bright. Let us not forget that the agricultural industry of Canada is divided into many different segments. For example, the province of Quebec is responsible for the goods produced and sold in that province and for those which come from the province and are sold in other parts of Canada. The Department of Agriculture looks after foreign sales, and I would say the prospects for foreign sales have never been better.

Much criticism is made by our friends opposite who doubtless are sincere in their criticism. They say that the Prime Minister (Mr. Trudeau) has not done this, or he has done too much of that. But one thing they cannot say is that he is not friendly with many world powers. I think one of the greatest things in years to come will be that our present Prime Minister will go down in history for his friendliness with the great nation of China which has one-quarter of the world's population. Future trading opportunities with this huge nation are absolutely unlimited; and their people have to eat, too. The same can be said about domestic farm development and our trade with our American friends, and so on.

I have one other point. I mention, this, not because the gentleman concerned is a particular friend of mine but because he is a friend of many people in this House. As you know, Mr. Speaker, there has been much criticism of food prices in the last several weeks. A very substantial pamphlet known as the Pringle report, dealing with the dissemination of information regarding complexities relating to cost factors from farm input to the dining table, has been published. I wish that all people in Canada had the opportunity to read this report. It shows that farmers have many things against them, that in order to provide good food to the people of Canada they have to spend a great deal of money.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I suggest there is ample evidence of the government's lack of leadership in agricultural policy matters, both in the short term and in long term planning for the future of Canadian agriculture. For this reason I am very pleased to take part in this debate. I wish to comment quite specifically about a very short term, indeed emergency, situation in our Canadian cattle industry, and if time permits I should like to discuss a most important long term item pertaining to beef production in Canada.

Recently there has been considerable discussion, even disagreement, between beef producers over the amount of protection, if any, which our Canadian beef industry needs from the fluctuations in United States markets that occur from time to time. The Minister of Agriculture (Mr. Whelan) is well aware of these points of view. Yesterday I was privileged to attend the mid-term directors' meeting in Regina of the Canadian Cattlemen's Association, and this item, specifically as it relates to the currently excessive United States fat cattle imports, was the burning issue. Let us look at the problem. The Canadian beef industry is geared almost entirely to supplying beef for our domestic market. Because of the close economic ties between ourselves and the United States, the historic development of our industries and the very similar economic forces operating in these two industries, it has always been an accepted principle that Canadian and United States beef markets are, and should remain, closely related.

• (2210)

The advantages of this have been threefold, I suggest. First, the American market has in the past been far less volatile than ours and has thus formed a stabilizing factor in our market. Until recently the United States market was the largest deficit market in the world, and it was also the highest priced market in the world. Because of our close price relationship, the Canadian industry has been forced to stay, you might say, on its toes to remain competitive. These three factors have been very real.

However, over the past year there were a number of new factors which have changed things, and new forces have been introduced. These are noteworthy. First, the American market has become extremely unstable because of forces that are not operating in Canada and over which we have no control. The direction of United States industry in the short term is being determined more and more by political rather than by economic forces. The United States market is presently not the force it was in the world pricing system and it is certainly not the high priced market. However, this situation may well change if their dollar and our dollar change in value.

There is considerable evidence that the recent close ties between our pricing system and that of the United States has created an unstable situation that is not conducive to

the long-term interests of our Canadian industry. In basic terms, we do not want to confuse the maintenance of a free and competitive market for our product with the idea that we can only do so if we retain a close relationship with the United States.

I suggest that if rigid controls are implemented in the United States, as they were this year, then any idea that our market is operating freely is surely naïve. It cannot be argued that the way to maintain a viable open market system in Canada is to tie ourselves to a pricing system in the United States that is under government control. Our two industries certainly respond to similar economic stimuli and in similar fashion; there is no doubt about that. However, it must be clearly recognized that this is only true where the same rules are applied in both games.

Finally, because of its size the United States industry is capable of draining or swamping our market without any appreciable influence on their price structure. I would suggest that the time has come to reassess our policies with regard to the relationship between the United States and Canadian cattle price levels. If, as cattlemen, we do not do so, there is no doubt that the government will do it for us.

We have three basic alternative directions in which we can move in our industry today. The first is to gradually move our whole industry away from the United States price base. This would not only appear impossible but also undesirable if we accept the fact that the United States is likely to remain the most important producer and consumer of beef over the next decade at least. The second alternative is to press for complete integration of our industry with that of the United States, and I mean the reciprocal removal of all tariffs and quotas on movements of beef, fat and feeder cattle. Because of the factor mentioned, that is, government controls, I would suggest that not only would this be difficult to achieve but may also be foolish as far as Canadian producers are concerned.

The third alternative is to press the government to adopt a policy which will allow us to improve our competitiveness with the United States, which basically means a free market between ourselves and the United States. It also embodies the ability of Canada to protect our industry from market aberrations where those aberrations are due to political rather than economic forces. This may well have to be done by some form of agreement between our two countries.

Let us examine the impact of this United States government involvement in the Canadian cattle industry today. Since the Canadian export controls, or the permit system as the minister referred to it this afternoon, were imposed in mid-summer we have come full circle and are now witnessing the heaviest concentration of fat cattle and beef imports in Canadian history. In September, imports of live fat cattle totalled 40,369 head, compared to 763 head in 1972. For the week ending October 5, imports amounted to 13,378 head. For the week ending October 12, they amounted to 18,385 head. For the week ending October 19, they amounted to 20,401 head. The estimated imports for the week ending October 26 are a further 15,000 head. The estimated figure, up to tonight, for this week is 8,700 coming into Ontario and 2,000 coming into western Canada; and there is still another day to go to round out the week.

[Mr. Hargrave.]

October total imports were 77,864 head. We might compare this figure with the figure of 64,000 head which represents the total for the whole of 1972. Our total imports for the year, to date, are 142,099 head. During September and October we received 120,000 head of this total. This has shown up very vividly on the Toronto market in the last two weeks. The Toronto market yesterday and today dropped in price between $1.50 and $2 on fed steers. Ontario is receiving the major impact of these imports of cattle, all of which are grossly overfat even by United States prime standards. Loads have been imported with animals weighing from 1,600 to 1,800 pounds. These were purchased by our packers in the United States for as low as $28. Today's Toronto price for Canadian-fed steers was around $42.50 to $44.50.

There have been very limited Ontario deliveries, with equally limited buyer activity, to the Toronto fat cattle market these past few days. There are ample reports of extreme difficulty in getting packers to bid on our Canadian finished fat cattle of more desirable grades. All of this is now giving rise to a distinct possibility of a holdback of Ontario fat cattle, which can only lead to further overfat cattle in Canada.

Last October 16 the minister met with a delegation of the Canadian Cattlemen's Association. That delegation told the minister that with conditions as they then appeared to be—I emphasize that—cattlemen preferred to ride it out without government controls. However, as I have just outlined, conditions have indeed changed drastically to the serious detriment of the Canadian, and especially the Ontario beef industry. A little over a week ago the Canadian Cattlemen's Association recommended an immediate temporary surcharge of three cents a pound live, and six cents a pound dressed, on United States imports. Yesterday, in Regina, the full directorate of the Canadian Cattlemen's Association from every region of Canada unanimously approved this action of their executive. As I indicated earlier, there were some cattlemen, especially from the west, who had some misgivings about this approach to the serious situation. I have to admit that I was one of them.

• (2220)

Now, however, after weighing all the pertinent facts which I have just outlined to hon. members, I say to the Minister of Agriculture, "You moved very quickly in applying export controls last August. Will you now give serious consideration to the cattlemen you will meet tomorrow and to their request for an immediate import surcharge?" I must remind all members of the House of the very serious, four-pronged dilemma facing Canada's cattle industry today. First, feeder calves are presently selling in western Canada for $65 to as high as $80. Second, domestic feed barley for feeders who will buy those calves or who have already bought them, ranges from $2.10 to $2.25 a bushel in western Canada. Third, the present fat cattle market is at about $45. If you put those three points of dilemma together, there is no way in which you can come out with a profit. The fat cattle price will have to jump by at least $10.

The fourth point is perhaps the most important. It is the uncertainty and unrest in our marketplace due to the U.S. imports which are coming into Canada now. The most serious consequence of this dilemma is the distinct probability of a reduced incentive to remain in the cattle business all over Canada, with the inevitable result of a reduced number of cattle and higher price for beef at the consumer level. There is another specific item that is at present working to the disadvantage of the cattle industry. I refer to the application of beef tariff drawbacks as this device presently operates with respect to different types and grades of beef being exported from and imported into Canada. Producer cattlemen will be asking appropriate government departments to examine the fairness of these tariff drawbacks.

Before I conclude, I would like to refer to one longer term aspect of the agricultural policy that presently concerns cattlemen.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him by the order made earlier today has expired.

[*Translation*]

Mr. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I note that I have barely five minutes left and I had not foreseen that I would be the one to draw conclusions and/close this debate. However, I could say that we had today the opportunity to talk about agriculture. For several weeks, not to say several months, we had not had the opportunity, in this House, to have a lengthy debate on that industry, which I deem essential to our food security.

One will understand that it is rather difficult to cover in a few minutes a topic as huge and as complex as agriculture; one can certainly not make an analysis of it during such a short time.

I should like at most, Mr. Speaker, to point out to the House, as I have been here for the last eight years, that not a single week not even a single day went by without acrimonious debates on agriculture in this House, either during the oral question period or on the introduction of budgets or government bills.

Mr. Speaker, until a year ago or so, we had debates on agriculture, either on wet grain on account of a bad crop during the fall of a certain year, or on a lack of cars. Prices were too low or we could not export and had to accumulate big stocks. And I could go on indefinitely with the topics and complaints that were raised in this House.

However, today, Mr. Speaker, if one goes back over a year ago one realizes that in that period of one year the subject of agriculture was barely touched on in this House. Why? Because agriculture in Canada in that last year improved notably, as did the plight of farmers. That is why members of the opposition who admit that put an end to the criticism they were directing at the government, often rightly so.

The motion we are discussing today and introduced by the hon. member for Crowfoot (Mr. Horner) whom we all know well because of his many interventions in this House, is proof of the fact I just mentioned, namely that agriculture is doing well, not perfectly well—I say so immediately—but much better than it ever did. Indeed, the wording of this motion before us today is the best proof of that. It is so general that one could almost talk about the weather.

The hon. member for Crowfoot (Mr. Horner) did not find one specific point on which to attack the government with respect to agricultural measures. At best he talked about the new feed grain policy. I would like to touch on that point in a few moments and support the Minister of Justice in charge of the Canadian Wheat Board (Mr. Lang) who said among other things that the aim of that measure was fairness.

We from the east, no more than the farmers of British Columbia, have never asked or expected a lower price for feed grain if it meant losses for the Prairies.

We are responsible as Canadians, especially as farmers. In the east we are fully conscious of the interests of western farmers, because we are all dependent on one another in a single Canadian economy. We wish once again to say in this House that our sole objective is equity, fairness and equal opportunity for all.

On that basis, we are ready to support any valid proposal to establish that equity. I see that the time allotted to me will soon be expired. All is not perfect and I am the first to admit it. Indeed, I am concerned by the lack of supplies which we now face. I am also concerned by increases in the cost of living and in agricultural production costs.

But I must admit, Mr. Speaker, that all these are not the fault of the farmers themselves. It is not their fault if we encounter these difficulties. Farmers have done their share and it is up to us as Canadians and as members to continue our support of agriculture.

I will conclude my remarks by paying a well-deserved tribute to our two excellent ministers responsible for agriculture in Canada. As Canadians, we must continue our support so that they can do more, if possible.

[*English*]

Mr. Deputy Speaker: It being 10.30 o'clock p.m., it is my duty to inform the House that pursuant to the order made earlier this day, proceedings on the motion have expired. **Accordingly, this House stands adjourned until eleven o'clock a.m. tomorrow.**

At 10.31 p.m. the House adjourned, without question put, pursuant to special order made this day.

HOUSE OF COMMONS

Friday, November 2, 1973

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

TABLING OF DOCUMENT OUTLINING POSITION TO BE TAKEN BY CANADA AT LAW OF THE SEA CONFERENCE—REFERENCE TO COMMITTEE

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, as previously agreed I am pleased to table in English and French a document outlining the government's position for the third United Nations Conference on the Law of the Sea.

I would also like to have the unanimous consent from the House to have this document, as previously mentioned by the Secretary of State for External Affairs, referred to the Standing Committee on External Affairs and National Defence.

Mr. Speaker: Mr. Davis, seconded by Mr. MacEachen, moves that the background document on the issues involved in the forthcoming conference on the Law of the Sea be referred to the Standing Committee on External Affairs and National Defence.

Motion agreed to.

* * *

AGRICULTURE

ANNOUNCEMENT OF IMPOSITION OF TEMPORARY SURTAX ON IMPORTS OF LIVE CATTLE AND DRESSED BEEF

Hon. John N. Turner (Minister of Finance): Mr. Speaker, members should be aware that the government has today imposed a temporary surtax on imports of live cattle and dressed beef in accordance with section 8 of the Customs Tariff.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): The surtax will be levied at a rate of three cents a pound on live cattle and six cents a pound on fresh dressed beef. This measure has been put in place to stabilize the Canadian market for beef and cattle which in recent weeks has been disrupted by an unusually large volume of imports. The government is concerned that without such a measure Canadian beef producers will not have sufficient assurance of market stability to produce the volume of beef required to meet Canadian demand. Adequate levels of Canadian production will minimize the likelihood of significant price increases during the coming year.

[*Translation*]

Steps have been taken to advise U.S. authorities of this action. They have been told that it is required to offset the disruption of the North American market largely brought on by the effects of measures taken earlier this year by the U.S. to regulate prices of beef and exports of cattle feed.

[*English*]

The surtax is a temporary measure. We expect that North American trade in beef and cattle will return to traditional levels before long. The decision to impose a surtax will therefore be reviewed in 30 days.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I should like, first of all, to extend my appreciation to the minister for sending me a copy of the announcement, although I have only just received it.

I assure the minister and the Minister of Agriculture that the announcement was expected. In view of my remarks last night in the special debate on agriculture I must say that the announcement of the surtax will be welcomed by the beef cattle industry in Canada. In addition, I commend the two ministers for having made it on a Friday and not a Monday. I have in mind, of course, that when export controls were announced earlier they were announced at the beginning of the week, and it really did cause havoc. I have to say that the government does learn from experience in this regard.

● (1110)

Some hon. Members: Oh, oh!

Mr. Hargrave: I suggest that this is an instance where the representations of a Canadian industry, the Canadian cattle industry, through their organization, the Canadian Cattlemen's Association, have indeed been heard, and I am sure that the cattlemen appreciate this.

I realize that it was a difficult decision not only for the government and its various departments but also for the cattlemen themselves. Until two weeks ago there was a clear division in the cattle industry on this issue. Cattlemen in western Canada felt that we should ride out the situation, that it would correct itself and no action should be taken. But in the two weeks that have elapsed since that time great havoc has occurred in the marketing system in Canada because of, let us say, the errors of another government which has involved itself in a basic agricultural commodity. This resulted in great disruption, and I am sure the action that was taken today was very necessary.

I suggest there was clear and sufficient evidence of the impact of these heavy imports of overfat cattle coming into Canada as long as two weeks ago for action to have

been taken then. Indeed, it should have been taken two weeks ago today.

Some hon. Members: Hear, hear!

Mr. Hargrave: I point out that the three cents a pound surcharge on live cattle or six cents on dressed meat coming into Canada will not mean an increase to the consumer. It should not be taken for granted that there will be an automatic increase. What we can expect to happen is that the supply of fat cattle in Ontario especially but all across Canada will become more current. There has been a holdback reaching serious proportions. In Ontario especially we were getting an oversupply of fat cattle, and this announcement will at least indicate to the producers and feeders in Canada that some action has been taken to correct the situation. Producers will bring their cattle out of the feed lots to the market in an orderly fashion I hope, and market conditions should level out.

In no way do I see an indication of a price rise at the consumer level. I point out to the House, however, that the substantial price drops to the feeder and producer in Canada have not yet been passed on to the consumer through the retail stores, and this is where further action by the government is surely indicated.

Some hon. Members: Hear, hear!

Mr. Hargrave: In summary, may I say that I think the cattle industry appreciates the action taken today even though it is two weeks late, that it will indeed cause the situation to level out, and that in my opinion it will not raise the price of beef at the retail level.

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, it is rather a pleasure to be able to rise and speak about a slightly different aspect of the cattle industry than Bangs disease with which I have been associated lately, as the hon. member for Oshawa-Whitby (Mr. Broadbent) tells me. I believe that this action by the Minister of Finance is timely because I have reports from my home province of Saskatchewan that approximately 15,000 to 20,000 head of American cattle have moved into the southern part of my province and something had to be done about this matter.

I believe that the surtax will be important in the long run to the consumers because we must protect the beef producers whose costs of production have been escalating and we must maintain a viable beef industry in order to protect the interests of the consumers. If too many farmers give up beef production, in the long run the cost of beef to consumers will skyrocket out of the reach of most consumers. This step has to be taken to ensure a continuing Canadian source of supply.

I also wish to point out that this action by the government in a sense is a result of or was caused by American price controls imposed several months earlier, as a consequence of which American beef producers held their beef back from market. The U.S. price controls have now been eliminated. United States producers have a surplus of beef and they are trying to flood the Canadian market with it.

The minister says that the surtax is temporary. I hope Washington does not pressure the government to remove it earlier than the 30 days stipulated. I can assure the minister that our party will be watching closely to see if the surtax deserves reviewing and renewal. We will be doing this because we have to protect the interests of both the consumers and the producers.

Once again, Mr. Speaker, our party maintains it is time that we in this country started to stabilize farm products by establishing floor prices which are associated closely with the costs of production. If measures of that kind had been taken a number of years ago, many of the problems now emerging would probably not have developed.

It is time that our agricultural industry got away from its boom and bust cycles. We are at present in a boom cycle, but I just wonder when the bust is going to start appearing. Now is the time to start thinking in terms of passing legislation that will give the farmer an adequate return based on his cost of production so that we can have a steady supply of agricultural products both for our own people and for export purposes.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, we are pleased with the statement of the Minister of Finance (Mr. Turner). However, I should like to take this opportunity to make a few rectifications.

Mr. Speaker, in a country such as ours where we can produce all we need in this field, it is obviously unthinkable to purchase foreign products. It is as if we did not know where calves come from. If this were the case, we would only have to ask a bull.

I therefore think, Mr. Speaker, that the government has not taken sufficient action and that it should decide not to accept on the Canadian market any product which can easily be made here. This is especially obvious in view of the situation in the province of Quebec, where farms are abandoned, where the number of farmers has been reduced by half during the past few years, and where there are many farms which could be used to produce cattle, and especially beef. It is unthinkable that we should refuse to help Canadian farmers to increase their production if need be. It is therefore stupid to import a commodity which is plentiful in Canada when we could be helping not only the present producers, but also farmers who wish to remain in agriculture, and at the same time reduce unemployment.

* * *

● (1120)

EXTERNAL AFFAIRS

TABLING OF REPORT OF UNITED NATIONS SECRETARY GENERAL TO SECURITY COUNCIL ON ARAB-ISRAELI CONFLICT, AND TWO NOTES

Mr. Pierre De Bané (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, on behalf of the Secretary of State for External Affairs, I would like to table, in both official languages, the report of the United Nations Secretary General to the Security Council, contained in document S 110 52, dated October 26, as well as two notes from the Secretary General of the United Nations.

[*English*]

PROTEST AGAINST FLOODING OF SKAGIT RIVER VALLEY BY PROPOSED HIGHER DAM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, pursuant to Standing Order 43 I rise to propose a motion of pressing and urgent necessity arising from the refusal of the city of Seattle in the state of Washington to cancel the proposed plan to raise the height of the Ross dam on the American Skagit River which will cause the flooding of the upstream Canadian Skagit River valley contrary to the protest against such flooding delivered by the government of Canada to the Seattle city council on March 31, 1972.

Recognizing the contribution of the hon. member for Kamloops-Cariboo (Mr. Marchand) who generously offered to join with others in seconding this motion, with unanimous consent I therefore move, seconded by the hon. member for Fraser Valley West (Mr. Rose):

That the House of Commons of Canada is unalterably and unanimously opposed to the flooding of the Canadian Skagit River valley which will result from the proposed city of Seattle project to raise the height of the present Ross dam situated in the state of Washington and downstream from the Canada-United States border; and

That this House further resolves that the government of Canada deliver the text of this resolution forthwith to the government of the United States of America, the government of the state of Washington, and the council of the city of Seattle.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member's motion is proposed under the terms of Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: Is there unanimity?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

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FINANCE

STEPS TO PREVENT EXCESSIVE PROFITS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I ask leave of the House under the provisions of Standing Order 43 to move, seconded by the hon. member for Scarborough West (Mr. Harney):

That the Minister of Finance make a statement on motions indicating what steps the government plans to introduce to prevent excessive profits being made.

Mr. Speaker: This motion also requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

* * *

ENERGY

OIL EXPLORATION AND DEVELOPMENT IN EASTERN CANADA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I also rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. It has to do with the energy crisis which is particularly acute in its effects on eastern Canada.

In view of the extreme dependence of eastern Canada on foreign suppliers for our oil requirements and the desirability of developing our own offshore production capabilities, and in view of the reported detrimental effects on exploration and development projects by major oil companies caused by the jurisdictional disputes between federal and provincial governments, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the Minister of Energy, Mines and Resources meet immediately with the appropriate provincial ministers to resolve, once and for all, these jurisdictional disputes and procedural impediments which this nation as a whole can no longer afford.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

ORAL QUESTION PERIOD

[*English*]

ENERGY

CONSERVATION PROGRAM WITHIN GOVERNMENT DEPARTMENTS AND AGENCIES—DIPLOMATIC EFFORTS TO AVOID POSSIBLE INTERRUPTION OF SUPPLIES FROM MIDDLE EAST

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct a question to the Prime Minister. In view of the statement of the Minister of Energy, Mines and Resources last evening and the concern he expressed about security of supply and the importance of conservation, and in view of his failure to indicate any measures that the government is taking within its own organization to conserve energy, can the Prime Minister

tell the House which minister has been placed in charge of an energy conservation program for federal departments and agencies, what authority has been given to that minister, and what machinery has been set up to carry through this program?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as I indicated in a reply to the House three days ago, I think, this matter is very much before the government's mind. It has been discussed in cabinet. We have apportioned the responsibilities about which the Leader of the Opposition inquires among several ministers. They involve legal aspects which are being worked on, communications aspects which are being worked on and involve, of course, the Minister of Energy, Mines and Resources.

Mr. Stanfield: I gather from the Prime Minister's answer that nothing has been done yet except that the matter is being discussed within the federal government. In view of the concern expressed by the minister last night about the probability of some interruption in supplies of oil from the Middle East, has the Prime Minister set afoot any special diplomatic effort to deal with these threatened interruptions and to attempt to prevent their occurrence? Has the Prime Minister instructed any particular effort to be made or has he personally set afoot any effort on his own behalf?

Mr. Trudeau: Mr. Speaker, with regard to the assumption that preceded the question, I must inform the Leader of the Opposition that he is quite correct in saying that nothing has been done in the sense that no rationing has yet been imposed. However, when the Leader of the Opposition indicates that discussions are merely taking place I must say, of course, that this work is not just being talked about. I indicated that various ministers are involved in the kind of planning that it would be necessary to implement. The Leader of the Opposition is right; nothing has been announced that he may have missed.

To the second part of the question the answer is yes. Diplomatic initiatives have been taken. The Secretary of State for External Affairs has met with the various Arab ambassadors. He is, indeed, meeting today at the United Nations with certain important delegates from Arab countries, in order to ascertain their position on this and other matters.

Mr. Stanfield: Of course I look forward to the usual full and lucid exposition from the Secretary of State for External Affairs when he returns from the United Nations.

PRICE OF CANADIAN CRUDE OIL DELIVERED TO QUEBEC AND ATLANTIC PROVINCES

Hon. Robert L. Stanfield (Leader of the Opposition): My further supplementary question is directed to the Minister of Energy, Mines and Resources with regard to security of supplies in the Atlantic provinces and Quebec. May I ask the minister whether, in terms of the pricing policy of any Canadian crude delivered to the Quebec or Atlantic provinces markets, the minister intends to see to it that the price of that crude shall be the frozen price, the price fixed for Ontario and western Canada, or does he intend that any oil delivered to the Montreal market and the Atlantic provinces from Canadian sources should be at the same price as offshore oil coming into those areas, in order to provide some incentive to Canadian producers to do all they can to move oil into those areas?

[Mr. Stanfield.]

● (1130)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, from contacts with the industry our feeling is that the industry does not require any incentive in this regard. They hope to move up to a level of about 55,000 barrels a day in the month of November and perhaps even to go above that if appropriate tanker arrangements can be made. With regard to the impact of Canadian source oil going into the Montreal market, we expect that to go into the cost base of the Montreal refiners in accordance with the discussions with the refiners on the basis of which we reached a conclusion of what their actual cost increase has been. We would expect this to help to offset any cost increases from abroad. Obviously the lower price will not offset any accrued prices coming from abroad in a substantial way because of the very much greater volume coming from overseas.

GOVERNMENT INTENTION RESPECTING ESTABLISHMENT OF NATIONAL PETROLEUM CORPORATION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. In view of the fact the minister's policy statement last night did not do anything to ensure either continuity of supply or price protection for consumers who live in eastern Canada, does the government have any intention of establishing a national petroleum corporation somewhat along the lines envisaged by the recommendation of his own department to the cabinet last April, or has this concept of a marketing mechanism been completely abandoned by the government?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have to take exception to the hon. member's preamble. I remind him that the price protection consumers have in the eastern market is that the prices have only been increased by the amount of provable cost and that the prices there are still under that freeze, although on a different level from that west of the Ottawa Valley line. With regard to continuity of supply, the sheer fact is that unless there is a possibility of price increases to the refiners east of the Ottawa Valley line, there really will be a cutoff of supplies to the Canadian market. With regard to a national petroleum corporation, that concept is before the government. However, I do not see it as a solution to the interim problem which is a problem arising from the interruption of supply coming from the Arab world and, of course, the fact that there have been dramatic price increases by foreign governments in the very recent past.

Mr. Douglas: Does the minister's statement imply that the government is opposed to the principle of a national marketing mechanism which would purchase oil, both offshore and domestic, enter into a pooling arrangement

and standardize prices for all Canadians, the only differential being in the handling and transportation costs?

Mr. Macdonald (Rosedale): No, Mr. Speaker. I would not have the hon. member try to read between the lines. The government has not taken a decision on the question of a national petroleum corporation or, indeed, on a marketing mechanism. These are questions that are before the government. I can say to the hon. member there has been no decision taken on this point, either for or against.

REASON FOR INCREASE IN HOME HEATING OIL PRICE WEST OF OTTAWA VALLEY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I agree with the minister the government has not taken any decision. That is what is disturbing me. In view of the minister's statement last night that the price of home heating oil will be allowed to rise west of the Ottawa Valley, what is the rationale for that since, particularly in British Columbia and the Prairies, there is no possibility of these supplies of fuel oil moving into the eastern market?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): As I mentioned in my statement last night, a very substantial part of the Ontario supply of home heating oil has been imported from overseas refineries. We have been advised by the industry, particularly some of the independents who do not have refinery connections in Canada, that but for the opportunity to pass on the additional costs it simply would not be possible for them to bring in additional supplies for this winter. Therefore we put it on the basis that with regard to incremental supplies they may wish to bring in from now on, if they can establish to our satisfaction what the necessary cost is to purchase the quantity abroad they should be entitled to pass it on to the consumer. The rationale, of course, is that, as between the question of price and supply, obviously supply is pre-eminent.

[*Translation*]

POSITION OF PROPOSED NATURAL GAS PIPELINE FROM ARCTIC ISLANDS TO SERVE EASTERN CANADA

Mr. Gérard Laprise (Abitibi): I have a supplementary question, Mr. Speaker.

Still on the subject of energy, I ask the hon. Minister of Energy, Mines and Resources whether there will soon be developments regarding the construction of a gas pipeline from Melville and King Christian islands to supply eastern Canada.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, several Canadian companies now have a study group on the feasibility of such a gas pipeline. We should know the results in about a year and I really cannot see how this pipeline could be built soon.

[*English*]

AUTHORITY OF GOVERNMENT TO ENFORCE PETROLEUM PRICE FREEZE AND PRICE INDEXING

Mr. Don Blenkarn (Peel South): Mr. Speaker, I wish to direct my question to the Prime Minister. Are the Prime Minister and the cabinet satisfied the government has the authority, without special empowering legislation, to enforce the petroleum price freeze and the price indexing program, as suggested last night?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member is really asking me a question of law. If I understood him correctly, my simple answer is that the members of his own party have been advocating a price freeze across the board, so I cannot see the worry of the hon. member.

Mr. Blenkarn: Last night the Minister of Energy, Mines and Resources made some nasty comments about Gulf Canada. Under what law is the government going to discipline Gulf Canada and other oil companies that do not comply with the price freeze?

Mr. Speaker: Order, please.

SUGGESTED REDUCTION OF FEDERAL TAX ON DIESEL FUEL AND GASOLINE TO EASE BURDEN ON CONSUMERS IN EASTERN PROVINCES

Mr. James A. McGrath (St. John's East): Mr. Speaker, my supplementary question is for the Minister of Finance. I hope the minister will be allowed to reply. In view of the fact the federal government collects a 12 per cent tax on diesel fuel and gasoline, will the government consider reducing or abating this tax in order to offset the inflationary aspects of the announcement by the Minister of Energy, Mines and Resources and ease the burden on Canadian consumers in the five eastern provinces?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we would, of course, want to review the whole question of the federal sales tax on gasoline, but I would think the preponderant tax on gasoline is a matter about which he ought to talk to his provincial premier.

Mr. McGrath: The minister, next to the Canadian consumer, seems to be the real loser in this whole affair. In view of the fact the five provincial governments, because of difficulties in trying to meet their budgetary requirements, are not able to reduce their tax on gasoline, and in view of the fact the federal government has budgeted for a surplus, may I ask the minister whether the same spirit that permitted him to reduce tariffs on some petroleum products coming into Canada will now permit him to reduce substantially or abate the 12 per cent sales tax on gasoline and diesel fuels?

I rise on a point of order, Mr. Speaker. The Minister of Finance is responsible for monetary and fiscal policy and supposedly responsible for the government's war against inflation. I think the House and the consumers of eastern Canada are entitled to an answer.

• (1140)

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): In analysing the impact of any tax on the consumers I also have to analyse the impact of, say, lowering the sales tax and having to find revenue in some other quarter, which might adversely affect the consumer in another way.

Mr. Baldwin: Coca-Cola rather than gasoline.

OIL EXPORT TAX—CONSULTATION WITH ALBERTA—DISPOSITION OF PROCEEDS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I have a question with regard to the export tax of $1.90 a barrel on western crude that the Minister of Energy, Mines and Resources has proposed. Has he held consultations with the government of Alberta on this matter, has he received the approval of the government of Alberta and, further, where does he contemplate that the revenue from this tax will go?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I have answered these questions several times. I have discussed the tax on several different occasions with the Alberta ministers.

An hon. Member: What is the answer to this one?

Mr. Macdonald (Rosedale): The answer is that the government of Alberta regards the tax as illegal and immoral but wants, above all, to have the money.

Mr. Yewchuk: I ask the minister where he thinks this export tax should go. I already know Alberta's position. What is his position?

Mr. Macdonald (Rosedale): I have said many times that we are prepared to make up to the province the revenue it would have received had it sold these products at higher prices in Canada. But the balance, we think, should be invested in research and other projects for the purpose of developing energy resources in Canada.

Some hon. Members: Hear, hear!

* * *

CORPORATE AFFAIRS

POSSIBILITY OF EXCESS PROFITS TAX IN LIGHT OF LEVEL OF CORPORATE PROFITS

Mr. David Lewis (York South): Mr. Speaker, I want to pose a question or two to the Minister of Finance arising out of a report in this morning's press that corporate profits for the third quarter of 1973 have gone up by 57.7 per cent and, for the first nine months, by 46.9 per cent, a very substantial increase taking into account the fact that profits had already increased substantially in 1972. Is the Minister of Finance considering legislation having to do with some form of excess profits tax or some other way of bringing at least part of these profits back to the public treasury for the benefit of the Canadian people?

Hon. John N. Turner (Minister of Finance): When making comparisons the hon. gentleman would, of course, have to take into account that profits this year, while

healthy, are recovering from lower levels in 1970, 1971 and 1972.

Mr. Lewis: Not 1972.

Mr. Turner (Ottawa-Carleton): I would expect a good deal of that profit picture to be reflected, as I believe it is being reflected, in heavy capital investment, fulfilling investment intentions which I described to one of the hon. member's colleagues as showing an increase of 19 per cent over last year.

SUGGESTED ABSORPTION BY REFINERIES OF PART OF INCREASED PRICE OF CRUDE OIL IN LIGHT OF PROFITS

Mr. David Lewis (York South): Mr. Speaker, in the same area I should like to pose a question to the Minister of Energy, Mines and Resources. Has he studied the profit figures of the oil companies? If he has, he will have noticed that the oil refineries of Canada increased their profits by 68.2 per cent in the third quarter of 1973 compared with the same quarter of 1972, and by 37.9 per cent in the first nine months of this year compared with the first nine months of last year, which was a very healthy year despite what the Minister of Finance has just said. In view of these profit figures, ought not the minister and the government to insist that the refineries absorb a portion of the increased price of crude oil, especially since they are part of the same multinational corporations which are charging more in Venezuela and in Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): That is in fact what they have been doing in the last several months. I would agree with the hon. gentleman that the profit picture is such that they can well afford to give the consumer this kind of relief for a period of months.

CORPORATE PROFITS—SUGGESTION THAT FOOD PRICES REVIEW BOARD BE EMPOWERED TO ROLL BACK PRICES

Mr. David Lewis (York South): In the same area, Mr. Speaker, I should like to address a question to the Prime Minister. On a number of occasions the Prime Minister has indicated to the House that if there should be any evidence of gouging of the consumers the government would be prepared to take action. I wonder whether the Prime Minister has studied the profit picture to which I have referred? If so, he will have found that Silverwood Dairies increased its profits by 87 per cent on an increase in sales amounting to only about 10 per cent, and that Maple Leaf Mills increased its profits by 147 per cent—

Some hon. Members: Question!

Mr. Speaker: Order, please. The hon. gentleman should ask his question. It seems to me he is giving rather than seeking information. I am sure the hon. member wishes to co-operate with the Chair by taking this into account.

Mr. Lewis: I do, certainly, but I cannot help but notice how anxious the Conservative Party is that these figures should not be on the record.

Mr. Lambert (Edmonton West): You are hogging the floor.

Mr. Lewis: I have indicated sufficient about these two companies to make my point. I would therefore ask the Prime Minister whether this clear evidence of excessive profits by food processing industries, which is a form of gouging of consumers, has convinced him and the government that greater power should be given to the Food Prices Review Board so that it can roll back some prices on the basis of such profits?

Right Hon. P. E. Trudeau (Prime Minister): If the hon. member will refer to my statements of August and September, he will find they were to the effect that the government would indeed be prepared to take action if reports were received from the Prices Review Board that they had looked into such cases, discussed them with management and the entrepreneurs involved, and that these people had refused to take the action that we thought was necessary for the welfare of Canadians. Then we would intervene. I have no knowledge of the particular cases to which the hon. member has referred, but I suggest he place them before the Prices Review Board if he has not already done so.

As to the effectiveness of government action, I refer the hon. member to the previous series of questions and answers. We did ensure that the prices of petroleum products would be frozen. This was indicated in my statement of September 4, and it is as a result of the government's action that the companies did agree to absorb the price increases rather than pass them on.

* * *

ENERGY

INQUIRY AS TO ASSISTANCE TO PEOPLE ON FIXED INCOMES IN ATLANTIC PROVINCES AND QUEBEC TO OFFSET INCREASED HEATING FUEL COST

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my supplementary is directed to the Minister of Finance on behalf of the people of eastern Canada, especially those on fixed incomes amounting to $80 or $100 a week who are trying to raise families and heat their homes. In view of the fact the hon. gentleman has rejected the idea that any special arrangements be made in respect of kerosene and stove oil, the fuels mainly used by people on low incomes, and since he has rejected any move to give back part of the billion dollars he collects from gasoline and fuel taxes, does he intend to offer people on fixed and low incomes in the Atlantic and Quebec areas any help in offsetting the increase in the cost of fuel?

Hon. John N. Turner (Minister of Finance): We have increased the disposable income of all Canadians, including eastern Canadians, by 6 per cent after discounting taxes and the rise in the cost of living. As far as the Atlantic provinces are concerned, the last budget resulted in the transfer of another $200 million to the seven provinces receiving equalization payments, including the four Atlantic provinces, which, if those provinces were so disposed, could be passed back to the local ratepayers.

Mr. Speaker: Order, please. Hon. members will appreciate that we have spent the question period up to this point largely on one very important matter. Perhaps we should attempt to move now to another subject.

Some hon. Members: No!

Mr. Speaker: Well, that is a decision for the Chair, of course. For the moment the Chair will recognize the hon. member for Gander-Twillingate on his supplementary and then pass to the hon. member for Vaudreuil.

Mr. Lundrigan: Obviously the minister assumes that everyone in those provinces has a low form of intelligence—

Some hon. Members: Question!

Mr. Lundrigan: —and cannot understand his answers to question. The question I asked had nothing to do with what the minister talked about last spring, and nothing to do with transfer payments or equalization payments. He knows full well that those things have nothing to do with this immediate problem. I asked him to recognize the plight of the people faced with this immediate problem, which is only a matter of weeks old, and to offer some kind of indication—

● (1150)

Mr. Speaker: Order, please. It seems to me the hon. member is repeating the question he asked a moment ago, and perhaps at this point is putting it in the form of a representation. Perhaps hon. members might allow the minister to reply briefly so the Chair can recognize the next questioner.

Mr. Lundrigan: Mr. Speaker, I had not completed my question, but the fact of the matter is that if the minister is not going to answer the questions we pose and is going to bring forward deleterious arguments and information which in no way are related to the question—

Mr. Speaker: Order, please. That is of course, an argument the hon. member is putting forth at this time and what I suggested was an argument of representation rather than a question. However, in recognition of the importance of the matter I certainly have no objection to allowing the minister to reply.

Mr. Trudeau: Don't lose your cool, John.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think the House is entitled to take note of the fact that there is a family allowance bill before us which will increase family allowances to the amount of $20 a month per child and that we have escalated and raised old age pensions. All these measures are increasing the disposable incomes of Canadians as a relief against the erosion of income.

GOVERNMENT INTENTION RESPECTING EXTENSION OF OIL PIPELINE TO MONTREAL

Mr. H. T. Herbert (Vaudreuil): Mr. Speaker, I should like to direct my question to the Minister of Energy, Mines and Resources. Is he firmly resolved to proceed as soon as

possible with construction of an oil pipeline to Montreal to enable the east to share in Canada's natural resources?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it seems to me that the reasons which caused the government to take a decision in principle in favour of the Montreal pipeline, as announced by the Prime Minister, have been more than ever confirmed by our experience both with the threatened Arab cutoff of oil and the very substantial price increases. It would be my intention, therefore, to meet with my counterparts in the Quebec government, after their substantial victory, to see if we can complete arrangements for such a pipeline in concert with plans they might have for petroleum development in that province.

An hon. Member: Where are you going to get the oil?

OIL PRICE INCREASES—STUDY OF IMPACT ON CONSUMERS AND INDUSTRY IN QUEBEC AND ATLANTIC PROVINCES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance related to the question put by the hon. member for Gander-Twillingate. In light of the significant importance of the cost of living and the effect of the announcement by the Minister of Energy, Mines and Resources last evening on particular industries, I should like to ask the Minister of Finance whether he has undertaken any detailed study of the impact of these changes, particularly in view of the indication of what is to come, as they relate to Quebec and the Atlantic provinces? Has such a detailed study of the effects on the consumer and industry been undertaken?

Hon. John N. Turner (Minister of Finance): Yes, Sir, it is being undertaken.

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AIR TRANSPORT

CANADA-UNITED STATES NEGOTIATIONS ON ROUTES—REASON FOR DENIAL OF ROUTE TO SASKATCHEWAN—CHARTER ROUTES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Transport and has to do with negotiations that have been going on for some four years between Canada and the United States in connection with air routes. I ask this question as a member from the province of Saskatchewan. Why is it that the province of Saskatchewan has been denied the right to one air route into the United States?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I do not think that any route was denied to Saskatchewan.

Mr. Diefenbaker: Absolutely.

Mr. Marchand (Langelier): No airline indicated that it was interested in having a route from Saskatchewan to the United States.

Some hon. Members: Oh, oh!

[Mr. Herbert.]

Mr. Diefenbaker: Mr. Speaker, surely the minister's memory is better than that. Did he not meet recently with the Attorney General of Saskatchewan and representatives of three cities, Prince Albert, Saskatoon and Regina, in connection with this matter? Has he forgotten?

Mr. Marchand (Langelier): No, Mr. Speaker, I have not forgotten that, but I think that the airlines, and perhaps they are wrong—

Mr. Diefenbaker: That is not what I asked you.

Mr. Marchand (Langelier): Well, you do not know my answer so you do not yet know what I am going to say. The airlines maintain that they cannot operate these routes economically, but the government of Saskatchewan has another point of view and it is working with my department to see whether this is possible or feasible, and whether somebody will show an interest in these routes.

Mr. Diefenbaker: Mr. Speaker, it just shows you how forgetful the minister was a moment ago when he decided to delude the House. I should now like to ask him a question in connection with charter routes into Canada. Has he received a resolution for the pilots' association in opposition to the denial of any further charter routes into Canada in connection with the agreement about to be entered into? Has he received that or has he forgotten about that too?

Mr. Marchand (Langelier): Mr. Speaker, I have received a wire, but not saying what the hon. gentleman suggests.

Mr. Diefenbaker: He got a wire but does not know what it said. Was it in both languages?

* * *

[*Translation*]

FEDERAL-PROVINCIAL AFFAIRS

MEETING BETWEEN PRIME MINISTER AND QUEBEC PREMIER—SUBJECTS FOR DISCUSSION

Mr. René Matte (Champlain): Mr. Speaker, I would like to put a question to the Prime Minister.

Could he tell us if he has himself invited Premier Bourassa to meet him this afternoon, or if this is an initiative taken by the Quebec Premier?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would be at complete loss to reply to such a question, but I think that this was agreed upon between ourselves. I phoned the Quebec premier after his extraordinary victory the very night of the elections and he and I have agreed to meet as soon as possible, in fact today.

Mr. Matte: Mr. Speaker, I would like to put a supplementary to the right hon. Prime Minister. Could he disclose the main issues which will appear on the agenda of his discussions with the Quebec premier or at least could he say whether the constitutional reform or the eventual shortage of oil in Quebec will be discussed?

Mr. Trudeau: Mr. Speaker, as for the first point, I can assure the hon. member that the federal government is in no hurry to resume the constitutional debates. In my opinion, it is important for me to say so, because of the eventual headlines and the various interpretations given to that meeting. I have always said and I repeat it that if the Quebec government wishes to reopen the constitutional issue, we are ready to do so, but it is not for the purpose of holding fruitless constitutional conferences that I am meeting the premier today.

As for the oil issue, I suppose that it will be discussed, along the lines mentioned by the Minister of Energy, Mines and Resources, but I do not know anything about it for the moment.

[*Later:*]

MEETING BETWEEN PRIME MINISTER AND QUEBEC PREMIER—INQUIRY AS TO PRESS CONFERENCE OR STATEMENT

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a supplementary question to the Prime Minister.

Since several members are most concerned about the discussions he will have this afternoon with the Quebec premier, can the Prime Minister assure the House that he will make a statement after this meeting?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, such is not my intention. The hon. member can refer to previous meetings that I have had regularly with provincial premiers concerning this. It is not usual—and I do not intend to change this practice—to give press conferences, or even to give all details on these discussions.

[*English*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask the right hon. gentleman whether he is looking forward to a successful series of constitutional conferences in the future, and will he find some other means of dealing with the provinces on energy problems rather than beating them over the head with the jawbone of the Minister of Energy, Mines and Resources?

Some hon. Members: Hear, hear!

Mr. Hellyer: Is that a biblical reference?

Mr. Trudeau: Mr. Speaker, if the hon. member had been tuned in on his hearing aid rather than thinking up some wisecrack question he might have understood my answer to the hon. member which was to the effect that I was not looking forward to a series of constitutional conferences.

* * *

● (1200)

ENERGY

OIL—INQUIRY AS TO CONTINGENCY PLAN IN EVENT OF CURTAILMENT OF SUPPLIES

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In the short term does the minister have any contingency plans if crude oil is cut off or curtailed from foreign sources of the province of Alberta?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I do not know whether the hon. gentleman is representing the Progressive Conservative viewpoint in this regard, but I hope his party is not advocating that kind of action by the Progressive Conservative government of Alberta.

OIL PRICE INCREASES—STUDY OF IMPACT ON CONSUMERS AND INDUSTRY IN QUEBEC AND ATLANTIC PROVINCES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is supplementary and is directed to the Minister of Finance. It arises out of the answer he gave to the question asked by the Leader of the Opposition. As he is aware, the rise in the price of fuel will have a tremendous impact on the fishing industry in Atlantic Canada. I should like to know who commissioned the study mentioned by the Minister of Finance. I should also like to know what are the terms of reference of this study, when we in this parliament can expect a report from this study and what action will be taken by the government on the same?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I stated to the hon. gentleman's leader that I had asked for an assessment of the impact across the country of the events announced by my colleague last night. As a matter of fact, those studies are constantly under way. It is not a specific commission or specific inquiry. It is the usual and continual in-depth advice I get from my department.

Mr. Lundrigan: Mr. Speaker, I rise on a question of privilege. There were a number of questions raised about the impact of the increase in fuel costs on low income Canadians and Canadians generally. The Leader of the Opposition directed a specific question to the Minister of Finance asking if there had been a study undertaken. When one talks about a study it is presumed that the study has some terms of reference, is a funded study, and that there is some expectation there will be a report received and recommendations made. The minister now, in response to the hon. member for South Shore, backs away from his original position and says it is a continuing monitoring process. He has deliberately made a statement to the House which is not in accordance with the facts and is trying to give the impression he is aware of what is going on. It is obvious that there is no study. There is nothing being done. He is trying to circumvent the major aspect of this issue with deleterious statements of this kind.

Mr. Speaker: Order, please. I believe there are further supplementaries on this subject. The Chair recognizes the hon. member for Waterloo-Cambridge.

Oral Questions

INDUSTRY

INCREASED PRICES OF COPPER AND ZINC—GOVERNMENT ACTION TO CONTROL—POSSIBLE IMPOSITION OF EXPORT TAX

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. It relates to the sharp increase in the prices of copper and zinc. There has been a 45 per cent increase in the prices of those two commodities over the last 11 months. In view of the serious effect the increase in the prices of these raw materials will have on the manufacturing industry, and since most of these increases are being reflected in the profits of the companies rather than arising from increased costs to them, can the minister say what action he intends to take to control the price of copper and zinc in Canada?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, my department has had a number of discussions with leaders of the producing companies in Canada to review the situation and ensure that there will be adequate supplies of copper and zinc for Canadian converters and manufacturers. I believe this to be the case. On the pricing point, I think it is perhaps worth reminding the hon. member that there is a double two-price system. The international markets are governed by the London Metal Exchange price which is significantly ahead of the North American price for copper. Canadian manufacturers are receiving their copper at the lower figure, the figure posted in Canada.

Mr. Speaker: Order, please. Members are seeking further supplementaries. The Chair will recognize the hon. member for Waterloo-Cambridge on a last supplementary followed by the hon. member for Kingston and the Islands. Then the Chair will see the hon. member for Cape Breton-The Sydneys.

Mr. Saltsman: Thank you, Mr. Speaker. In spite of the minister's reassurance that there is a double two-price system in Canada, nevertheless the price has risen by 45 per cent in this country in less than a year. Can the minister say whether he intends to take the same commendable action in respect of copper and zinc as has been taken by the Minister of Energy, Mines and Resources with regard to oil and impose an export tax on copper in order to control the domestic price?

Mr. Gillespie: Mr. Speaker, there are no plans to impose a tax on copper exports.

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ENERGY

OIL—REQUEST FOR ASSURANCE OF SUPPLIES TO INDEPENDENT DEALERS IN EASTERN CANADA

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Will the minister take steps to ensure that independent suppliers of home heating fuels in eastern Canada are guaranteed suppliers for delivery to Canadian homes and that this is considered a priority before exports are made from refineries located in eastern Canada?

[Mr. Speaker.]

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would remind the hon. lady that exports have been under control since June of last year, and it is precisely for the purpose of assuring these supplies that the measure was taken yesterday to enable price increases in the Ontario market.

Miss MacDonald (Kingston and the Islands): Is the minister aware that there are independent operators in eastern Canada with empty storage tanks as a result of having been refused supplies by the majors, and will he undertake to see that this situation is corrected so that there will not be Canadian homes throughout the winter without adequate oil supplies?

Mr. Macdonald (Rosedale): Mr. Speaker, if the hon. lady wants to mention specific examples I am prepared to follow them up, but I would point out to her again that it is precisely for the purpose of assuring supplies to Ontario that we are enabling increases to take place in Ontario.

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MANPOWER

LOCAL INITIATIVES PROGRAM—STATUS OF PROJECT TO REPAIR HOUSES OF OFF-RESERVE INDIANS IN NOVA SCOTIA

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the desperate substandard conditions that exist in Indian off-reserve housing in Nova Scotia, and in view of a telegram that has been received from the chiefs of the 11 Indian bands of Nova Scotia in reference to a LIP application for housing repairs, can the minister advise if he is aware of such an application and whether it has been approved by the provincial co-ordinating committee and is now awaiting Ottawa approval? Would he do whatever is possible to have this project approved because it is a rather serious situation?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I presume that this is with reference to LIP funds accompanying winter works grants from the Ministry of Urban Affairs. I have had consultations as recently as this morning with representatives of non-status Indians who have the same problem that exists with regard to treaty Indians. We are trying to work out arrangements under the more limited ceilings on LIP grants and the diffusion of those through the constituency advisory groups. I would hope all members would bring whatever influence they can to bear on the constituency advisory groups to remind them of the need for a sympathetic attitude toward those applications which must fit into the total structure.

Mr. Muir: Mr. Speaker, I thank the minister for his answer. It is welcome in view of the fact that this application is from a province and no particular constituency advisory group is handling it. I wonder whether he would take that into consideration.

Mr. Andras: Mr. Speaker, I was just apprised of that this morning. I believe it was a request in total for something like $60,000 spread through many constituencies. I have got to work out the arrangements for that. I cannot give a final commitment on it except to say that my sympathy is in that direction.

Mr. Speaker: Order, please. The Chair in the last few seconds will recognize the hon. member for Leeds and the hon. member for Charlevoix before calling orders of the day.

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EXTERNAL AFFAIRS

REACTION OF CUBA TO MOTION REQUESTING RELEASE OF RONALD PATRICK LIPPERT

Mr. Tom Cossitt (Leeds): Thank you, Mr. Speaker. I have a question for the Prime Minister in the absence of the Secretary of State for External Affairs. It arises out of the motion unanimously passed by the House last Friday asking the government of Cuba to release Ronald Patrick Lippert on humanitarian grounds and permit him to return to Canada. Can the Prime Minister advise the House whether the government has communicated the contents of the motion to the government of Cuba and, if so, whether the government expects a reply will be forthcoming in the near future?

Right Hon. P. E. Trudeau (Prime Minister): I will have to inquire, Mr. Speaker, as to the precise answer to that. I do know that in the past very short while, I think in the past week, the Secretary of State for External Affairs has been talking to the Cuban ambassador, but I could not vouch for the contents of that conversation.

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[*Translation*]

ADMINISTRATION OF JUSTICE

INVOLUNTARY STERILIZATION OF MENTAL PATIENTS—POSSIBLE REFERENCE TO LAW REFORM COMMISSION

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I wish to direct my question to the hon. Minister of Justice.

In view of certain representations made to him concerning the problem of involuntary sterilization in psychiatric hospitals and centres for mental patients, can the minister say whether the problem has been referred to the Law Reform Commission?

● (1210)

[*English*]

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker, I do not believe this specific question has been brought to their attention.

[*Translation*]

Mr. Caouette (Charlevoix): Mr. Speaker, I wish to ask a supplementary question of the Minister of Justice.

Customs Act

Is he aware of recent representations that children aged 9, 10, and 11 have been so sterilized, and has he the intention of referring this question to the Law Reform Commission?

[*English*]

Mr. Lang: Mr. Speaker, I have not been aware of that before. The Law Reform Commission has, of course, the whole question of Criminal Code changes before it, and it may well be that within the broad scope of that term of reference this matter may be considered as well. I will be glad to look into the matter further with the hon. member.

Mr. Speaker: Orders of the day. The hon. member for Humber-St. George's-St. Barbe rises on a point of order.

Mr. Marshall: Mr. Speaker, I am trying to hold back my temper. I have been here for five and a half years and I have been very reasonable in letting everybody have a chance to ask questions, but I have a district of 84,000 people to represent, many of them poor, and I want to give them good representation. Other than the leaders of the parties, I expect my share to be the same as that of anybody else. I just pass that on.

GOVERNMENT ORDERS

[*Translation*]

CUSTOMS ACT

AMENDMENT TO MAKE ALL GOODS APPEARING ON SHIPS INWARD REPORT DUTIABLE EVEN IF NOT LANDED

Hon. Robert Stanbury (Minister of National Revenue) moved that: Bill C-189, an Act to amend the Customs Act, be read for the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

[*English*]

He said: Mr. Speaker, the purpose of this bill is to amend the Customs Act to permit more effective control over goods landed in Canada by ship, thus protecting the revenue. We need this to plug a leak that could be draining away as much as $1 million a year that rightfully belongs to the Canadian people—duties and taxes on goods smuggled by sea and pilfered on docks.

Section 11 of the Customs Act now requires the master of any vessel entering Canada to go immediately to customs and provide a written report on all particulars of the contents, origin and destination of his ship's cargo.

There is, however, no legislative instrument which permits holding the master of a vessel responsible for the accuracy of his report inwards, or accountable for duty and taxes owing on goods which are reported as having been landed in Canada and are later incapable of being produced for customs clearance, due to pilferage, irregular delivery, or for any other reason. The section at one time provided all that was required for the exercise of essential customs controls against smuggling by sea. Customs physically checked ship cargoes against the master's report inwards.

However, by early 1960, shipping concepts, equipment and techniques had developed to the extent that 12 hour "turnarounds" became quite commonplace. With increasing volume of sea traffic reaching Canadian shores, detailed checks of every ship became hopelessly impractical for customs and economically impossible for shipping companies. So customs discontinued cargo examinations against inward reports about a decade ago and began to accept the master's report inwards and his declaration as a true description of the goods which had been taken on at foreign ports and would be landed in Canada on payment of the duty and taxes applicable.

Since then, an increasing number of discrepancies have come to light between the quantities of goods reported inwards and those later presented for customs entry, the latter almost invariably being fewer than the former. That is, goods appear on the ship's inward report as having been taken on at a foreign port but do not appear on the dock or in the warehouse in Canada. All goods reported inwards are presumed to be imported, and whether so-called "short-landed" items are irregularly delivered to the consignee or others, or they are simply pilfered, they must, by law, be taken into account for revenue purposes.

Mounting evidence reached the department that increasing quantities of goods for which short-landed certificates had been filed by shipping companies were somehow finding their way into local commerce. In the face of this, customs issued instructions that demanded payment of duty and taxes by transportation companies on vessel cargo shortages, citing master's reports inwards of goods landed in Canada as the basis of our claim. Many shipping companies have been repeatedly successful in resisting these demands for payment because, without conducting physical checks of ships' cargoes being unladen; customs is unable to prove the goods recorded in the master's report were actually landed in Canada, and because the master cannot be held legally accountable to customs for the contents of his report.

The position of customs in regard to demands for duty payment on shortages ex-vessel was clarified in June, 1971 in an Exchequer Court of Canada decision by Mr. Justice Dumoulin, that the Customs Act does not make the master of a ship responsible for his declaration of goods entering the country. This decision prompted officials of my department to conduct a coast to coast investigation into all aspects of the matter at major seaports, which revealed that section 11 of the Customs Act is clearly inadequate as a legislative instrument to deal with today's fast paced, high volume shipping transport methods.

The proposed amendment is consistent with well established controls over the inward movement of goods by air, rail and highway, which place full responsibility on the carrier for his shipments until they are delivered to the customs sufference warehouse for later entry by the importer. As is the case with other modes of transport, it is proposed to require shipping companies to post performance bonds, equal to the average amount of duty and taxes paid on their shipments. This measure will not only ensure payment of outstanding duty and taxes on goods reported inwards, but will also enable the seagoing carriers to sail without delay.

[Mr. Stanbury.]

Most international vessel carriers disclaim any involvement with cargoes carried after they have been reported to have landed in Canada, and they do not follow tracing procedures beyond the point of landing. This makes calculating the amount of customs revenue lost through shortages impossible over any given period for several reasons. For example, it quite often happens that parts of a shipment are "overlanded"—that is, not removed from the vessel until it reaches another foreign port, from whence they may well be redirected back into Canada on payment of duty by another mode of transport.

However, our studies did reveal that in one of the six customs regions demands for duty and taxes on goods reported short amounted to nearly $130,000 for the 1971-72 fiscal year, and outstanding claims in another region exceeded $200,000. With the reintroduction of effective customs controls through the proposed amendment, we aim to wipe out or at least dramatically reduce these revenue losses.

All possible alternatives to the proposal before the House today have been exhaustively explored. We have concluded that there are only three other options open to customs. First, customs could simply accept without question the statements of the ships masters or agents. Second, the provisions of section 8 of the Customs Act could be exercised by insisting that vessels remain at anchor until all cargo is duty paid. Third, physical checks of every cargo could be reinstituted, without regard to costs and consequences of the resulting delays. None of these would resolve satisfactorily the situation which I have described.

The amendment of the Customs Act which I am proposing is designed to discourage smuggling and pilferage, and to place the responsibility for the goods reported on the ship's manifest squarely upon the shoulders of the person making the declaration. It will restore to Canada Customs adequate means to carry out its responsibility, and restore to the Canadian people the duly collected revenue on which we depend for the benefit of all. For these reasons, I ask the House to approve this bill.

• (1220)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, as the minister has clearly indicated, this bill is introduced as a housekeeping amendment to the Customs Act. I may say also that it applies to the Excise Tax Act, because there is a very quiet phrase in the bill which provides that any of the goods which may be subject to the responsibility of the ship's master under the Customs Act shall also be deemed to have been imported and shall be subject to the excise sales tax. Let us not just tuck that away without raising some questions.

I do not share the minister's enthusiasm for the necessity of making the master of a ship absolutely responsible. His escape from responsibility is very, very difficult. From an administrative point of view I cannot justify the absolute liability of the master of a ship. The minister's proposal contains the phrase "notwithstanding pilferage on the dock or in the warehouse". It does not specify a bonded warehouse or otherwise, and I point out that if goods are in a bonded warehouse and customs duties have not been paid they will not have entered the stream of commerce of this country. The master of a ship is to be held liable

under those circumstances. All I say is that business has to be accomplished by the most effective means.

Why is it felt that the master of a ship unloading goods at some ports in Canada where pilferage has been notorious, due to the failure of people like the National Harbours Board in discharging their responsibility to provide an effective security system, should be held responsible for the customs duties and other dues on goods that are stolen? Is it simply because the Department of National Revenue says, "Oh, we lost maybe $200,000 out of the port of Montreal in one year in claims for refunds because of pilferage?" Making the master responsible for these goods will not eliminate the pilferage.

I ask the minister to get after the minister responsible for the National Harbours Board, and any other authority responsible for the security of harbours, to assume their responsibilities and help protect the right of the Queen, in the name of Canada, with respect to the customs duties. There has to be more to this than the minister's disclosures so far would indicate. He has been a little coy. He has been a little reticent in giving information on what type of loophole and smuggling this move is designed to meet.

If it is felt that there is some smuggling because of pilferage from the docks, how is it thought that the pilferage can be eliminated, or the smuggling eliminated, by making the master of a ship responsible for the customs duties? Are the government and the minister now giving to the master of a ship, who is being held financially responsible, the right to insist on what kind of security will apply in customs bonded warehouses or on the docks which are under the jurisdiction of the National Harbours Board or of any of the other harbour commissioners throughout Canada? Has this been contemplated, or has the Department of National Revenue just said, "This is somebody else's problem. We are going to insist on collecting the duty"? Is this the attempt that is being made to try to stop smuggling? After all, what is smuggling but the introduction of goods into a country without paying the just customs dues and other taxes that might be leviable against them.

Why doesn't the Minister of National Revenue go further back and say the responsibility shall be that of the shipper, the owner of the goods? Is the captain of an aircraft coming from abroad, a freighter aircraft or even a passenger aircraft carrying air express, in the same category as the master of a ship? The captain of an aircraft coming from abroad also has a customs manifest covering the goods that the aircraft is carrying. Is he now to be held responsible in the same way that the master of a ship will be held absolutely responsible to prove that the goods never came aboard his aircraft?

When cargo containers are loaded in Hamburg a document is made out saying that they contain such and such. But how does the master of a ship know? Containers may be landed in Halifax, Montreal, Toronto, Vancouver, or in any other port that handles the containers, for transmittal to a customs bonded warehouse. Can the master of a ship assure the security of the goods within the containers? To secure relief against the customs dues that will now be imposed upon him, he must prove in writing that the goods were never landed. I do not know how the master of a ship is going to ascertain that the goods did come aboard at the port of origin and disappeared between the dock and the customs bonded warehouse. Goods are landed at the warehouse, not at the dock, so who guarantees the security of those goods?

• (1230)

I am going to ask the minister to establish the liability. Is it merely a question of the Department of National Revenue saving that half a million dollars a year? If that is so, will the minister then consider the additional costs that will be imposed upon the importers, such as the additional costs of posting bonds which, incidentally, are all additional costs of shipping and are paid by the Canadian consumer.

Unless there is a better answer, I find it difficult to accept the administrative requirement of this decree of absolute liability on the part of the master of the vessel, be it a seagoing ship or an aircraft. Subject to the minister's explanation that to cover the possible loss of some half a million dollars or more of potential customs revenue, the Canadian consuming public is going to have to accept a much greater increase in the cost of goods imported by sea and possibly by air. What is the justification for that? Why ask the Canadian consuming public to do that? It is a very quiet, unassuming kind of bill.

The minister has stated that, as a result of the federal court decision, there did not seem to be any responsibility on the part of the master for customs duty. I cannot see justification for the amount of overkill that I think exists in this bill. I think there are better, more flexible ways of doing it. However, if the minister can point out the dangers in the existing practices, and that there is an open door to abuse, I might modify my opinion. However, on the basis of what has been given to us in this House, I suggest to the minister that his bill has considerable administrative overkill. If smuggling and pilferage are to be prevented, then let the minister convince his colleagues who are responsible for the security of the ports to take better measures; in other words, get off their duffs and eliminate pilferage particularly.

The situation in Montreal may have been cleaned up, and I hope so, but there was a time not so long ago when international shippers had an intense resistance to that port simply because of the breakdown in security. Pilferage was rampant and the newspapers were full of it. There was not such a loose system going anywhere else, and a good living was being made through pilferage in the ports by many people. I hope this has been cleared up, because I do not think Canadian ports should have the reputation of being dangerous to ship to. If we are going to establish a reputation for good business practices and make people desire to do business with Canada, the security of our ports is part and parcel of that reputation.

Bearing that in mind, I should like to hear much more from the minister in committee of the whole about why this particular step is being taken. I am quite prepared to accommodate the minister to keep this bill in the House and take it all the way through. That is why I make the suggestion that we should not have to send it to a House committee but could save a great deal of time by keeping

it in committee of the whole. However, I think the minister should come forward with more information.

Mr. Deputy Speaker: I gather that the hon. member for Edmonton West (Mr. Lambert) has made a suggestion by way of a point of order that instead of the bill being referred to the Standing Committee on Finance, Trade and Economic Affairs it should be dealt with in the committee of the whole House.

Mr. Lambert (Edmonton West): Mr. Speaker, I had made that suggestion informally, and since there was agreement on it, I assumed that the necessary disposition had been made. However, if it is required that I make a motion to amend for that purpose, I am quite prepared to do so; on the other hand, it could come from the government side. If the minister or someone on his behalf will make that motion, that the bill be read a second time and sent to the committee of the whole and dealt with this day, I will be glad to second it.

Mr. Deputy Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles) on the same point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I should like to make it clear that at least one of our members would like to speak to the bill while we are still on second reading. At the end of second reading, we will agree that the bill be referred to the committee of the whole.

Mr. Deputy Speaker: The hon. Minister of National Revenue (Mr. Stanbury) on the same point of order.

Mr. Stanbury: That would be agreeable to the government, Mr. Speaker.

Mr. Deputy Speaker: I gather that it is the wish of the House that the order be amended by unanimous consent. Accordingly, when the motion is put the minister would move that the bill be read a second time and be referred to the committee of the whole. The hon. member for Scarborough West (Mr. Harney).

Mr. John Harney (Scarborough West): Mr. Speaker, after the very able and satisfactory introduction given to the bill by the minister I was tempted to stand up and say very simply "We agree". I say this despite the fact that our group has always hesitated to be caught agreeing with anybody, even with consenting adults. However, the remarks of the hon. member for Edmonton West (Mr. Lambert) perhaps raised more questions than they settled. For example, I am totally confounded, dumbfounded and unfounded—perhaps that is not the right word—by what he meant when he spoke of unnecessary smuggling. I have no idea what unnecessary smuggling is. I know what smuggling is, but under what definition of law there may be unnecessary smuggling I cannot tell. Therefore, I await the committee stage with bated breath.

● (1240)

I was going to quote some lines from Pope, but I think I had better not. Perhaps when we come to clause by clause inspection of the bill I can give verse-by-verse comment.

[Mr. Lambert (Edmonton West).]

We think that this is a very necessary and appropriate amendment to the act. The one question which we wish to raise is simply this: will this measure make the customs service provided with respect to goods transported by sea consistent with the service provided with respect to goods transported by air, rail and truck? If it will, then, according to the minister's remarks, the act will become thoroughly consistent in its application.

Overwhelmed as we are, I will end by saying that although $1 million today is not worth what it was worth a number of years ago when a member on the government front benches said, "What's a million?", it still is a great deal of money. I do not think the President of the Treasury Board (Mr. Drury) will deny that. We at this end of the House agree to second reading.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. McCleave in the chair.

The Chairman: The House in Committee of the Whole on Bill C-189, to amend the Customs Act. There is only one clause in the bill. Shall clause 1 carry?

On Clause 1—

Mr. Lambert (Edmonton West): Mr. Chairman, having put a number of questions to the minister during the second reading debate and having anticipated that he would provide some answers, we can hardly be expected to agree immediately to clause 1. While the minister's officials are coming into the chamber in order, perhaps, to supply some technical information, perhaps the minister would make some remarks of a general nature about matters which are within his ken. Hopefully, as well, we shall hear from the hon. member for Scarborough West. I wondered when he rose to speak noting that he had not been given sufficient advance warning to know even the number of the bill. I know that handling these customs matters is not his usual task. I was disappointed at the hon. member's not quoting us some lines. He is always delightful when he calls on his vast store of literary knowledge and makes a humourous and interesting speech. We were deprived of his humour in the debate on the preceding stage; perhaps at this stage he will do what he suggested.

Mr. Knowles (Winnipeg North Centre): Do not tempt him.

Mr. Harney: Thank you, Mr. Chairman. I really did not intend to quote any verses. However, since I have been invited, I cannot resist. In listening to the hon. member for Edmonton West I was reminded of some lines from Pope which go like this:

> Dullness is ever apt to magnify,
>
> As things loom large which we through fog descry

The Chairman: I remind hon. members that the discussion is on Clause 1.

Mr. Stanbury: Mr. Chairman, I appreciate the interest shown by the hon. members for Edmonton West and Scarborough West in this important bill. I share the concern of the hon. member for Scarborough West. No matter whether the amount involved is $200,000, $500,000 or $1 million, and it is difficult to tell how much is involved, the sum lost is lost to the Canadian taxpayer. I am sure the hon. member for Edmonton West will agree with me that it is important to attempt to recover that money, as it is the Canadian consumer who in the end pays for any loss of duly collectible revenue.

However, I sympathize with the concern of the hon. member for Edmonton West when he suggests that we might be putting an unreasonable burden either on the master of a ship or on a shipping company and, therefore, eventually on the consumer. I am advised, however, that the cost of the bonds is minimal. The cost to the consumer in the end might be less, in fact, as a result of the amendment proposed, because of the ability of consignees to obtain refunds in those cases in which they can establish the facts. Under the present system there is difficulty in establishing the fact.

Canada Customs has the responsibility under existing law for collecting revenue, but does not have in this case the means to collect that revenue. The decision of Mr. Justice Dumoulin removed what was formerly thought to be the responsibility of a master. Presumably, the act intended to impose that duty.

If I may answer the question of the hon. member for Edmonton West regarding the comparison between captains of aircraft, engineers of trains and so on—

Mr. Lambert (Edmonton West): It should be captains of aircraft and masters of ships.

Mr. Stanbury: Quite so. The answer, directly, is yes. This measure would impose on the master of a ship the same duty that is imposed under the Customs Act on the captain of an aircraft.

If I may reassure the hon. member for Scarborough West, the proposed procedure with respect to requiring a bond and ensuring that the master of a ship is responsible for statements he is making about the goods he is carrying will be entirely consistent with procedures followed with respect to other modes of transport. It was thought, of course, that existing arrangements were consistent. However, when Mr. Justice Dumoulin said that we could not hold the master of a ship responsible, we felt it was necessary to introduce this amendment, to make sure that that responsibility is made clear so that a similar situation would exist with respect to all modes of transport.

If there are other questions, I will try to answer them, with the help of my adviser.

Mr. Barnett: Mr. Chairman, perhaps I might say for the information of the hon. member for Edmonton West, in view of the interest shown by the hon. member for Scarborough West in smuggling, necessary or unnecessary, that the hon. member for Scarborough West is not only the owner and manager, but master of a vessel now. If the hon. member for Edmonton West was surprised at the hon. member's newfound interest, that fact may provide a useful bit of background information.

I suggest that anyone who listened to the remarks of the hon. member for Edmonton West on second reading might gather the impression that this bill imposes new and awesome burdens on the master of a vessel. I am not a master of a vessel, but I live in a part of the world where we see goods moving in by vessel fairly frequently.

● (1250)

My initial reading of the bill was some time ago. I gained the impression that this bill would clarify and define what in my view has always been the well defined responsibility of the master of a vessel for practically everything that happened in connection with that vessel, not only in respect of navigation, but whether it was complying with the shipping regulations or creating pollution by oil. We had a recent example in British Columbia where the master was charged and fined because of actions taken which resulted in pollution by oil.

From a rather casual observation, it seems for a good many years there has been a rather grey area in defining the responsibility of what from time to time are rather mysterious disappearances of portions of cargoes from ships' manifests. Of course, there is the other side of the coin. On occasion there is the problem of goods coming into the country which do not appear on the ships manifests. Perhaps that is the smuggling to which reference has been made.

With regard to the minister's comments about this bill bringing the responsibility in line with the generally accepted concept of responsibility of the captain of an airliner or a person in charge of any other mode of transport, if this bill is reasonably administered and the regulations under it are proper and clear, the bill may help to protect the master. We are all aware that, in connection with any piece of legislation that comes before this House, one has to accept that it will be reasonably administered. If it is not administered well, it is our responsibility, as members of this House, to bring that to the attention of the government.

If this bill receives passage, becomes law and is administered in such a way as to cause undue hardship to masters of vessels carrying goods entering Canada, I will be the first to object. Generally speaking, however, I have not found too much foundation for complaint in substance about the way customs officers in our ports, particularly ports on our seacoasts, carry out their duties. If that same approach is carried forward under the regulations to be enacted under this bill, the fears expressed by the hon. member for Edmonton West that the new responsibilities being placed upon a master are too great are groundless.

Mr. Lambert (Edmonton West): Mr. Chairman, with all due respect to the hon. member for Comox-Alberni and the minister with regard to the explanation he gave on the points I raised at the previous stage, there is no doubt in my mind from reading this bill that, if the master can prove the goods were not taken on board, in other words that there was pilferage at the port of origin between the time the manifest was made and the goods were put into containers, the master can escape liability. However, there is no provision whatsoever to protect the master from pilferage on the dock of a Canadian port between the

point of the ship being docked and the goods being entered into a customs warehouse.

Perhaps I went a little too far on the previous occasion, but if one looks at the bill, he will see what is to be the new subsection (4) of section 11. It lists the exemptions to the liability. They are very clear. The first is, and I quote:

(a) destroyed or lost at sea due to stress of weather or casualty on board the vessel,

That is something that is readily ascertainable and can be proven by the master. The next is:

(b) not laden on board the vessel at the foreign port of exportation,

In many cases that is impossible to prove.

(c) destroyed after landing but before being formally entered into a customs warehouse or delivered to a bonded carrier,

That is a case of goods destroyed by being dropped into the water, fire or something of that nature. There should be a flexible administration of the Customs Act for goods that are stolen at the dock before going into a customs warehouse or delivered to a bonded carrier where the pilferage is in fact the destruction of the goods.

In the case of wines and spirits, one could readily assume the goods were the equivalent of destroyed because it would not take long for the consumption to take place. I understand that is one of the areas in which there is the greatest degree of concern. I refer to the removal or stealing on the dock of liquor, wines and readily consumable goods of that nature.

The minister spoke about the overlanding and re-export to Canada. I may say that I still think there is some overkill here, but like the hon. member for Comox-Alberni, I will wait to see what it is like. If there are complaints, only the department can complain. My recommendation to the minister is to get after his colleagues who are responsible for the security of ports and let us get some real action in that regard so the minister will not have that work.

Clause 1 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read a third time?

Mr. Knowles (Winnipeg North Centre): By leave, now.

Mr. Stanbury moved that the bill be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

Mr. Lefebvre: Mr. Speaker, I understand there have been discussions and the next order of business has been changed to order No. 40 in respect of the Co-operative Credit Associations Act.

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

At one o'clock the House took recess.

[Mr. Lambert (Edmonton West).]

[*Translation*]

AFTER RECESS

The House resumed at 2 p.m.

CO-OPERATIVE CREDIT ASSOCIATIONS ACT

AMENDMENTS RESPECTING DEFINITIONS, MEMBERSHIP, INCORPORATION, OBJECTS AND POWERS

The House resumed consideration of Bill C-183, to amend the Co-operative Credit Associations Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

The Acting Speaker (Mr. Laniel): Order, please. On behalf of Mr. Comtois, Mr. Clermont, seconded by Mr. Smith (Saint-Jean), moved:

That Bill C-183, An Act to amend the Co-operative Credit Associations Act, be amended by striking out line 23 of the French version at page 21 and substituting the following:

"représentants de membres constitués en corporation en".—*Mr. Comtois.*

Is it the pleasure of the House to adopt the said motion?

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the unanimous consent of the House should be sought to introduce this amendment of which I should like to take cognizance. I was not provided with a copy of it; this may very well stem from a technical difference between the English and French versions. There may very well be no discussion, but we might be provided with a copy of this bill. In fact, it might be indicated for you to seek the unanimous consent of the House to move the amendment at this time, because it could not be listed on the order paper. If this rule applies to ordinary members of this House, it should apply also to the government under these circumstances.

The Acting Speaker (Mr. Laniel): Order. If I may, I would like to remind the hon. member for Edmonton West (Mr. Lambert) that the amendment now before us appears on today's order paper, at page XVI.

Mr. Lambert (Edmonton West): Very well, Mr. Speaker, I withdraw my words. I had been told that the government had not been able to put its amendment on the order paper in time, but if it has been put before six o'clock last night, I have no more reason to object.

The Acting Speaker (Mr. Laniel): I put the question once more: Mr. Clermont, on behalf of Mr. Comtois, seconded by Mr. Smith (Saint-Jean) moved:

That Bill C-183, An Act to amend the Cooperative Credit Associations Act, be amended by striking out line 23 of the French version at page 21 and substituting the following:

«représentants de membres constitués en corporation en»

● (1410)

[*English*]

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

Some hon. Members: Agreed.

Motion agreed to.

Hon. John N. Turner (Minister of Finance) moved that Bill C-183, to amend the Co-operative Credit Associations Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

The Acting Speaker (Mr. Laniel): When shall the said bill be read a third time?

Mr. Knowles (Winnipeg North Centre): Now, by leave.

The Acting Speaker (Mr. Laniel): Now by leave?

Some hon. Members: Agreed.

Mr. Turner (Ottawa-Carleton) moved that the bill be read the third time and do pass.

Mr. Lambert (Edmonton West): Mr. Speaker, I would simply state that in the absence of a statement from the minister, we have been able to study the bill in committee. Under such circumstances, when a favourable report has been presented by the committee about a bill and when we have heard outside witnesses, it is necessary in my opinion that the minister or his parliamentary secretary comments on what happened since the second reading of the bill.

We have received representations from officials of co-operative credit companies or associations related to the Canadian Federation of Financial Co-operative Companies; moreover we have heard evidence from Mr. Humphrey, the Superintendent of Insurance, in charge of monitoring co-operative credit societies to the extent that they are involved in federal legislation.

However, I must say that I am more and more convinced that more than ever the Canadian Federation of Financial Co-operative Companies is requesting investment powers of a similar nature as the trust companies, life insurance companies and other Canadian financial institutions which, through their members' activities, are supplying banking services in Canada, and which are currently competing not against the whole of their services but in certain areas of banking services supplied by Canadian chartered banks or major trust companies and which are not under the control of the inspection department of our bank and financial system.

I am not criticizing the monitoring services of the Superintendent of Insurance, on the contrary. He is not responsible for bank services but a different philosophy of the Canadian monetary and bank system should exist.

And I refer to the argument I already put forward when we proceeded to a review of the Bank Act. Here, in Canada, we have drafted a new banking legislation, wider than the previous one, that sets up the powers and provides for a new incorporation charter of our commercial banks. As a matter of fact, we see that the act is outmoded since one of the clauses at the end of the bill specifies that the Canada Bank Act includes an appendix with the charter of every bank.

But I think that the Minister of Finance (Mr. Turner) shares my view that because of his many duties as Minister of Finance, responsible for the control and management of financial institutions of this country, a whole sector is beyond his control. We have trust companies that are incorporated under provincial legislation, and one must admit, therefore, that supervision standards and conditions vary from province to province. Some of these standards, however, cannot be approved. Others lead to abuse and fraud on the public.

I believe that the Minister of Finance will agree with me to say that we should have in Canada a legislation for institutions that provide banking services. The provisions would mostly concern chartered banks, the banking services and trust companies incorporated under a provincial or federal charter. The constitution gives the federal government exclusive authority over currency and bank matters. I would say that at the present time the Minister of Finance (Mr. Turner) has no control or influence over 40 or 50 per cent of all banking operations. Considering the assets of the Desjardins Caisses Populaires in Quebec which, if I am not mistaken, amount to nearly $7 billion, we realize that the finance minister has very little control over them. There may be other assets under this law, Mr. Speaker I am willing to get back to my subject. Those could be assets of another billion dollars.

● (1420)

There may be supervision a little remote from the Superintendent of Insurance, but not inspired by the same philosophy that a superintendent of insurance could show for banks. I am also referring here to the lack of control under the Bank Act, for after all we have a bank superintendent, an associate and two secretaries. It could be that the secretaries look after social correspondence, but as for the rest, the bank superintendent has no staff to control and check banking activities.

However, the Superintendent of Insurance has an active staff. Why could control over insurance companies, trusts under federal government responsibility, finance companies and certain co-operative institutions not be exercised in a better way? I am saying that without any ill-feeling toward the bank superintendent or the Superintendent of Insurance. After all, at the beginning of 1975, we will have to consider the government proposals; whether it is a Liberal administration or, as I hope, a Progressive Conservative one, the Bank Act will have to be changed not later than the beginning of 1975; we will have to consider the government's great proposals concerning amendments to the legislation. I remember well that the first act on the renewal of commercial banking charters was to be passed in 1964 but events were such that we had to wait until January 1, 1967 before passing the new legislation. Since then, events happened very quickly. I certainly agree with the finance minister about one thing. Whatever government may be in power, it should get ready to bring forward changes to the Bank Act in early 1975. If we want amendments to the legislation, not only in the government sector but also in the private sector, representations will have to be made and the government will also have to reflect upon it in order to introduce a bill liable to be passed in time and come into force before January 1, 1977.

It could be I missed out by about six months or perhaps more. It would be preferable to consider June 30, 1974. The minister must get moving immediately to come up with guidelines on desirable changes. I urge him to determine

what the guidelines on the proposed amendments to the Bank Act will be. But we should also pass legislation to monitor our banking institutions. If no corporation, whether provincial, federal or cooperative, is set up let it come under the Canada Deposit Insurance Corporation. I was forgetting the Superintendant of Insurance—he also monitors the activity of the Canada Deposit Insurance Corporation. And we have here all sorts of cooperative societies, trust companies whether they be provincial or federal, or banks, of course; I am told that there were many service volunteers in the institutions which report on their monitoring activity to the Superintendant of Insurance. What I mean by service volunteers is simply this; the provincial administration says: Listen, you are going to participate, and you are going to submit. Their participation is voluntary. At least, the law says it is, but it is still somewhat compulsory.

In conclusion, I should like to say that Canada should modernize its banking system. We need not only the chartered banks, but also the merchant banking institutions in order to set up a financial market in Canada. The Montreal Stock Exchange is not a financial market, and neither is the Toronto Stock Exchange. I am a strong partisan of nationalism; why should Canadians have to go to the financial markets of New York, London, Paris or Frankfurt? Because they do not have the necessary institutions. There are some under a disguised form, but they suffer from a certain handicap. We cannot... My friend, the President of the Treasury Board is whispering "the Canadian Development Corporation", but this is not a banking institution at all. I could tell him many things about that.

Mr. Speaker, I should like to say that I agree with the bill and I hope that it will be passed quickly after the interventions of my colleagues.

Now, I hope that the Minister of Finance who is listening will take this opportunity to revise the legislation governing our financial institutions and to establish new standards so that the Minister of Finance may be responsible for their direction and inspection.

● (1430)

[*English*]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, Bill No. C-183, with which we are presently dealing, is one which my party supports wholeheartedly, and we would like to see it dealt with expeditiously. As a matter of fact, we would have liked to have had it passed months ago. The credit unions, particularly those in my province, would also have liked that.

The bill provides for a number of things that the credit union movement wants. In terms of larger membership it gives greater opportunities to credit unions. It broadens the investment powers available to them. It allows the Co-operative Credit Society, and its provincial credit union members, to have access to a lender of last resort through the Canadian Insurance Deposit Corporation. All of these things will be of great assistance to the credit union movement and the various co-operative credit societies.

Saskatchewan is perhaps the heartland of the co-operative and credit union movement in Canada, which began there in the 1930's during the great depression when many of the chartered banks, because of financial restrictions, had to pull out of the area. The credit union movement went into small towns throughout the province, and today it is an organization that has assets of over $700 million in Saskatchewan alone, which I think is quite significant for an organization that is really a near bank, or near banking institution.

The philosophy behind the movement is one my party supports wholeheartedly. It grew up pretty well simultaneously with the evolution of my party's ideals and principles. The credit unions are controlled by the members they serve. The credit unions are founded on the principle of one member, one vote. It is a democratic type of organization owned by the people and controlled by the people. It merits the consideration and assistance of members of this House.

The credit union serves its own members. Over the years it has done much to assist regions like rural Saskatchewan. It has been a community organization, helping communities in many ways, providing opportunities for different groups to do things financially that otherwise they would not be able to do if they had to rely on private banking institutions, loan companies, insurance and trust companies.

As I say, this is a good bill. It is one that is certainly welcomed by the Saskatchewan co-operative and credit union movement. It is one that should be enacted immediately. I am not going to talk about all the other financial problems that might be related indirectly to this bill. There are many things members of this party could say in reply to the comments of the hon. member for Edmonton West (Mr. Lambert) with respect to banking and financial institutions and the ways in which they should be controlled to work on behalf of the Canadian people.

I see no reason why the Minister of Finance (Mr. Turner) should not be amending the Bank Act to bring about lower interest rates. I would like him to establish a Crown-owned bank to supplement the chartered banks. Such a bank would provide loans for socially necessary items, for farmers, fishermen and small business, and loans at low interest for house mortgages, housing being one of the basic necessities of life. Through that type of Crown bank, the government could channel all kinds of its revenues, such as its pension funds. The revenues of various provincial and municipal governments could also be channeled through it, thus creating a financial institution that would provide loans for necessary social things at interest rates much lower than the rates charged today. This would be an effective way of controlling the financial and banking system. It would force the financial system to be much more competitive. Indeed, that is what credit unions have done in their own way all across the country for the last 30, 35 or 40 years.

For all these reasons I urge the House to deal expeditiously with this bill, and place it on the statute books to help the credit unions and various co-operatives from coast to coast.

Motion agreed to, bill read the third time and passed.

[*Translation*]

AIRCRAFT REGISTRY ACT

MEASURE TO ENABLE CANADA TO COMPLY WITH CONVENTION ON THE INTERNATIONAL RECOGNITION OF RIGHTS IN AIRCRAFT

Hon. Jean-Pierre Goyer (for Minister of Transport) moved that Bill S-9, to enable Canada to comply with a Convention on the International Recognition of Rights in Aircraft, be read the second time and referred to the Standing Committee on Transport and Communications.

● (1440)

[*English*]

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): There is no doubt, Mr. Speaker, that those who were applauding were applauding you and not me. I am sure that is because you are doing a marvellous job on a Friday afternoon.

Mr. Speaker, the Aircraft Registry Act is a simple and practical measure aimed at reducing legal complexities and difficulties for those involved in buying, selling and financing aircraft in Canada. Before reviewing specific provisions of this act, I think I should delve briefly into some of the general background involved so as to place the act in some perspective.

Under the Aeronautics Act we have had a central register of aircraft in Canada for many, many years. However, we have never had a central registry of the various types of financial interest that creditors might have against aircraft. This bill will create such a central registry for Canada and eliminate the current very cumbersome situation where financial interests in an aircraft, in order to be protected, must be registered in all the various districts of all provinces and all countries to which the aircraft may be flown.

This leads me to another dimension of this new act, the international dimension. On June 19, 1948, a convention was signed in Geneva, a convention which Canada, for various reasons, did not sign and has not since adhered to. This was the Convention on the International Recognition of Rights in Aircraft. The new Aircraft Registry Act will give legislative effect in Canada to the principles of the 1948 international convention, enabling Canada to adhere to the convention, joining 33 other nations which have already either indicated adherence or ratified it.

[*Translation*]

This legislation will also enable Canadian aircraft manufacturers and those who have financial interests in such aircraft, to submit their claims against aircraft sold abroad or leaving Canada. New provisions prove more and more essential in this area with the advent of larger and more expensive aircraft which travel regularly from one territorial jurisdiction to another. The existing acts proved inadequate and difficult to implement.

This bill covers other aspects and for the purpose of my explanation, I have considered in this bill eight general provisions.

First, Mr. Speaker, the bill provides for a central aircraft registry where notices of interest can be registered. These notices can relate to interest, or lease for at least six months, security for the payment of a debt and security for equipment or services provided to the aircraft. In order to avoid complications, the bill will authorize notices of interest on property for the component parts and avionics of the aircraft other that the spare parts. This first provision of the bill puts an end to the present obligation to have a security or retention right registered on an aircraft in all the counties or districts in each province where the aircraft can be operated, which makes the financing of the aircraft easier for Canadian air carriers and simplifies the difficult problems buyers of aircraft have to face to obtain ownership titles.

A second provision establishes a priority order for claims according to the registration date of the notice of interest in an aircraft. A transitional provision precludes any change, through this provision, to the order of priority of claims registered under an act of parliament or of any province before the implementation of this bill.

Third, this bill provides that a creditor cannot sell an aircraft in which he has an interest without an order from a superior court providing a six-week notice with mention of time and place of the sale and the distribution of the proceeds, a notification being given one month in advance to the persons in whose name a notice of interest is recorded in the registry. In this way we will avoid an embarrassing situation for the owner of an aircraft when one of his creditors suddenly decides to redeem his claim by means of a sale.

Fourth, and this is an important point, this new system remains optional. However any one who does not have a notice of interest in an aircraft duly recorded in his name in the registry can no longer legally enforce his rights to the aircraft. He does not get protection from the law concerning the priority of claim and cannot obtain the seizure of the aircraft from other buyers.

[*English*]

Fifth, Mr. Speaker, the bill provides for the consent of each person who has registered a notice of interest in an aircraft before the registration can be cancelled for purposes of export. This gives much greater security to the creditor or financier. But a qualifying point which should be understood here is that the central aircraft registry is strictly an information system in so far as it does not legally establish or guarantee clear title to an aircraft.

A sixth provision of the act brings some comfort to air passengers. The act prohibits the seizure of a domestic or international flight of a Canadian scheduled commercial passenger aircraft once that aircraft has embarked on its journey. Thus the aircraft and its fare-paying passengers are assured an uninterrupted preplanned journey without the aircraft Registry Act being invoked in a manner that would ground the aircraft en route. Where someone seeks to seize an aircraft in this category, he must make his application to the federal court of Canada which can fix a time and place for that aircraft to be surrendered, but only after the completion of a particular scheduled flight, wherever the flight may take the aircraft in Canada or elsewhere.

[*Translation*]

Seven, the law provides that, if there is no cancellation or application to extend, a notice of interest shall be deemed to have ceased five years from the day of record-

ing; the bill provides also for regulations concerning the manner, form and content of notices of interest, as well as the procedure to be followed, the nature of required rights, the provision of copies, etc. It also provides for penalties in the event of false information.

The eighth and last main provision of this bill is that it gives the required legal base for Canadian adherence to the Geneva Convention on the International Recognition of Rights in Aircraft. To this day, 33 countries have ratified the convention or have made application, particularly the United States, France, West Germany, Italy and the Scandinavian countries. The United Kingdom, one of the ratifying states, has recently adopted measures similar to ours, under its Mortgage of Aircraft Order of 1972.

Finally, the Aeronautics Law Section of the Canadian Bar Association has studied and encouraged for many years the establishment of a central aircraft registry. Representatives from the Canadian Bar Association have reviewed and approved these provisions and a number of their suggestions have been retained. The bill has the support of Canadian aircraft builders, Canadian financial institutions, and the Canadian Air Transport Association.

● (1450)

[*English*]

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, we, on this side of the House, listened with considerable interest to the parliamentary secretary explaining the various provisions of this legislation. It seems to me that this is a bill of considerable merit. The preamble to the bill indicates that Canada can hardly be accused of acting with undue haste in associating itself with the provisions of the convention which was signed at Geneva in 1948. That convention had to do with the international recognition of rights in aircraft. It is only legitimate to ask why such a piece of legislation of such obvious merit has been so long delayed.

This is a constructive piece of legislation and, certainly, we on this side of the House do not wish to impede unduly its passage. We welcome its introduction and, after making some comments on it, will not stand in the way of its orderly process through the House.

The Standing Committee on Transport and Communications of the other place considered the various ramifications of the legislation and looked at many of the practical considerations which are involved. This bill, as the parliamentary secretary said, is designed to protect, to regulate in an orderly fashion, the registration of aircraft, and to deal with the rights and interests of those who deal in many ways with aircraft. This includes their purchase, sale, maintenance and repair.

It has been suggested that, possibly, one reason for delay in bringing this bill forward has been the lack of pressure exerted by aircraft owners, operators and others in the aircraft industry. I doubt that. Nevertheless, the fact that such a suggestion has been made is an indictment of this government's policies.

An officer of the Department of Transport, testifying before the committee of the other place about the lack of pressure being responsible for the delay in bringing forward this legislation said, as reported at page 2:6 of the proceedings of that committee of June 27, 1973:

I do not think it was a case of mature reflection: I think it was a case of pressure not being exerted by any aircraft operators or financial interests that there was any advantage to implementing the convention. Where Canada is now getting into the manufacture of aircraft itself, and trying to sell these aircraft in other countries, the rights in these aircraft must necessarily be recognized...

That, certainly, is a proposition which makes sense. The witness went on to say:

Then, too, there is the large amount of money involved in purchasing aircraft from other countries—and they are getting more expensive now—and it is difficult to find out what is actually against an aircraft. It is more difficult now than it has been. This legislation has actually been in process for about five years, but this is as far as it has ever got, and we hope that it will continue.

We want to see this legislation implemented. It has considerable potential in its application both domestically and, as the parliamentary secretary said, internationally.

Some provisions of this legislation are of interest to those who are concerned about constitutional problems, as they impinge to some extent on provincial jurisdiction. Perhaps some of my colleagues will say something about that later. I hope that in the establishment of the registry system, as set out in the legislation, there will be a maximum of co-operation by provinces. I believe that this will be the case.

The legislation will have a great deal of practical effect. Of course, its utility will depend on the regulations and the procedures which will be implemented. Uniform procedures must be implemented across the country. The same holds true to some extent with respect to the international ramifications of the bill. Hopefully, the various provinces will co-operate and assist in the public advertising and in the various procedures which will need to be developed.

I hope that someone, on behalf of the minister, will explain the meaning of clause 8, which reads:

A person in whose name a notice of interest in an aircraft registered in Canada is not recorded in the registry (a) has no claim in respect of that interest against any other person who, without actual notice of that interest, subsequently purchases or otherwise acquires an interest in the aircraft; and—

Now comes the part which interests me:

—(b) may not seize or take any action to obtain seizure of the aircraft.

I assume that this provision will apply if the person does not take advantage of the various provisions of the central registry. I further assume that it will not affect the existing rights of any person who does not want to utilize this registry system, provided nobody else is ahead of him in coming under the regulations which will be implicit in the setting up of this system. That seems to be the interpretation put forward before the standing committee of the other place concerning this particular aspect of the legislation.

Answering a question put by a Senator, a legal officer said before the committee of the other place, "Whatever rights they have under existing laws remain." He was referring to the categories of persons to which I referred. I assume that that is correct. It is none too clear. I hope that

this matter will be taken into account when the regulations are drafted and when they are being enforced.

The parliamentary secretary, of course, has made it clear that this registry does not in any way guarantee title. He also made it clear that it establishes a strict priority system. The government's policy in protecting the rights of those involved in the air line industry and of owners and pilots of smaller aircraft has not been as constructive as it might have been.

I was happy to note, although this is strictly not germane to this legislation, that there was an overhaul of provisions governing air service fees and increases in landing fees. What was done was good. I think this bill will provide encouragement to those engaged in the aircraft industry at a time when they need some encouragement.

Let me say one more thing. Clause 19 says, "this Act shall come into force on a day to be fixed by proclamation." I hope the actions of the past will not serve a precedent and I hope that there will not be a delay of 25 years in bringing the provisions of this bill into effect.

● (1500)

I hope the government will not bury the bill but will proceed with it in a simple, effective, expedient manner and enact it into law in the not too distant future. The regulations will be the whole key to how well this legislation works, particularly on the domestic scene. Unless the regulations, the court procedures and the jurisprudence developed as a result of the bill are clear, inexpensive, convenient, well publicized and universally used, this legislation will not be nearly as useful as it might otherwise be.

In conclusion, I welcome this piece of legislation and hope it will be dealt with in an expedient manner. We look forward to considering it at a later stage.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I was interested in the opening remarks of the Parliamentary Secretary to the Minister of Transport (Mr. Guay) when he said that this bill was aimed at removing legal complexities. After listening to his speech and looking at the bill, I wonder which is more complex, the present situation or the situation as it will be after the bill has been passed. On the other hand, when I learned, both from looking at the bill and listening to the parliamentary secretary, that one of the main purposes of this bill is to replace what we now have, namely a central aircraft register, with what will be known as a central aircraft registry, I realized that this is a very important piece of legislation.

All that aside, I join the hon. member for Central Nova (Mr. MacKay) in making the inescapable comment that this government does not rush into things. After all, this bill arises out of an international convention that was adopted on June 19, 1948. Twenty-five years later, something is being done about that international convention. However, as the hon. member for Central Nova and others know, there are other international conventions, notably some of those passed at the International Labour Organization, which have been around much longer than 25 years and to which Canada has not yet agreed.

In any case, we recognize the need for this kind of legislation so that problems connected with the ownership of aircraft, operating as they do among the various countries of the world, can be settled on a basis that is covered by an international agreement. For that reason we are pleased to see this legislation before us and we see no reason why it should take an undue length of time to deal with it in this House. Since this bill deals only with the narrow subject of the ownership of aircraft we are prohibited from getting into other matters we would like to discuss, such as bilateral agreements between this country and the United States, and so on. I simply make the statement that we cannot do that at this time but must limit ourselves to what is before us.

It was comforting to learn from the parliamentary secretary that the rights of seizure of aircraft which are provided for in this legislation will not apply to an aircraft in flight. I am sure the next time he and I are flying together between here and our favourite province of Manitoba, we will be able to console ourselves with the fact that we passed this bill so no one can seize the aircraft while we are in flight.

This bill is exactly what the parliamentary secretary said, something dealing with legal complexities relating almost exclusively to the ownership of aircraft. Because there is an international convention to which Canada should have adhered long ago, we are glad to give our support to this bill so that Canada can now give its adherence to that convention.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I join the hon. member for Central Nova (Mr. MacKay) and the previous speaker in expressing support for this measure which is long overdue. It will give protection to people who have a financial interest or otherwise in aircraft. As the parliamentary secretary said, the legislation is long overdue in light of the growing transportation industry and the building of aircraft in Canada for sale within this country and for export.

As our transportation industry grows and we find a rationalization for a system of either centralization or decentralization, we will not only need this type of legislation but I am sure the parliamentary secretary is aware that we will need legislation in a number of other areas. Canada has the potential of achieving very considerable progress in the area of construction and sale of aircraft in the western world. This will come about when confidence in the industry is demonstrated by measures such as this.

As the hon. member for Central Nova stated, we have little or no quarrel with this bill. However, there are one or two aspects of it about which we might wonder. A distinguished gentleman in the place to which some of us might aspire considered many of the pertinent questions with regard to what we might expect in terms of regulations under this bill. On a number of occasions in this chamber we have voiced concern with regard to legislation and the form regulations might take, their impact and consequences, as opposed to a statement of policy which this bill is in fact.

One area of concern involves framework or authority of the Federal Court. Why are other levels of court authority excluded from hearing applications under the legislation?

Why was it not considered useful to extend to other superior courts the authority to grant applications or certificates upon application, in accordance with certain procedures set out in this bill? The owner of a private aircraft may wish to dispose of the aircraft and continue to register his interest in it in the event of default, an accident or for some other reason. He should not have to go to the trouble of seeking counsel in British Columbia or in his own locale and sending him to Ottawa at his own expense simply to make application in order to exercise his will. The parliamentary secretary might think about that problem as we move through the various stages of this measure.

● (1510)

I suggest that a simple amendment might correct this situation. The point may seem to be unimportant, but there is nevertheless a shortcoming in the bill. Such an amendment would not impair the bill, but it seems to me it would be much more convenient and of no major concern to Air Canada, CP Air and any substantial regional feeder service. However, so far as the owner of a small, light aircraft is concerned, it seems a little inconvenient that he should have to come to Ottawa to make application and receive the authority to protect his own interests, which in fact is what this bill intends to do.

There is one other matter concerning clause 6 which is perhaps minor but which I should like to draw briefly to the attention of the parliamentary secretary. This is the clause which attempts to describe a deemed interest in an aircraft. It provides:

> For greater certainty, a person shall, for the purpose of this act, be deemed to have an interest in an aircraft where he is
>
> (a) the lessee of the aircraft and the term of the lease is not less than six months—

There are other subclauses, but it seems to me that "interest" is not fully defined. Utilization may be involved, but if there is a wet lease rather than a dry lease based on the number of hours flown, used and certain other things, this would make a difference. There is a restriction in the period prescribed of a certain number of days or weeks which, again, overlooks the fact that aircraft are sometimes leased for short periods with an extensive amount of flying time involved, whereas there may not be any flying time involved in a period of six months. There is an anomaly here and this question might be considered at some stage.

We need measures such as this as Canada moves toward the development of an internationally recognized aircraft industry. I am almost tempted to take advantage of this opportunity to speak about other aspects of the aircraft industry in Canada, wondering out loud, or hoping, if you will, that the government will not take 25 years to move toward a separation from the Ministry of Transport of the responsibility for investigating those accidents over which the department has regulatory control. It is true that these matters are correlated, and if that were not the case I would urge the minister to give serious consideration to such suggested separation.

Only when we take steps of this kind do we obtain the confidence of the national and international air community. We cannot grow in the area of aviation without full international confidence. We are in the process this afternoon of taking a small step. I only wish it had been a bigger step and that this measure could be taken as an indication that the government is prepared to move in other areas to further strengthen the confidence of the national and international community in our aircraft industry.

As the hon. member for Central Nova has indicated, this bill calls for the legislation to come into force on a day to be fixed by proclamation. Because I cannot read between the lines, I assume that is to allow an interim period during which liens on chattels can be transferred from existing provincial jurisdictions to the proposed central registry. It would seem to be useful to the industry to indicate the nature of the bill and the consequences of not adhering to it because, while it may not seem to be mandatory on the surface, it would be expensive for anyone who failed to follow it. It would be interesting to us in the chamber to have an indication of the length of the interim period which the industry, those associated with the industry or who have interest in a particular piece of equipment, will have to register an interest in order to obtain the protection this legislation will provide.

This type of housekeeping bill is useful, and I suggest similar legislation would be useful in many other areas. Let us now move on to deal with the conflict of interest and investigate aspects of Canada's air industry.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I trust the House will forgive me if I exhibit again what seems to be the characteristic of being highly dubious of certain legislation. The bill before us states in the preamble, as indicated by the parliamentary secretary and the hon. member for Central Nova (Mr. MacKay), that in certain respects it fulfils an obligation undertaken by Canada regarding an international convention on the registration of aircraft. That is all very good, but I point out to hon. members some very grave doubts I entertain as to the constitutional ground on which part of this proposed act would rely. This measure not only sets out to do that but it refers to every aircraft in Canada. The international convention deals primarily with the regulation and control in Canada of seizures of aircraft of international airlines on scheduled passenger operations.

We all remember what gave rise to the international convention. Let me give an example. An aircraft of country "A" involved in international flights destined to one or more countries abroad was always subject to potential seizure by the owner of an accord obtained on behalf of country "B" where the aircraft had landed. We all know the legal complexities and disorganization which resulted. This bill purports to put into being an international accord which was signed many years ago. I fully agree with that, but I suggest that the bill goes much further. It sets up a central registry for obligations and interests in all aircraft in Canada. On what grounds? The Government of Canada has not one iota of jurisdiction over property and civil rights.

● (1520)

In reading through Bill S-9 I came across some rather interesting provisions about the registration of encumbrances against a particular aircraft, about the rights of

the holder of encumbrances to enforce them, the courts they had to proceed under, how execution could be levied against aircraft, and the remedies of any person who might be prejudiced or otherwise. Suddenly it struck me that this is completely contrary to the provisions introduced into legislation, say in the province of Alberta, when I was practising law. In that province there is the Seizures Act which lays down the procedure for the seizure of all personal property if need be.

I have before me the Bills of Sale Act which lays down the procedure for the registration of bills of sale, chattel mortgages and other encumbrances against personal property. If the minister thinks that the Alberta act does not touch aircraft, he might look at the Alberta Bills of Sale Act, subsection 8 of section 2 which provides that itinerant machine means vehicles, aircraft, trailers or drilling equipment. So we have legislation in the province of Alberta, the province of Ontario, no doubt the province of Quebec under its civil law, and any other province which provides how to deal with an aircraft or the encumbrances against it both as to registration and the priority of creditors, acts of registration or non-registration, enforcement or default under the encumbrances and enforcement of any judgment under the encumbrances, seizures or disposition of the aircraft.

Then we have what I consider to be this so-called "little softy" bill which was started in the other place and tells us that notice of interest is to be recorded, that the deemed interest in the aircraft is to be established and then, with the greatest disrespect for property rights, talks about priority of claims against any aircraft. I just simply ask, who in the blazes do they think they are? Where a notice of interest is not recorded, this legislation purports to set up different priorities notwithstanding the compliance within a province with the requisite legislation dealing with aircraft, and the registration of encumbrances against them and how the interest will be set up. This bill, on its own little hook says, that where there is no notice of interest recorded in the central registry of Canada, all the rights of that person are wiped out. On whose authority? Does the Minister of Justice (Mr. Lang) contend for one moment that a bill of this kind will override the provincial law which has been in existence for years?

Mr. Lang: I contend it is valid.

Mr. Lambert (Edmonton West): Does the minister say that the provincial law is a nullity? Did I hear him correctly in that regard?

Mr. Lang: I said that this one is valid.

Mr. Lambert (Edmonton West): In other words, the other side of the coin is that the others are invalid.

Mr. Lang: Not necessarily.

Mr. Lambert (Edmonton West): Will the minister please tell the House, when in due course he speaks again, the position of an individual with a chattel mortgage on an aircraft or a bill of sale duly recorded under a provincial act? I will tell the minister the title of the act in the province of Alberta; it is the Chattel Security Registration Act. That is the one with which I was familiar. It is the central registry for all chattel encumbrances against all personal property.

Within the province of Alberta, that is the only act other than the Bank Act which sets out the priorities under property and civil rights for the determination of creditors' and owners' rights. I am astounded that now this latter day apostle of new interpretative legislation should come forward and say that this bill is particularly valid. The heading of clause 9 is "Seizure and sale of aircraft". We are told that there shall be proceedings in the superior court of a province. If my memory serves me correctly, in the province of Alberta proceedings under the Procedures Act and the Bills of Sale Act in these particular instances are through the district court. I can foresee the collision that will occur if this bill should ever have the misfortune of being passed with these provisions.

Mr. Speaker, I want to make clear that the intention of the government to put into effect, after I don't know how many years, countless years, the international convention with regard to passenger carrying scheduled aircraft of international ownership—

Mr. Lang: Twenty-five years.

Mr. Lambert (Edmonton West): The minister says it is 25 years. Fine. But when they talk about aircraft in this country I say no, because there is no way the government of Canada can set its authority against that of the provinces which have had undisputed authority for years over all mobile equipment, automobiles, aircraft, and whatever may be determined to be personal property. Yet we are told that this legislation, notwithstanding any other act, shall have priority.

• (1530)

This bill will go to committee and we will certainly hear the reasoning of the government as to why it should take steps to set up these countervailing provisions. I can see citizens of one or more provinces involved in disputing priorities over an encumbrance or the rights of interest in an aircraft. We know that private aircraft can cost now up to $2 million or $3 million. This gives lots of scope for quarrelling.

We have this act, and we have the acts of one or more provinces which have their own priorities, established by registration in their own registries, of encumbrances against aircraft. Where will this lead to? Why does the federal government have to step into this determination with regard to any and all aircraft? It would have been preferable if the government of Canada had said: We are setting up a registry dealing with the aircraft that are referred to in section so-and-so, regularly scheduled passenger carrying aircraft whether of a national or an international nature, and certain steps will have to be taken before the establishment of a claim so as not to detain an aircraft under some sort of pressure as we have seen in the past.

We know about the old business of having to post a bond in a banana republic. But that is not so under this bill. This bill refers to any and all aircraft and sets up provisions counter to the well known jurisdiction of the provinces regarding personal property and mobile equipment. I could go through this bill and I am sure I could find some

glaring inconsistencies with the Alberta act which I mentioned, the chattel securities registry act. Why have we got this? This bill can go to committee, and if I am not able to be there all the time I hope my colleagues will become aware of some of the doubts I have regarding the bill. I hope they will examine the bill and question the Minister of Justice and his officials most closely as to just what the government is trying to do in the bill concerning a matter over which they have absolutely no jurisdiction. The government should keep out of an area in which the provinces have been able to administer property and civil rights to the satisfaction of the Canadian public.

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, as a member from the riding where Canada's second and third largest domestic and international air carriers are located, I felt I had to say a few words on this bill. CP Air, Canada's second national airline, and Pacific Western Airlines, which is the regional and international carrier of British Columbia and Alberta, both have head offices in my riding. I contacted them when I knew this bill was coming up, to see what their feelings were about it. They seemed to be very similar to those of most hon. members who have spoken today, namely, that it should be passed and that it is needed.

Therefore, I just wanted to rise in the House today to say that I support the bill because of the study I have done, and I appreciate the work of the hon. member for St. Boniface (Mr. Guay) in finally getting this bill before the House 25 years after the agreement was made. It surprised me to see that the Senate had to bring it in, but I suppose the hard work of the hon. member finally convinced the government that this bill should be placed before the House. I will resume my seat because I want the bill to be referred to the committee. I just wanted to say that it has my support.

Mr. Speaker: Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Transport and Communications.

* * *

NATIONAL PARKS ACT

AMENDMENT DELINEATING GOVERNMENT'S POWER IN DISPOSING OF PUBLIC LANDS

Hon. C. M. Drury (for the Minister of Indian Affairs and Northern Development) moved that Bill S-4, to amend the National Parks Act, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, hon. members will have noted that Bill S-4, before the House for second reading today, does not incorporate any major policy change in the National Parks Act. The chief purpose of this bill is to bring Kejimkujik and Forillon national parks into the schedule of national parks, and to authorize the governor in council to set aside by proclamation as national parks the lands comprising Kluane, Nahanni, Baffin Island, Pacific Rim, Pukaskwa, La Mauricie, Kouchibouguac, and Gros Morne.

The second important purpose of the bill is to allow future additions to existing national parks to be achieved by proclamation, thus avoiding the necessity of having to introduce new legislation for each such change. The other clauses amending the National Parks Act are basically administrative and updating.

The most important aspect of the bill, the provision of appropriate procedures for the establishment of ten new national parks, imparts significant and lasting benefits for all Canadians. But first I would like to bring the other provisions of this bill to Your Honour's attention. Clause 1 is an amendment to the definition of "public lands", necessary because the power of the government of Canada to dispose of lands in some of the national parks is limited by the terms of agreement between the government of Canada and the provinces in which the lands are situated.

The governor in council, by clause 2, is authorized to add to an existing national park, by proclamation, lands owned by Her Majesty in right of Canada with the agreement of the province concerned and, most importantly, provided that public notice has been given in the Canada *Gazette* at least 90 days before proclamation day. In its broad concept, clause 2 provides a procedural simplification for dealing with park boundary adjustments. Let me assure the House, however, that clause 2 does not authorize any deletions, however small, from parks. I should also like to emphasize that no new park can be established without the approval of parliament.

Clauses 3 and 4 will clarify the authority of the governor in council to make regulations to control traffic on highways in the national parks. They also permit the modernization of traffic control within the parks by providing for the voluntary payment of traffic fines in line with the practice of most provinces. At present a violator, if summoned, must appear before a magistrate. The proposed amendment also removes the present anomaly of a $500 maximum fine for violation of any provision of the act or regulations without regard to the nature of the offence, by authorizing lower maximum fines to be fixed by specific regulations.

● (1540)

Clauses 5 and 7(1) delete from the schedule of the act the descriptions of Fort Beauséjour historic park and Fort Anne historic park so that they will no longer be included among the national parks of Canada and may be set apart by the governor in council as national historic parks.

By clause 6 the name of Prince Edward national park is changed to Prince Edward Island national park, the name in common usage, and 12 acres are added to that park. Clause 8 repeals the description of Terra Nova national park as set out in part IX of the schedule to the act, and substitutes therefor the description confirmed by the Surveyor General of Canada.

To bring the major implications of this bill into proper focus I now turn to its main purpose, the provision of appropriate procedures for the establishment of ten new national parks. I refer hon. members to clauses 7(2), 9, 10 and 11. I want today to pay tribute to those provincial and territorial governments with which the minister has worked toward the establishment of these parks: Newfoundland, for Gros Morne; Nova Scotia, for Kejimkujik; New Brunswick, for Kouchibouguac; Quebec, for Forillon and La Mauricie; Ontario, for Pukaskwa; British Columbia, for Pacific Rim; the Yukon Territory, for Kluane; and the Northwest Territories, for Nahanni and Baffin Island.

For the first time we will have three parks above the sixtieth parallel. To speak of Baffin Island and the Nahanni national parks in the Northwest Territories and Kluane in the Yukon is to speak in superlatives. Baffin Island is characterized as having the largest permanent ice cap in Canada, probably the second largest in the world. The Nahanni is legendary for its hot springs, caves, Virginia Falls, which are twice as high as Niagara, and a river which runs through canyon walls, some topping 4,000 feet. Kluane has the highest mountains in Canada, extensive ice fields and glaciers.

Bill S-4 is a milestone. We will have a national park in every province and in both territories. Bill S-4 really concerns the enrichment of Canadian society and heritage by providing the procedures for bringing the total number of parks to 28. The minister's hope is that this bill will be followed by others so that by the year 2000 we will have 60 national parks. Hon. members have heard the minister state this goal on many occasions.

Canadians are in the enviable position of being able to enlarge and improve upon what already is internationally recognized as a superior national parks system. We have a relatively young culture, yet within it an abundance of ageless natural masterpieces in our national parks, wilderness works of art if you like, worthy of preservation and protection, demanding of care and attention and insistent upon expansion just as long as time remains our ally. The reward now and in perpetuity cannot be measured.

In the past few years there has been an increase in the number of visitors from this continent, from Europe and the Orient. This is evidence enough for me that our northern hemisphere parks also are appreciated as a rare experience by visitors from abroad. Just as many Canadians enjoy visiting the lands of their ancestral origins, so do visitors enjoy a country where natural scenic beauty is protected as a cultural heritage.

Here is an indication of how our national parks have grown in popularity and usage. In 1952 we had some 2½ million visitors, by 1962 this figure had grown to almost 7½ million, and in 1972 we had more than 14 million. If the present trend continues, we can expect the number of visitors from home and abroad to increase, with accompanying economic advantages for our tourist industry. But without an increase in parkland and proper management of such land, we face the disadvantages of over-use of our existing parks.

There is another urgency for meeting the goal of 60 parks by the year 2000. Although Canada has more land committed to national parks than any country in the world, by the year 2000 we will be hard pressed to meet demands for outdoor recreational land. It must be recognized that the availability of open spaces for citizens is not as great as imagined. On a national average, national parks represent only 1.3 per cent of Canada's land mass, 11 per cent is in private ownership, 7 per cent in agricultural development and 35 per cent in forestry and mining to which the public has limited or no access. Open spaces now are more abundant in the territories where sheer distance and higher costs are limiting factors on accessibility.

This brings us to the immediate and future needs of Canadians living in cities and growing urban centres who want and need easy and quick access to recreational land. The byways and special places program announced last October opens a new era of diversified land use for outdoor recreation. To review the situation briefly, in addition to national parks we have added eight historical canals and three new categories: national marine parks, national landmarks and national wild rivers. As well, the program envisages national networks of historic lakes and rivers and land trails for canoeing, hiking, riding or cycling, and low-speed scenic parkways for driving to be developed with the help of citizens, local associations, municipalities and provincial governments. I am confident that the co-operation demonstrated by the provinces in establishing new national parks will be an incentive for both public and private participation in the byways and special places program.

Canadians, and a national parks system which represents their interests, have two mandates where parks are concerned. The first is to preserve the most representative scenery in Canada and the second is to permit wise use by the people who go there. I feel we can pioneer in this area. Generally, the amendments proposed by Bill S-4 to which I referred earlier will help us to preserve what we have and are likely to have. In the past, because of the nature of the parks and lower park attendance, care was custodial. But with an increased public appreciation for these special places, the focus in the past few years has been on scientific management.

The broad approach is one of natural succession, fixed by the constraints of zoned park use. This preservation philosophy is based upon a comprehensive natural resource inventory being made in all our national parks. The inventory is being used to help planners pinpoint which areas in a park need maximum protection and which areas can tolerate different levels of visitors' use. Such is the basis of the parks five-class zoning system. This system ranges from wilderness areas to camp sites, waterways, roadways and high-density areas such as townsites.

A further change in the approach to park management should be noted. At the turn of the century, when the west was opened to settlers, and later during the depression, permanent townsites were developed within a number of our western national parks. In the 1970s, in keeping with a more ecologically sensitive society, the emphasis when developing new parks is to encourage certain tourist and service industries to locate outside the parks.

In the future hon. members can also expect to see further experiments with public transit systems in the

national parks. This will allow for more effective channelling of visitors, at the same time limiting the destruction of land for road construction. This already has been done with success at Point Pelee and will be done at Kluane to enable visitors to reach look-out points over the glaciers. Another step toward improved management practices was taken in May of this year. So that regions can be represented more closely by staff in the area, the number of our regional offices was increased from three to five. We now have offices in Calgary, Winnipeg, Cornwall, Quebec City and Halifax.

The philosophy of the National Parks Act is that of conservation and recreation. Conservation takes priority, as it must if Canada is to have special places to recreate. Bill S-4 does not alter this basic concept. I ask hon. members for their unanimous support in approving this bill.

● (1550)

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, members of my party share the view of the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mr. Marchand). We would like to get this bill into committee where we could take a fairly detailed look at some of its provisions and also make some proposals to fill the gaps where the provisions are not adequate.

I think we can accept and agree with the statement by the parliamentary secretary that no new policy is incorporated in this proposal. That, indeed, is part of the difficulty with the bill because there is a clear unhappiness in many parts of the country about the present practices, if not the policy, of the parks division of the Department of Indian Affairs and Northern Development. We want the chance to recommend in committee some changes that will meet these problems. Because these matters are so widespread and cause such concern across the country, a number of members on this side want to comment on existing parks policy and practice at this time.

First, I wish to pay tribute to and draw the attention of members of this House to the very extensive and useful discussion which occurred in the other place. I think the record of the debates there would be informative to any member of this House and anyone interested in national parks generally. It is important, also, to bear in mind that the discussion in the other place resulted in an amendment which is now incorporated in Bill S-4. It did not go as far as the proponents would have wished. There is, as you know, Mr. Speaker, a different minority-majority situation in the other place, for reasons that do not need to be gone into, and I think the person seeking the amendment wisely settled for as much as the minister would accept.

The amendment in the other place was one to democratize the system of establishing national parks in Canada and the system of adding to or taking from the territory of our national parks. There was a desire expressed, therefore, for public hearings. Because of the attitude of the minister as expressed through the Director of Parks Canada, there was a movement back from the request for public hearings, and a settlement for a requirement in the bill that there be 90 days' advance notice published in the Canada *Gazette* of any proposed changes in the boundaries of national parks. That is not as strong a dose of democracy as was wanted, nor is it as strong a dose of democracy as will be wanted by members of this House in committee, but it was the most the minister would settle for. Members of the other place, being realists, recognize that the government is not as amenable to changes there as they might be to changes made by a committee of our House.

I think it is important to establish the principle that whenever there are significant changes to national parks in Canada, we must ensure the right of public hearing; there must be an opportunity for everyone to comment, not an opportunity merely for that eccentric minority that whiles away its time reading the Canada *Gazette*. The government claims that it has a commitment to public hearings concerning national parks, but it is significant, in evaluating that claim, to recognize that a provision for public hearings has been kept out of this bill even though there was an opportunity to adopt an amendment which would achieve that end.

It is significant, also, to recall that the government declined to call public hearings in the community of Jasper, a townsite within a national park, when there was a very serious proposal put forward by the minister relative to the removal of railway facilities which would have affected 1,200 individuals living there. There has been difficulty with public hearings and public participation in the establishment of the Ship Harbour park in Nova Scotia, a park which is not referred to in this legislation because there is still outstanding disagreement about that provision. There has also been reluctance on the part of the government to hold public hearings regarding other aspects of parks policy in the country.

The director of Parks Canada, speaking in the committee of the other place, suggested there was no need for public hearings because there was an opportunity for persons who had points to raise to make them before committees of this House or of the other place. That clearly is an impractical suggestion. Not only are the committees of this House, in particular, and of the other place overburdened with work already, but we operate at too great a distance from the people who have important points to make about the establishment of or the diminution of our national parks. He also suggested that the minister would keep an eye upon the public service in case they proposed something extravagant. I think no one who has had experience with the administration of national parks in the country will accept that the minister can act in the stead of the public when he is dealing with senior public servants, in particular, who have been involved at the centre of that department for far too long.

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

The Acting Speaker (Mr. Boulanger): It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, notices of motion, and private bills.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CANADA LABOUR CODE

PROVISION OF SEVERANCE PAY FOR WORKERS DECLARED REDUNDANT

Mr. Arnold Peters (Timiskaming) moved that Bill C-44, to amend the Canada Labour Code (severance pay), be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, since I first introduced this bill there have been a number of changes which have had an effect on the provision of construction pay to employees under the jurisdiction of the federal government. These changes have not necessarily been in the interests of the federal employees who might be affected or in the interests of providing separation pay for employees who are not eligible through their employment for either superannuation or pension.

Mr. Speaker, this measure mainly affects persons who are temporarily employed, and it affects a large category of people under federal jurisdiction who fall into the classification of prevailing wage employees, who may be employed in a government undertaking in a specific area or where the lifetime of the project may be limited. This often happens with carpenters, construction workers and others who are employed for a short period of time and do not become civil servants or permanent employees of an agency under the control of the federal government, but where the work undertaken is in that jurisdiction. This is the only field in which the Parliament of Canada can make objection, and therefore this proposal is limited to that fairly specialized category.

I indicated that there have been changes since this bill was originally introduced. These have made it necessary for myself and other members of parliament to introduce legislation concerning some of the changes that were made the last time we altered the Unemployment Insurance Act. You will remember, Mr. Speaker, that we included in that legislation, as wages, any payments that were made subsequent to a lay-off for the purpose of providing a benefit whether the lay-off took place or not. This involved vacation pay, which in my opinion has not in any way been provided for by the unemployment insurance authorities.

● (1600)

When we made vacation pay available to prevailing wage rate and casual workers in industries coming under provincial and federal jurisdiction, we made it clear that vacation pay was for the specific purpose of enabling a person to take a holiday. We did this in such a way that originally, in the province of Ontario at least, a worker could not take his holidays before July 1, the reason being that the best time to take a holiday in Canada is in the summer.

The Unemployment Insurance Act was amended. It said, in so many words, that vacation pay, if accumulated, was wages and was to be included as wages in the calculation of benefits paid under unemployment insurance legislation. That provision, unfortunately, in many instances totally destroyed the original idea behind vacation pay.

Through including severance pay with vacation pay we have done the same thing.

In cases where union contracts provide for severance pay, employment over any extended length of time will build up a sizeable amount of severance pay for workers. When we introduced provisions regarding severance pay, it seems to me we were saying that if a person worked on a job for a short time he ought to be paid something to tide him over until the next job. Take, for example, the construction worker. Let us assume that he has been working on the same project for 30 months. When he quits, he will be paid 30 months' severance pay. That amount should compensate him during the period he is moving from one job to another.

On the other hand, if the workman has worked on the same job for a period of years, it is obvious that his severance pay will be much greater and could serve a totally different purpose. Such a workman could move from one construction job which had been of long duration, to a second job. The point is that the severance pay will make easier his transfer from one job to another.

Unfortunately, the unemployment insurance authorities include severance pay in income. That means, of course, that if a person works for fairly good wages for any period, short or long—let us say it is ten months or two years—and then quits for whatever reason, his severance pay, paid in a lump sum will become income so far as the Unemployment Insurance Commission is concerned. For instance, let us say the severance pay of a man who has been earning $1,000 per month on a construction site amounts to $2,000, which is paid as a lump sum. In the eyes of the Unemployment Insurance Commission, that amount represents two months' earnings on the job; consequently, he would lose two months' unemployment insurance benefits. In any event, the most he can hope to collect by way of unemployment insurance is slightly more than $100 per week. As well, you must make allowance for income tax. His benefits would amount probably to $700 for the two-month period in question, assuming he could collect benefits. As you can see, even when severance pay is considered as wages, such severance pay enables a workman more easily to make the transition from one job to another and to follow his own line of work.

What I have said applies, of course, to people who leave their jobs and people who are fired. As you know, Mr. Speaker, the bill would not apply to permanent employees who work, say, for the federal government and are eligible for superannuation by virtue of their employment. Such employees fit into the category of permanent civil servants or permanent employees and are not affected by this bill.

Many of us who have had experience in the labour field believe that severance pay enables the worker to deal with dislocations that arise periodically when he must move from one job to another. Severance pay, which is paid to many prevailing wage rate workers and to workers drawing isolation pay in various parts of Canada, is a major asset, especially to those who work under the aegis of the federal government or its agencies, in that it allows the labour force to be mobile. We believe that is the purpose of severance pay. It is also true that workers are being penalized. The worker who was paid two months' sever-

ance pay in the example I used would be penalized during the two months covered by his severance pay, inasmuch as unemployment insurance benefits would not be paid. In my opinion, such workers should also be entitled to these benefits.

While considering this subject I submit we should look at both vacation pay and severance pay, as both payments are made for a specific purpose. Severance pay and vacation pay are accumulated through contributions normally made by the employer and the employee: they form part of the employee's wage structure. Both payments are made to the employee to enable him to enjoy a better way of life in the occupation he is following. Vacation pay is paid for the specific purpose of allowing the worker to take a holiday with his family in the summer.

The unemployment insurance people do not take this into consideration. They think that vacation pay must be paid when a man leaves his job. Consequently, the position of the Unemployment Insurance Commission is that such payment constitutes income and must be calculated and included as income for the purposes of unemployment insurance. That is wrong. The principle being followed is bad. Several of my colleagues and I have tried to remedy this situation in previous private members' bills. We contend that severance pay and vacation pay should not have anything to do with the Unemployment Insurance Act and should not be included in the calculation of income.

The regulations at present do not work to the advantage of short-term employees working under the jurisdiction of the federal government, or for other people for that matter, as they can calculate the point at which a lump sum payment would work to their detriment. The unemployment insurance payment would be larger than the severance pay if it were calculated over a period of one week.

● (1610)

I believe there is a need for mobility of employment in this country. Severance pay is one way of accomplishing this. There are others. Not only is mobility established by severance pay but it compensates one who loses his employment. It is a provision which enables him to make the transition to a second job.

There are many other forms of protection which could be given to workers in this field. This is essential for government employees and others who come under the Labour Code. Severance pay assists in a small way, but something should be done about the problem of housing which often enters into the picture when changing jobs. This applies also to people who are moved to another city. In my area a radar station is being closed. Civil servants, casual employees and armed forces personnel are being asked to move to another area. They have been assured by the Department of National Defence that their jobs will be protected. In the area in which they now live, they pay rent of approximately $125, or can purchase a house for $7,000 or $8,000. Land costs are negligible. Services are almost totally lacking. Housing is a very reasonable proposition. If they move to another area, equivalent housing will cost three, four or possibly ten times as much: for a person now living in Matheson who moves to Toronto it will mean the difference between $7,000 and $70,000 for equivalent housing. No allowance is made in that kind of transfer, and it is reasonable that we should consider this question.

When the Unemployment Insurance Commission opened a computer centre in Ontario several years ago, employees across Ontario were given the opportunity to move to a new centre in Toronto. There were so few applications to work in the Toronto computer centre that there were not enough employees to operate it. No one was stupid enough to move from a small town in Ontario to the city of Toronto for a job that would possibly pay an additional $1,000 a year. As a result, the computer centre was established in Belleville.

In this technical age there are many other forms of protection that should be given to employees who are transferred. A good example of this is James Bay. During the past several weeks the Quebec news broadcasts and election broadcasts have told the people about the wonderful opportunities in James Bay where 100,000 new jobs will be created. It is true there will be a number of new jobs in that area, but they will not be anywhere near 100,000. I doubt whether there will even be 50,000 new jobs created. However, when that job is complete, because of the high degree of technology we have developed it will not take more than 50 or 60 people to operate the major hydro project there. All the machines in the power plants will be automated; they will be run from a switching plant at Val d'Or, St. Jean or Montreal.

Not long ago a $40 million hydro project was built in my area. Several thousand people worked on that project. It now operates with 15 or 20 employees who come from 20 miles away. A crew goes there once a day, or, once every several days to see that the oiling and other maintenance jobs are being done properly by the machine set up to do that work. If we are to maintain reasonable mobility to move people in the government service and in the construction field under federal jurisdiction, we must provide whatever means are possible to carry out these transfers with ease. Severance pay is not the answer. It does not provide the benefits that must be provided to retain mobility of the labour force.

I suggest that if this bill is passed and severance pay is mandatory in those fields where there is not superannuation or pension—superannuation is paid to employees under our jurisdiction—we will find their opportunity for mobility is increased and dislocation and disruption of their economic pattern of life will be less severe.

● (1620)

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I am pleased of course to rise on Bill C-44, as I have always been most interested in labour questions.

Before coming to the heart of the matter, I should like to recall briefly certain parts of the bill. First, Bill C-44 is entitled an Act to amend the Canada Labour Code, and then the words "severance pay" in brackets. I think this is clearer, and I have always wondered why in the House of Commons the pieces of legislation had unintelligible titles. I think that as much as possible the titles used should describe the purpose of each bill.

The hon. member for Timiskaming (Mr. Peters), the sponsor of this bill, proposes that the Canada Labour Code contain much more generous provisions for the employee who is laid off unexpectedly.

He proposes specifically the inclusion of a provision following section 57 of the Canada Labour Code which reads as follows:

An employee who is declared redundant by his employer or who ceases to be employed by him as a result of circumstances beyond the employee's control shall thereupon be paid by his employer a sum, hereinafter called serverance pay, . . .

—which is the title of the bill—

. . . calculated under subsection (3).

And the mover of the bill specifically states, and I quote:

(2) This section does not apply to

(*a*) an employee who has become entitled to receive a payment or payments under any superannuation or pension plan whether statutory or otherwise;

(*b*) an employee who dies while employed;

(*c*) an employee whose period of employment by the employer, and by any person from whom the employer has accepted a transfer of the contract of employment, extends for less than 12 months.

This clause clearly indicates that the hon. member for Timiskaming shows some goodwill; he proves once more that he is a reasonable man when it comes to considering matters as serious as this one.

Mr. Speaker, the calculation of the amount of the compensation proposed in this bill is rather simple, and I think that even an employer with little education could understand it. The hon. member for Timiskaming actually proposes, and I quote:

(3) Severance pay is the higher of the following amounts:

(*a*) the average weekly earnings of the employee based upon the average of the last five years or lesser period of employment, multiplied by the number of years of his employment, and in addition where any part of such years falls between the employee's forty-fifth and sixtieth year, a further amount equal to such average earnings multiplied by such years of employment as fall between these ages; or

I made a brief calculation on the basis of average weekly wages of $100, multiplied by five years, which gives a total of $500. For example, if the employee concerned was, as proposed by the hon. member for Timiskaming, between 45 and 60, one could multiply $500 by five years, which would make $2,500. That is how I understand the arithmetic formula proposed by the hon. member for Timiskaming.

My attention was drawn to subsection 2 of his addition to the Canada Labour Code which reads as follows, and I quote:

"54. Parts I, II, III, IV and *IV(A)* of this Act shall come into force on the 1st day of July, 1970."

I think this should have been corrected or the present bill should have been updated. But he simply kept the same subsection which was in the bill he had introduced earlier. Therefore, I take it for granted that he would want his bill to come into force on the 1st day of July 1974, and if I am wrong, I stand to be corrected.

Mr. Speaker, I had the opportunity to do a bit of research before deciding to speak on this bill and I found in an analysis of 1804 collective agreements of recent date that out of 1,735,000 employees in all industrial sectors in Canada, only 43 per cent, and what is even more significant, that only 28.4 per cent of those affected by collective agreements were protected by a provision entitling them to severance pay.

Another analysis of 306 major collective agreements involving 447,700 employees in the manufacturing sector shows that 37.9 per cent of the agreements involving 58.7 per cent of employees, included provisions entitling them to severance pay. A 1967 investigation on labour conditions, the last of a series of investigations whose findings are apparently available has shown that only 17 per cent of employees in all industrial sectors of Canada subjected to a sampling were covered by a provision concerning severance pay compared to 35 per cent of employees covered in industries under federal jurisdiction.

● (1630)

Those statistics speak volumes and strengthen the arguments already put forward by the hon. member for Timiskaming (Mr. Peters) for the passage or at least a full study of his bill. It seems to me that while some progress may have been made since the publication of the last surveys available to me—I do not think, and this is my intuition—that conditions have materially improved in Canada.

I also had before me a recommendation of the 1963 International Labour Conference which advocated a form of income security for the dismissed worker, but it was suggested at the same time that it might be done through unemployment benefits plus severance pay.

The hon. member for Timiskaming commented on the protection available under the unemployment insurance scheme in Canada. I will not discuss that, but I think there are gaps that should be filled.

As I already said, this is not, of course, the first attempt on the part of the sponsor of this bill to have his bill passed. I think he introduced it for the first time in 1969, and he indicated a while ago that he had to amend it in recent years so as to take into account certain amendments that we introduced, among other things, with respect to the unemployment insurance scheme.

I wanted to do it at the beginning of my remarks, but I should like at this point to commend the hon. member for his initiative and his well-known perseverance, and I want to assure him that he can count on my support for the detailed study of his bill. It seems to me that we could very well refer that bill to the committee.

The hon. member for Timiskaming, as most other hon. members, is concerned about the plight of the Canadian worker because he probably comes from the working class as most of us do. I am not an expert on the Canada Labour Code and I have no legal training nor any union background and at times those questions seem a bit unfamiliar to me. Still I think it is important for all members to expose the abuses that can happen occasionally and are brought to our attention.

No one ever doubted that the employee often is discriminated against by the employer and this especially in areas where there are no unions or where employers openly work against trade unionism.

Mr. Speaker, I should not like anyone to deduce from this last comment that I am a socialist like the hon.

member of Timiskaming. These are questions of basic importance and a member of parliament, should not be accused of being a socialist or of having socialist tendencies or of being a communist because he believes in elementary social justice.

Mr. Speaker, there are also abuses in some areas of this country where workmen do not know the extent of the protection available to them under the Canada Labour Code and the provincial labour codes in spite of the sometimes praiseworthy efforts of governments, civil servants and unions to inform the Canadian workman of his rights.

It is quite interesting, Mr. Speaker,—and I would like to mention this—that during the 1972 federal election that was held on October 30, I defeated a Progressive Conservative opponent who had a peculiar concept of the right to strike, among other things. His views were strongly rejected, and this is why I am here in the House of Commons today. I do not fool myself, Mr. Speaker, I know I was elected to work in the Canadian worker's best interests, and I publicly undertake, once more, to continue to do so.

The Canada Labour Code under its present form includes a few protective measures for the employee who suddenly finds himself unemployed because his employer has decided that he would be replaced by a machine, for instance. The legislation also bestowed on cabinet the authority to prepare technical regulations and to set up procedures to secure proper enforcement of the legislation. I will not deal with that since it was already referred to in the previous debates, when this bill was considered.

I did admit that I am not an expert in this area, even though I am very much interested in this matter. This is why, Mr. Speaker, I wish we could interview government officials and public servants in committee, for instance, during the Christmas recess, on the way the existing legislation is enforced, in order to later determine the impact of the measure advocated by the hon. member for Timiskaming.

I suggested the lengthy Christmas recess which they seem to consider giving us, because the government often finds excuses for not referring these bills to the committee, such as this one for instance: "We are already overwhelmed with work". Then, Mr. Speaker, I take advantage of this opportunity, today, to suggest that standing committees of the House of Commons be allowed to sit during Christmas, Easter and summer recesses, to consider these bills. However I should like to see the devotion of members sitting on these committees taken into account and that a special allowance be granted to them.

I had before me, a few minutes ago, a notebook that I lent to one of my colleagues who intends to speak of this matter—

An hon. Member: You only have one supporter.

Mr. Corbin: On the contrary, I think that there are a lot more.

As I was saying I had before me, a few moments ago, a note book containing an analysis and various studies on the legislative concept of the severance pay recognized in some countries. I have but little time to consider it in detail but I would like the bill standing in the name of the hon. member for Timiskaming, to be referred to the committee so that we might spend more time on the various aspects of the matter and consider at the same time what is the practice in other countries.

It is important that we continue our studies on this matter, that the federal and provincial Departments of Labour continue their analysis of the existing practice in the field of severance pay and that they make the findings of these studies and analysis available to members. We must also listen carefully to the views of labour unions.

If some hon. members are seriously in doubt about the usefulness of this bill, although I do not think that such is the case, I suggest that they look around them anyway the next time they visit their respective ridings.

● (1640)

Let them go and meet the employees of the manufacturing industry or those of the pulp and paper industry. Let them put on the shoes of a 55 or 60 year old workman who is being laid off because it has been decided that a machine should replace him. Let them go out and meet a man who has a number of children at home to support, who has mortgage payments to make, who has often bought his car on credit through a finance company and who has all sorts of other family and financial obligations to meet.

How would we react if we were in this individual's circumstances, Mr. Speaker? This man who is working today may receive tomorrow a two-month advance notice that he will be laid off. He has no choice because technological progress rules everything nowadays. When he reaches age 60, this man is no longer accepted or even acceptable.

If he succeeds in finding another job, it is sometimes at a much lower salary. And this is far from being funny. You might say that governments will provide for the worker and that they do so to a large extent in the case of a worker in the type of situation which we are studying today, but nevertheless, Mr. Speaker, it is always a humiliating experience for a man who has worked for a living to depend on welfare or on the generosity of governments for financial help or support.

Of course, the government has acted wisely in bringing about this legislation, but whatever might be said, the work ethic still exists in Canada. There still are people who want to earn the money they receive. I believe that as long as this is the case, we should give them all the support that we can, and enact legislation in order to ensure that they receive the best possible social justice.

Mr. Speaker, I should like to give other members a chance to speak. I wish to repeat what I said earlier in my remarks; the hon. member for Timiskaming has my support and I agree that this excellent bill be referred to the committee for further study.

Mrs. Albanie Morin (Louis-Hébert): Mr. Speaker, it is with some reserve that I am taking part in this debate today on Bill C-44. I would very much like the hon. member to know that I am neither for nor against this bill, but some of its provisions are not very clear to me and it is on this basis that I would like to speak.

The bill introduced by the hon. member among other things, provides for the following:

An employee who is declared redundant by his employer . . .

There may be so many cases where an employee may be laid off without being redundant. This is not quite clear. And here again it says:

. . . or who ceases to be employed by him as a result of circumstances beyond the employee's control . . .

Here again, many cases may be found where employees are laid off for reasons beyond their will. This is quite ambiguous and before supporting this bill, I would have liked the hon. member to give further particulars.

I would have preferred a further narrowing down of the category of employees to whom he would like this bill to apply; it certainly contains good things but then they should have been explained at greater length.

Clause (2) reads as follows and I quote:

This section does not apply to

(*a*) an employee who has become entitled to receive a payment or payments under any superannuation or pension plan whether statutory or otherwise;

Then, if I understand properly, this excludes all employees who are eligible to a pension plan of any kind and particularly in this case to the Quebec Pension Plan and also all employees who are eligible for unemployment benefits; other classes of employees are also excluded and this should also have been explained.

Subsection (*b*) reads as follows, and I quote:

an employee who dies while employed;

I think that this category of employees who die while employed should have been covered by the legislation and here I have in mind the wife of a man who dies while employed by a corporation and suddenly sees herself without any income. She may have several accounts to pay and have no income. If her husband was insured she should receive insurance benefits, I agree, but it takes months and months before insurance companies make that payment.

An hon. Member: Is this not covered by the pension plan?

Mrs. Morin: Yes, these would be excluded. I wonder why the hon. member rejects employees who die. I really think that the spouse had a right to that benefit.

I repeat that I am not opposed to this bill. It has many good things, but there are some vague points that should have been explained further.

Paragraph (*c*) of the bill reads as follows, and I quote:

(*c*) an employee whose period of employment by the employer . . . extends for less than 12 months.

Again, a class of people who need help have been excluded. I am referring to seasonal employees, lumberjacks who work in camps for five or six months in winter. Well, they are excluded from any benefits by this bill, yet they are the ones who most need our help.

I still have in mind seasonal workers in tobacco, fruit or vegetable harvesting. If their period of employment extends for less than 12 months, they would also be excluded. I wonder why the hon. member excluded those categories of people.

I repeat that there are good things in the bill, but why was it not better explained?

In addition, I had the honour as councillor of the town of Sillery, to take part in the drafting of several collective agreements and let me say, Mr. Speaker, that collective agreements often clearly stipulate that the employee shall be entitled to severance pay should he leave his job. Many collective agreements so provide. I also have in mind the small businesses having three or four employees.

The bill specifies that severance pay should be of such or such an amount as provided in section 3 and that it should not exceed $1,000. It seems to me that small businesses would have their hands tied. Some employers can pay a small severance pay but if a certain amount is stipulated by law, it seems that this would be a disservice to small companies. I think that this would lead them to bankruptcy. Here again I blame the hon. member for failing to think of the small employers.

For all these reasons, I think that Bill C-44 contains several good things. However, it includes some very unintelligible provisions that will not facilitate the work of certain employers.

Once again I am not against the bill but I would like the hon. member to improve it.

[*English*]

Mr. Knowles (Winnipeg North Centre): Question.

The Acting Speaker (Mr. Boulanger): Order, please. Is the hon. member rising on a point of order?

Mr. Peters: No, Mr. Speaker. I wish to close the debate.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the bill which we are discussing proposes to provide to employees who lose their employment through redundancy a form of income, or severance pay. In looking at the existing programs of this government in the administration of Canada I think it is quite clear that in many cases this kind of severance pay is not required.

It seems to me that what is required for a worker who loses his job through no fault of his own, where his job is made redundant, is not a sum of money no matter how generous but, rather, retraining in order to acquire skills necessary to obtain a new job among those which are evolving, and also the possibility of finding out where new jobs are which call for the level of skill he now has or might acquire; and, thirdly, some method to get him to the location where the job may be if there is none in his own locality.

Whether or not one receives severance pay from a former job seems to me irrelevant to the point when trying to find a place in the work force for the person who has been hit by redundancy. Therefore, I believe we must look, in discussing this bill, at the adequacy of the measures that have been developed by the Department of Manpower and by the Unemployment Insurance Commission in respect of retraining programs which are in operation today, or possibilities for employment.

The dilemma we face is trying to move people around from one economic area to another, and how best we can do this. Most important of all are the mechanisms by which we must attempt to find a job for the person who has been declared redundant. I think it is safe to say that one of the important issues in the recent rail strike which this House had to in part settle was that of job security for various classes of railway workers.

An understanding of the kind of process that is taking place, particularly in the secondary manufacturing sector, is associated with the concerns the hon. member for Timiskaming (Mr. Peters) has put forward. He has one way of looking at the problem and potential solutions, and I have another way of looking at the problem and the potential solutions.

● (1650)

Mr. Speaker, in the rural areas of Canada in particular from which the hon. member for Timiskaming and myself come, one of the things that has been happening has been a tremendous amount of capital investment going into traditionally labour-intensive industries. Mining and forestry, for example, no longer employ the same number of people, yet produce tremendous amounts of material, more than they ever used to. They are becoming capital-intensive industries.

When we have people who are made redundant because of that kind of transformation in our economic system, it seems to me we are looking at the provision of additional jobs in areas where those jobs were eliminated. Our aim is not only to provide unemployed person with the means of moving from one region of Canada to another where there might be jobs, but also of ensuring sufficient growth in those isolated areas in order to provide an expanding number of jobs for both the existing work force and the young people in those communities.

In the Atlantic provinces, I note that some progress is being made. This is evident from the latest statistics which have been published. This is an indication that perhaps after five years the policies followed by DREE are taking hold. So as I see the problem, it involves not just the question of legislating for severance pay through the Canada Labour Code, but it involves paying far more attention to the operation of a department like DREE, trying to find out what the mechanism is to bring some kind of economic growth to such isolated regions, and to re-examine the operations of the Department of Manpower and Immigration which in many cases has brought forward programs with which we are not satisfied. I and, I think, other hon. members feel that that department has not been able to find a way to accomplish the goals that we set for it in the legislation establishing the department.

Some hon. Members: Hear, hear!

Mr. Reid: The problem is that in many cases, when we have been able to define the goals that we want the departments to follow, we have not been able to find the mechanisms for achieving these goals. The programs of the Department of Manpower and Immigration, for example, taken by themselves, seem to be reasonable and sensible approaches to solving these problems. But in point of fact, in their actual operations and in the way in which the department has been put together, they have not been successful; and certainly they have not been as successful as we all would have wished.

We are now faced with the ridiculous situation such as is indicated by the government's job survey, which indicates that there are a substantial number of jobs that are unfilled. Not only are they unfilled for short periods of time, but they are unfilled for lengthy periods. Manpower has not been able to find out about these jobs, take the lists of the unemployed from the Unemployment Insurance Commission and put the two together. I am not saying that unemployment would disappear if that were done. Obviously, the number of jobs available in any given period is going to decrease and they are not always going to be in the places where the unemployed are. A decrease in jobs is due, to a large extent to changes and to the process of turnover. But the point is that there does not seem to have been a realization on the part of Manpower that this problem exists, and even though there are mechanisms in place they do not seem to have worked out to the satisfaction of either the workers concerned, the department or the minister.

The hon. member for Grenville-Carleton (Mr. Baker) tells me not to blame public servants. I am not blaming public servants. I am saying that what we have done in the case of the Department of Manpower and Immigration is to develop a mechanism to do certain things. In large part it has not succeeded because we do not understand all we should about the operations of the job market, the economic systems and manpower mobility in terms of workers' preparedness to move from one community to another. We have not been able to cope with what have been called changes in the work ethic. Some jobs which used to be sought after, no longer are and we now have jobs which cannot be filled at any price.

It is not a matter of the public servants or a matter of the government; it is a question of looking at a changing society, trying to find out where that society is moving and attempting to devise policies on the fly that will meet the very real challenges that exist. To say that is not to blame anybody, but to point out that not only does the administration, the cabinet, the government, and the Liberal Party have a responsibility to attempt to make these judgments, but so do my friends opposite.

I realize what a strain it would be for the hon. member for Grenville-Carleton if he and his party had to put forward in the House reasoned, sensible policy proposals to meet these problems. One of the reasons they are sitting on the benches opposite and not over here is that they have no policies to offer on this or any other subject.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, just for the record, may I ask if it is still definite that on Monday we will be dealing with the foreign investment legislation?

Mr. Reid: That is correct, Mr. Speaker.

Mr. Speaker: The hour set aside for the consideration of private members' business has now expired. The House will resume at two o'clock Monday afternoon.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, November 5, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

TABLING OF UNITED NATIONS SECURITY COUNCIL AGREEMENT ON IMPLEMENTATION OF SECOND PHASE OF RESOLUTION 340, AND CERTAIN NOTES

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I would like to table the texts of the following documents: the United Nations Security Council Agreement of November 2 on the implementation of the second phase of Security Council resolution 340 of October 25, notes dated October 30 and November 4 from the permanent representative of Canada to the Secretary General of the United Nations and, finally, the note of October 30 from the Secretary General to Canada's permanent representative.

* * *

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

CONCURRENCE IN SIXTH REPORT OF STANDING COMMITTEE

Mr. Judd Buchanan (London West) moved that the sixth report of the Standing Committee on Indian Affairs and Northern Development, presented to the House on October 26, 1973, be concurred in.

He said: Mr. Speaker, there has been discussion with the various House leaders on this matter and I believe there is agreement that the report be concurred in without debate.

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

EXTERNAL AFFAIRS

ROLE OF CANADIAN ELEMENT IN MIDDLE EAST PEACEKEEPING FORCE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask for unanimous consent of the House to raise a motion of urgent and pressing necessity. I move, seconded by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton):

That this House views with concern the indecorous haste exhibited by the Canadian government in its anxiety to secure consent of objecting nations within the United Nations to having Canadians in the peacekeeping force for service in the Middle East, whereby without regard to the magnificent record of Canadians in two world wars Canada's No. 1 combat alert unit is to be placed in a secondary position in the peacekeeping force being given a responsibility analogous to that of hewers of wood and drawers of water for other nationals in the said force.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

Mr. Wagner: Mr. Speaker, I rise on a point of order. I would like to ask the Secretary of State for External Affairs whether he is prepared to make a statement on motions relating to his discussions over the weekend in New York and Washington.

Mr. Speaker: Order, please. That is hardly a point of order. Hon. members know that we would get into difficulty if on motions hon. members were to ask members of the government whether they propose to make statements. I appreciate the importance of the matter. Perhaps the minister might be allowed to reply. But I think the hon. member would agree that if the minister rose and made a statement that would answer the question. That is why, normally, this kind of question is not asked on motions.

* * *

● (1410)

NORTHERN AFFAIRS

NORTHWEST TERRITORIES—LETTING OF CONTRACTS BY HIRE NORTH—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Wally Firth (Northwest Territories): Mr. Speaker, in view of reports of a serious conflict of interest with respect to the letting of contracts in connection with a government project in my constituency of the Northwest Territories, I ask leave, under the provisions of Standing Order 43, seconded by the hon. member for Skeena (Mr. Howard), to move as follows:

That the letting of contracts by Hire North, a Northwest Territories government project, be referred to the Standing Committee on Public Accounts for the purpose of determining whether tenders were called before such contracts were authorized, and

also for the purpose of determining whether the employee appointed to head Hire North has been involved in a conflict of interest.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

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HEALTH

SCREENING PROCEDURES FOR BLOOD IMPORTS FROM UNITED STATES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion concerning a matter of urgent and pressing necessity, namely, that the import of blood from the United States carries with it toxic hepatitic bacteria that constitute a danger to the technicians who handle it for experimental use. I therefore move, seconded by the hon. member for Victoria (Mr. McKinnon):

That an inquiry be launched immediately for the adoption of more satisfactory screening procedures in importing batches of high risk blood specimens.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

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MANPOWER

LOCAL INITIATIVES PROGRAM FUNDS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I rise under the provisions of Standing Order 43 in that the allocation of funds under the Local Initiatives Program to regions of highest unemployment does not come close to meeting the objectives of the program and tends to destroy the initiative criteria. I therefore move, seconded by the hon. member for Gander-Twillingate (Mr. Lundrigan):

That the government immediately increase the funds under the LIP program to at least that amount allocated last year.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

[Mr. Firth.]

EXTERNAL AFFAIRS

CANADIAN AMBASSADOR TO CHILE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Harney (Scarborough West): Mr. Speaker, I rise under the provisions of Standing Order 43 to bring a matter of urgent and pressing necessity to the attention of the House and to seek unanimous consent to move a motion. In view of the fact the Canadian ambassador to Chile, in a dispatch to Ottawa, stated, "Reprisals and searches have created panic atmosphere affecting particularly expatriates including riff-raff of Latin American left to whom Allende gave asylum," thus betraying a bias that makes it impossible for him to carry out stated government policy on political refugees in Chile, I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House instruct the Secretary of State for External Affairs to recall the Canadian ambassador to Chile.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

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PENSIONS

TRANSFERABILITY FROM ARMED FORCES AND RCMP PLANS TO AIR CANADA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Terry O'Connor (Halton): Mr. Speaker, pursuant to Standing Order 43 I rise on a question of urgent and pressing necessity. In view of the fact the President of the Treasury Board has consistently refused to recommend that the Canadian Forces and RCMP pension plans be transferable to Air Canada's pension plan, and in view of the basic inequity thus caused, particularly to airline pilots who have served in the Armed Forces or the RCMP and who have taken positions with Air Canada, I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That this House requests the President of the Treasury Board to correct this basic inequity by permitting the transfer of credits under the Armed Forces and RCMP pension plans to the Air Canada pension plan.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

ABORTION

PROPOSED COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to the provisions of Standing Order 43 I rise to propose a motion on a matter of urgent and pressing necessity. In view of the representations made to most members of the House not only in person over the past few days but also by thousands of telegrams and letters, urging the House to examine the abortion laws now freely in existence in this country, and in view of the fact that this is a matter dealing with life itself I move, seconded by the hon. member for Hamilton Mountain (Mr. Beattie):

That the government be instructed to form forthwith a committee, comprised of members of this House, to thoroughly investigate this entire area affording such organizations as the Alliance for Life and others, in fact all segments of our society, the opportunity to express their views on a matter involving the very lives of thousands of unborn children.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not. The motion cannot be put.

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EXTERNAL AFFAIRS

RELEASE OF RONALD PATRICK LIPPERT BY CUBA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek unanimous consent to move a motion arising from the efforts of all those who assisted in obtaining the release of Ronald Patrick Lippert—the Department of External Affairs, the Canadian Embassy in Havana, private citizens throughout the country, and certain members of the news media. I would move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That this House expresses its appreciation to all those whose efforts contributed and assisted in obtaining the release of Ronald Patrick Lippert.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING DEFINITIONS, POWERS OF INVESTIGATORS, OFFENCES

Hon. Herb Gray (Minister of Consumer and Corporate Affairs) moved for leave to introduce Bill C-227, to amend the Combines Investigation Act and the Bank Act

and to repeal an Act to amend an Act to amend the Combines Investigation Act and the Criminal Code.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

SUBMERSIBLE VESSELS—ESCAPE CAPABILITIES

Question No. 2,325—**Mr. Forrestall:**

Will the government ensure that all submersible vessels for which it contracts or which it purchases have more than one escape capabilities?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): In so far as the Department of National Defence is concerned, a multiple escape capability for all submersibles is a clearly recognized objective; however, the achievement of this objective is currently subject to the limitations of technology in this field. In so far as the Ministry of Transport is concerned, the question of escape capability will always be an important point of consideration in the contracting or purchase of submersibles.

SUBMERSIBLE VESSELS—CONTROL OR OPERATIONAL SUPERVISION

Question No. 2,327—**Mr. Forrestall:**

1. What are the definitions of the jurisdictional purview of the government with respect to the control or operational supervision of submersible vessels?

2. What is the statutory authority for such definition?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of National Defence and Transport as follows: 1 and 2. The British North America Act, Article 91, Section 10, assigns the federal government jurisdiction over navigation and shipping. This jurisdiction is exercised through the Canada Shipping Act which is administered by the Ministry of Transport. Article 714 of the CSA stipulates that, except where specially provided, the act does not apply to ships belonging to Her Majesty. The government has authority to make regulations regarding the construction and equipment of all ships and for the inspection of non-passenger ships over 15 tons, gross tonnage, passenger ships over five tons, gross tonnage and ships carrying more than 12 passengers not in excess of five tons, gross tonnage. The National Defence Act states at Section 2 that "Her Majesty's Canadian Ship means any vessel of the Canadian Forces commissioned as a vessel of war." Under authority of the National Defence Act (Part 1, Section 18) the Chief of Defence Staff is responsible for "the control and administration of the Canadian Forces . . ." Consequently, the National Defence Act provides the statutory

authority to the Chief of Defence Staff to make regulations governing the control and operation of submersible vessels belonging to the Canadian Armed Forces.

AIR CANADA—AVAILABILITY AND CHOICE OF CANADIAN WINES ON CARRIERS

Question No. 2,595—**Mr. Cossitt:**

1. Are any brands of Canadian champagne available on (a) domestic flights (b) flights to the United States (c) overseas flights of Air Canada and (i) if so, what brands are available (ii) if not, for what reason?

2. What effort has the Department of Transport made to urge Air Canada to make Canadian-produced wines available to the travelling public on its flights?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: 1. A Canadian brand of champagne (Bright's) is available on domestic flights, but stocks are being depleted in light of a court decision in late 1972 forbidding Canadian wine producers from using the term champagne for their domestic sparkling wines.

2. The Ministry of Transport does not advise Air Canada on internal management matters of this nature. However we are informed that Canadian wines are carried on domestic flights. The guiding criterion for all cases is customer's preference, which is determined from time to time through passenger surveys and cabin crew reports.

RELATIONS WITH EUROPEAN COMMUNITIES

Question No. 2,665—**Mr. Stevens:**

1. Has the government taken any steps to establish some form of regular parliamentary link with the European Parliament and, if so, have they been successful?

2. Has the government pressed the European Community to establish European Community Information Offices in (a) Halifax (b) Ottawa (c) Toronto (d) Montreal (e) Vancouver?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Interparliamentary relations are not within the competence of the government but fall within the scope of the officers of parliament, specifically the Interparliamentary Research Centre. However, the Department of External Affairs assists the Interparliamentary Relations Centre in organizing visits to Canada of foreign parliamentarians (such as the visit to Canada of a group of members of the European Parliament later this month)* as well as visits abroad by Canadian parliamentarians.

2. It would not be appropriate for the Canadian government to solicit the European Economic Community to establish an information office in Canada. The Standing Committee of the Senate on Foreign Affairs and Defence has recommended to the government that the Community open an information office in Canada and the Department of External Affairs has passed this information on to the officers of the European Economic Community.

[Mr. Reid.]

UTILIZATION OF WINNIPEG INTERNATIONAL AIRPORT ON "POLAR ROUTE" TO EUROPE

Question No. 2,713—**Mr. McKenzie:**

1. Has the government entered into negotiations with other nations and their major airlines regarding the utilization of the Winnipeg International Airport as either a stopover point or a major departure centre on the so-called "polar route" to Europe and, if so, where and on what date were such meetings held?

2. Have any agreements been reached regarding the utilization of the Winnipeg Airport on the polar route?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows: 1. No.

2. No.

NATIONAL DEFENCE—DEW LINE SITES

Question No. 2,715—**Mr. Bawden:**

1. What agency is responsible for operating DEW Line sites and stations in Canada?

2. How many civilian personnel are employed at such DEW Line sites and stations and, of these, how many are Canadians?

3. Does Canada Manpower provide all the hiring services for the above agency?

Hon. James Richardson (Minister of National Defence): 1. DEW Line sites and stations in Canada are operated by RCA through Operation and Maintenance Service Incorporated (OMS) who have an office in Winnipeg. A Canadian Forces officer commands each of the main sites in Canada.

2. As of August 31, 1973, 488 civilian personnel were employed on Canadian DEW Line sites and stations and of these, 478 were Canadian citizens.

3. Canada Manpower is requested by the OMS Industrial Relations Office to provide personnel for each vacancy which occurs. Only when Canada Manpower cannot provide appropriate personnel in a reasonable period of time does OMS attempt to hire personnel by open advertising.

NUCLEAR PROPULSION FOR SHIPS AND LOCOMOTIVES

Question No. 2,721—**Mr. Forrestall:**

Is the Department of Transport currently undertaking a definitive study on a cost-benefit basis of using nuclear propulsion for ships and locomotives of all classes and, if so (a) what level of funding has been appropriated for such a study (b) what is the status of this study (c) on what date can the results be expected to be made public?

Hon. Jean Marchand (Minister of Transport): The Ministry of Transport is not currently undertaking a definitive study on a cost-benefit basis of using nuclear propulsion for ships and locomotives of all classes. It is, however, the Ministry's intention to commission in the near future a study with respect to nuclear ship propulsion, specifically in connection with the polar icebreaker project, with regard to the possible application of this type of propulsion under present and envisaged future circumstances. Part of the study will involve a review of the findings of previous studies on nuclear ship propulsion carried out for the Ministry and the United States Coast Guard. (a) No specific funding has been appropriated for the new study at this time and funding will not be

requested until final estimates of the cost have been determined; (b) a draft request for a proposal for the study is in the final stage for circulation to competent consultants, a list of whom is now being considered; (c) the date upon which the results of the study can be expected to be made public is not known at the present time.

SPECIAL FEATURES OF ACCIDENT AND DEFECT INVESTIGATION DIVISION

Question No. 2,764—**Mr. Forrestall:**

1. What specific features of the Accident and Defect Investigation Division of the Canadian Surface Transportation Administration exist to guarantee it the ability to make full, impartial and interference-free reports and investigations of those areas over which it has responsibility?

2. Is the government satisfied that such procedures are sufficient to maintain the confidence of the public and the international community with respect to the impartiality and conflict-of-interest-free accident investigation and reporting?

Hon. Jean Marchand (Minister of Transport): 1. The purpose of the Accident and Defect Investigation Division of the Canadian Surface Transportation Administration is to evaluate the effectiveness of motor vehicle safety standards, determine the need for new or improved standards, identify possible safety-related defects or deficiencies which may be present in vehicles operating on the road system and obtain information on accident causation and specific data for research purposes. In meeting the above objectives the Accident Investigation personnel involved in these investigations do not direct their efforts to the establishment of responsibility or the making of policy recommendations. The division is supported by nine university teams strategically placed across Canada. It has also complemented its investigations by contracting a technical portion of some investigations of a major nature to independent consultants.

2. Yes.

PURPOSE OF ACCIDENT AND DEFECT INVESTIGATION DIVISION

Question No. 2,765—**Mr. Forrestall:**

1. For what reason is the Accident and Defect Investigation Division of the Canadian Surface Transportation Administration not separated organizationally from all other agencies and branches of government?

2. Would such separation assure the removal of even the appearance of the possibility of conflict of interest in its reporting and investigating of accidents that may involve criticism of regulatory agencies?

Hon. Jean Marchand (Minister of Transport): 1. The purpose of the Accident and Defect Investigation program is not to determine responsibility for individual accidents nor to make administrative or policy recommendations for preventing similar occurrences in future. The provincial governments have established procedures for determining responsibility and causes of motor vehicle accidents. The objectives of the Accident Investigation program are to evaluate the effectiveness of safety standards and to determine the need for additional standards. In addition, the investigations are designed to identify any vehicle defects or deficiencies which may have contributed to the accident which may be present in other vehicles operating on the road system. The investigations also provide information on accident causation and specific data for research purposes. Therefore, separation of Accident and Defect Investigations from this branch would serve no useful purpose.

2. There is no evidence of conflicts of interest in our present Accident and Defect Investigation program. The program best serves its purposes of direct support of standard activities by remaining within the branch and not under an independent quasi-judicial body.

PARLIAMENT HILL—DUTCH ELM DISEASE EXPENDITURES

Question No. 2,774—**Mr. Stevens:**

To date, what is the total cost expended by the government to save the elm tree on Parliament Hill, which is near the statue of Sir John A. MacDonald, from dutch elm disease (a) what have been the results (b) is it planned to treat the tree further next year?

Hon. Ron Basford (Minister of State for Urban Affairs): In so far as the National Capital Commission is concerned: The elm tree behind the statue of Sir John A. MacDonald is a mature tree approximately 90 years old. It contracted the Dutch Elm Disease in 1966. Since then it has been pruned and sprayed annually to remove the dead wood. Approximately one-third of the tree's crown has been removed. The slow progress of the disease is due to the maturity of the tree. Actual cost for the pruning and spraying of this tree for the past seven years is not available but it is estimated at $250. During 1973, as part of the experimental root injection program, this tree was treated at a cost of $200. (a) Results of treatment prior to 1973 have prolonged the life of the tree for several years. Results of the injection treatment this year will not be known until further analysis has been conducted; (b) pruning and spraying treatment will be continued. Further action to save the tree will be determined after the results of this summer's treatment are known.

CANADIAN INVENTORY OF HISTORIC BUILDINGS

Question No. 2,778—**Mr. Clark (Rocky Mountain):**

1. By province, how many buildings have been surveyed during the first phase of the Canadian Inventory of Historic Buildings?

2. By province, how many interiors of selected historic buildings are scheduled to be surveyed and recorded in phase two of the program?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. British Columbia, 8,017; Alberta, 8,159; Saskatchewan, 6,731; Manitoba, 2,975; Ontario, 38,579; Quebec, 29,871; New Brunswick, 5,732; Nova Scotia, 7,978; Prince Edward Island, 1,954; Newfoundland, 1,617. These figures are approximate since not all of the data has been processed.

2. At the present time we plan to record between 6,000 and 12,000 building interiors in phase 2 of the CIHB program. This represents roughly 5 to 10 per cent of the structures recorded in phase 1. The final selection of buildings has not yet been made, so we cannot provide the breakdown requested.

Order Paper Questions

MONTREAL AND OTTAWA STOLPORT BUILDINGS

Question No. 2,785—Mr. Reynolds:

Is there a $90,000 difference for the construction of two identical buildings, one at the Montreal STOLport and the other at the Ottawa STOLport and, if so, for what reason?

Hon. Jean Marchand (Minister of Transport): Yes, conditions at the Montreal STOLport required the provision of suspended floor slabs and underfloor membranes, which resulted in higher costs for the superstructure.

EMPLOYMENT OF MISS MONIQUE COUPAL

Question No. 2,798—Mr. Cossitt:

1. Is Miss Monique Coupal employed by the government and (a) if so, in what capacity and at what annual salary (b) if not, on what date did she leave government service and for what reason?

2. (a) What are all positions ever held at any time in the Public Service by Miss Monique Coupal (b) what were the periods of time involved (c) what was the annual salary in each case?

Right Hon. P. E. Trudeau (Prime Minister): Yes. (a) Executive Assistant to the Principal Secretary to the Prime Minister; $22,000-$28,000; (b) Not applicable.

2. (a)	(b)	(c)
Assistant Secretary and Legal Adviser—The Royal Commission on the Status of Women	01/09/67—14/12/70	$18,867—$21,442
Legislative Counsel—Office of the President of the Privy Council	22/02/71—18/09/71	$18,867—$21,442
Secretary—CRTC	31/07/71—30/08/73	$19,400—$24,200
Executive Assistant to the Principal Secretary to the Prime Minister	01/09/73—present	$22,000—$28,000

LA MAURICIE NATIONAL PARK

Question No. 2,817—Mr. Howard:

1. (a) What was the projections of costs on a year by year basis over the length of the development period for La Mauricie National Park in its original development plan (b) did these estimates include provision for inflation?

2. What are the actual amounts which have been spent year by year on La Mauricie National Park?

3. Have the estimates of the expenditures needed over the development period been revised and, if so, what are the revised figures?

4. What priority was originally assigned to La Mauricie National Park, in terms of the length of the development period and the level of expenditures, vis-à-vis other parks in the national parks system?

5. Has the priority changed and, if so, in what way?

6. What criteria are employed in assigning priorities?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. (a) The initial conceptual plan envisaged an estimated expenditure of $17 million by 1980; (b) The initial plan did not include a provision for inflation but the most recent revised plan proposes an expenditure of $18.2 million by 1980 and is a projection based on 1973 dollar values.

2.	1970/71	1971/72	1972/73
Capital	$ 203,800	$1,557,700	$2,907,500
O and M	63,300	234,800	283,600
	$ 267,100	$1,792,500	$3,191,100

The above totals include capital expenditures, operating/maintenance costs and special labour intensive winter works programs.

3. Answer contained in question 1 above.

4. All new and developing parks receive equal priority within the National Parks System.

5. The priority has not changed, but the road program in La Mauricie Park has been accelerated in order to meet the objectives envisaged in the 10-year plan for the park.

6. All new parks brought into the parks system receive a high priority to meet our commitments to the provinces as delineated in the federal/provincial agreements pertaining to the handover of provincial lands to the Crown.

"HANSARD" SUBSCRIPTIONS

Question No. 3,004—Mr. Mitges:

How many subscribers of *Hansard* are there for the current session of the 29th Parliament and what is the number for the Province of Ontario?

Hon. John C. Munro (Minister of Labour): Information Canada advises as follows: Subscribers in Canada, 8209; Subscribers in Ontario, 4266.

UNEMPLOYMENT BENEFITS TO PROFESSIONAL ATHLETES

Question No. 3,026—Mr. Yewchuk:

1. For each year 1969 to 1972 and for the first six months of 1973, how many professional athletes (a) hockey players (b) football players (c) baseball players (d) others received benefits from the Unemployment Insurance Commission?

2. For the same years, what was the total amount paid in benefits to each one of these professional groups of athletes?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): The Unemployment Insurance Commission does not maintain statistics that would make this kind of information available.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

STUDY OF IMPACT OF UNITED STATES DISC CORPORATIONS ON CANADA'S ECONOMY

Question No. 2,419—Mr. Marshall:

Has any department carried out a study of the impact of U.S. DISC corporations on Canada's economy and (a) if so (i) which department(s) carried out the study or studies (ii) what were the terms of reference (iii) what were the conclusions reached (b) if not, for what reason?

Return tabled.

ST. LAWRENCE ISLANDS NATIONAL PARKS—GOVERNMENT-OWNED SNOWMOBILES

Question No. 2,430—**Mr. Cossitt:**

1. How many government-owned snowmobiles are maintained at St. Lawrence Islands National Parks?

2. On what date, from whom and at what price was each purchased?

3. Were tenders called on each purchase and (a) if not, for what reason (b) if so (i) was this by public advertisement or invited tender (ii) what tenders were received in each case?

4. Who looks after maintenance of these snowmobiles and what was the total maintenance cost during the latest 12 months for which figures are available?

5. Are any leased snowmobiles used by the government at this location and, if so, from whom and at what cost?

Return tabled.

ST. LAWRENCE ISLANDS NATIONAL PARKS—GOVERNMENT-OWNED BOATS

Question No. 2,431—**Mr. Cossitt:**

1. How many government-owned boats are maintained at St. Lawrence Islands National Parks?

2. On what date, from whom and at what price was each purchased?

3. Were tenders called on each purchase and (a) if not, for what reason (b) if so (i) was this by public advertisement or invited tender (ii) what tenders were received in each case?

4. Who looks after maintenance of these boats and what was the total maintenance cost during the latest 12 months for which figures are available?

5. Are any leased boats used by the government at this location and, if so, from whom and at what cost?

Return tabled.

ST. LAWRENCE NATIONAL PARKS—GOVERNMENT-OWNED VEHICLES

Question No. 2,432—**Mr. Cossitt:**

1. How many government-owned vehicles are maintained at St. Lawrence Islands National Parks?

2. On what date, from whom and at what price was each purchased?

3. Were tenders called on each purchase and (a) if not, for what reason (b) if so (i) was this by public advertisement or invited tender (ii) what tenders were received in each case?

4. Who looks after maintenance of these vehicles and what was the total maintenance cost during the latest 12 months for which figures are available?

5. Are any leased vehicles used by the government at this location and, if so, from whom and at what cost?

Return tabled.

Oil Supplies

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

ENERGY

OIL SUPPLIES FROM FOREIGN SOURCES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I ask leave, seconded by the hon. member for Kootenay West (Mr. Harding), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the steps the government proposes taking to meet the continuing interruption of oil supplies from foreign countries and, more particularly, what plans it has for (a) procuring alternative supplies to meet the needs of eastern Canada; (b) organizing public support for reducing the consumption of energy supplies this winter, and (c) instituting a system of oil rationing should this become necessary.

Mr. Speaker: The hon. member for Nanaimo-Cowichan-The Islands has forwarded the notice required by section 2 of Standing Order 26. This has provided the Chair with an opportunity to give the matter the most serious consideration.

There can be little doubt that the proposed motion meets most of the criteria set out in paragraph 16 of Standing Order 26. The subject raised by the hon. member is, as specified in the Standing Order, a specific and important matter requiring urgent consideration. It is one which is of interest and concern to all members and one which hon. members would want to debate, I am sure, at a suitable and appropriate moment. The Chair is therefore sympathetic to the proposal of the hon. member that there be a special debate on this matter.

Of course, it might well be suggested that the debate proposed by the hon. Secretary of State for External Affairs, to which reference has been made from time to time during the last few days, might afford us an opportunity for the special debate now proposed by the hon. member for Nanaimo-Cowichan-The Islands. Hon. members will appreciate, also, that there can be only one debate about a certain subject under the terms of Standing Order 26 during the course of a session. Paragraph 16, subsection (d) reads:

● (1420)

. . . the motion must not revive discussion on a matter which has been discussed in the same session pursuant to the provisions of this Standing Order.

When we are dealing with a developing situation and one which may become of graver concern later, hon. members may well wonder whether the moment has yet come when the one and single emergency debate provided by the Standing Order ought to take place at this particular point in time. With this in mind, I suggest to hon. members that it might be wise if the Chair were allowed to postpone until later this afternoon the very important decision he has to make in response to the motion so as to consult in the meantime with House leaders. These consultations would be of great assistance to the Chair in determining whether the proposed debate should take place

today, perhaps later this week, or at some time, in any event, by mutual agreement. I will therefore hold the matter in abeyance. Following discussions after the calling of orders of the day, a statement can be made from the Chair indicating the decision which has been reached.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

PRESENT POSITION RESPECTING CANADIAN PARTICIPATION IN MIDDLE EAST PEACEKEEPING FORCE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to divert a question to the Secretary of State for External Affairs about his visit to the United Nations and the documents he tabled today. Is the government of Canada now formally committed to sending a contingent, as originally proposed, to provide logistics support for the United Nations Emergency Force, or is the government simply committed to sending what is described, I think, as a small evaluation force to the area?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the situation, if I may describe it briefly, is this: The Secretary General asked Canada originally to supply the logistics component of the United Nations Emergency Force. It was because of some doubt whether this proposition was wholly acceptable to all members of the Security Council and the parties to the conflict that I went to New York on Friday to discuss with the Secretary General later developments. At that time, or shortly after I arrived, the Security Council held another meeting and put forward the—

Mr. Stanfield: I rise on a point of order, Mr. Speaker. With respect, it seems to me the minister is making the kind of statement that he ought to make on motions. We are very grateful for the information, but I suggest that we would be prepared to revert to motions so the minister can make the statement.

Mr. Sharp: Mr. Speaker, I do not think it would be wise at this time to make an extensive statement on the subject; I will be quite happy to answer the hon. gentleman's question more briefly. All we are committed to at the moment, although we have accepted the larger role, is to send an evaluation force to the Middle East in order to determine what our role should be.

Mr. Stanfield: Mr. Speaker, can the Secretary of State for External Affairs explain, and I am not being facetious, what he means by saying that the government of Canada is committed to the larger role but the only thing it has agreed to do is to send a small evaluation team?

Mr. Sharp: Yes, Mr. Speaker. The House will recall that I said, in reply to a question, that until the situation is clarified we do not intend to send any other troops to the Middle East. All that we have agreed to send so far is a small evaluation team.

[Mr. Speaker.]

POSITION OF ARAB COUNTRIES ON SUPPLYING OF OIL TO CANADA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, the Prime Minister indicated on Friday, I believe, that the Secretary of State for External Affairs would be consulting with the representatives of the Arab oil producing nations at the United Nations with regard to security of oil supplies for Canada. Can the minister advise the House whether, in his meetings with the representatives of the Arab states, he discussed any conditions and received any assurance with regard to an assured supply of petroleum to Canada from the Arab oil producing countries in the event of Canada participating in the United Nations Emergency Force?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I do not think there is any direct relationship between our participation in the United Nations Emergency Force and the attitude of the Arab oil states toward supplying oil to Canada. The discussions that I and our ambassadors have had directly with the representatives of the Arab countries indicate that Canada is not considered to be a country unfriendly to the Arab countries and we have no information that any boycott will be applied against us. As the hon. gentleman knows, the oil countries are reducing their production. It is very difficult for anyone to tell how that will affect deliveries to any country in the world.

OPPORTUNITY FOR DEBATE ON CANADIAN PARTICIPATION IN MIDDLE EAST PEACEKEEPING FORCE

Mr. Andrew Brewin (Greenwood): Mr. Speaker, will the minister say whether the commitment he made last week that the approval of parliament will be sought with regard to sending a force in reply to the Secretary General's request still stands and when we may expect that debate?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the commitment still stands. I am ready to call the item immediately, but I believe it would be very much in the interests of the House before the resolution is called that the exact role that Canada will be called upon to play be decided. We now have to consider sharing the logistics component with at least one other country, namely, Poland. It is for this reason that the evaluation team is going to Cairo to try to determine how best to divide these responsibilities.

REASON FOR ALLOCATING AIRBORNE UNIT FOR POSSIBLE SERVICE IN MIDDLE EAST PEACEKEEPING FORCE

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a supplementary question for either the Secretary of State for External Affairs or the Minister of National Defence. In view of the fact an evaluation team is now going to Cairo and there has been a review of the role Canada will play, why was it decided to choose the Canadian airborne regiment, Canada's combat alert unit, to fulfil this role which would normally be carried out by a supply unit?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, there will be no decision about the use of the Canadian airborne regiment until the evaluation team has made its report to the Secretary General. As the hon. member knows, this regiment has been a standby regiment for peacekeeping for several years.

Mr. Diefenbaker: Not for the activity of being a hewer of wood.

Mr. Lambert (Edmonton West): Will the minister advise why the unit at this stage of its combat readiness would be used not as a peacekeeping unit but as a supply unit under the logistic arrangements forecast by the Secretary of State for External Affairs? After all, the RCMP can look after a parking lot as well.

Mr. Richardson: Mr. Speaker, the Canadian airborne regiment is trained to play more than one role. Although it is a combat regiment, it is also trained in peacekeeping operations. It should be the wish of all of us that it play a role in peacekeeping, rather than in combat.

Mr. Speaker: The Chair will recognize the hon. member for Saint John-Lancaster on a supplementary and then the hon. member for York South.

TIME OF DEBATE ON CANADIAN PARTICIPATION IN MIDDLE EAST PEACEKEEPING FORCE

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, my supplementary is for the Secretary of State for External Affairs. Does the sending of the evaluation team now mean the matter will not be referred to the House in the way indicated until the evaluation report is given to the House?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I would prefer that, but I would have no objection if the House insisted on having an earlier debate. I just suggest it would be a more valuable and productive debate if there could be a clarification of our role before that debate takes place.

● (1430)

Mr. Bell: When is the report expected? This is all involved in the motion under Standing Order 26 which was just put forward.

An hon. Member: They are all mixed up.

Mr. Speaker: While the matter is being pondered, the Chair will recognize the hon. member for York South.

* * *

ENERGY

SUGGESTED MEETING OF FEDERAL AND PROVINCIAL FIRST MINISTERS ON POSSIBLE SHORTAGE OF OIL SUPPLIES —PRIME MINISTER'S POSITION

Mr. David Lewis (York South): Mr. Speaker, before asking my question may I say I cannot agree with the suggestion of the hon. member for Saint John-Lancaster that the motion under Standing Order 26 moved earlier has a connection with the matter he raised.

I want to pose a question to the Prime Minister. Has he received and, if so, has he had time to study a telegram from Premier Barrett of British Columbia urging an early meeting of the first ministers of Canada for the purpose of co-ordinating plans with respect to the shortage, or possible shortage, of oil supplies, as well as plans for conservation and distribution, so that there might be a co-ordinated Canadian energy policy in this perhaps critical period? If the right hon. gentleman has had time to study the telegram, does he intend to call such a meeting of first ministers?

Right Hon. P. E. Trudeau (Prime Minister): I did, indeed, receive such a telegram and I am a little puzzled by it. The subject matter is certainly an urgent one and must be studied. However, I am not sure whether Premier Barrett is aware that such a conference has already been called at the ministerial level and that the Minister of Energy, Mines and Resources has set November 23 as the date. I have not communicated with Premier Barrett on this point, although I did have occasion to talk with him on other matters last week. But on this matter I am not clear whether he wants a meeting of first ministers to supersede this meeting at the ministerial level. If so, my advice would be that it would be preferable to stick to the initiative we have taken of calling a ministerial meeting on November 23 to do all the preliminary work and then, as soon as is necessary thereafter, to call a meeting of first ministers, as was our original plan.

OIL SUPPLIES—POSSIBILITY OF ESTABLISHMENT OF NATIONAL CORPORATION TO DEAL DIRECTLY WITH VENEZUELA

Mr. David Lewis (York South): I would assume that Premier Barrett's suggestion arises from the attitude taken by the premier of the neighbouring province of Alberta. In any case, may I ask the Prime Minister the following question. It is true it has been asked of the Minister of Energy, Mines and Resources, but may I put it to him in this way. In view of reports that there may be some cutback in oil supplies from Venezuela, which could affect Canada, and in view of the attitude taken by the government of Venezuela that it cannot control the distribution of its oil supplies because they are mainly in the hands of Exxon, may I ask the Prime Minister whether the cabinet is coming to a conclusion, or how quickly it may come to a conclusion to set up a national petroleum corporation that would be able to deal directly with the government of Venezuela and ensure some security of oil supplies this winter?

Right Hon. P. E. Trudeau (Prime Minister): I am afraid that at this stage I am not able to agree with the assumption with which the hon. member prefaced his first question. I am not in a position to know what the Premier of Alberta will do but I am still operating on the assumption that the Alberta minister responsible for this particular area of policy will be at the meeting on November 23. If he is not, I do not think this should lead us to the conclusion that we cannot meet in the absence of the minister

from Alberta. However, it would be much more desirable if the premier did have the minister there.

I am still puzzled about the intent of Premier Barrett's telegram. I hope he is aware that there is a meeting scheduled for November 23; at any rate, I will try to pursue the matter with him. I might add that the Minister of Energy, Mines and Resources is consulting with various provinces on both a bilateral and a multilateral basis, particularly at this time with the ministers and premiers of the eastern provinces.

As to the other question asked by the hon. member, I cannot add to what the Minister of Energy, Mines and Resources has said repeatedly. The subject of a national petroleum company is before the cabinet. It has not yet been decided in any final way. We shall let the House know of the government's decision in the usual manner.

EASTERN CANADA OIL SUPPLY SITUATION—SPECIFIC PLANS FOR EXTENSION OF PIPELINE TO MONTREAL

Mr. Jim Balfour (Regina East): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Having regard to the oil supply situation in eastern Canada, can the minister tell us what specific plans the government has formulated in connection with the Montreal pipeline project which go beyond the general commitment to the project embodied in the announcement of September 4, whether such specific plans were discussed with the premier of Quebec last week, and whether the National Energy Board has been asked to study the project and make a recommendation?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The board would deal with that matter in the form of an application, and no application has yet been made. There have been discussions both with Quebec at the official level and with the Interprovincial Pipeline Company with regard to the details of such a pipeline. I cannot say whether or not this matter was discussed last Friday, but it is receiving active attention from the federal agencies concerned as well as other interested parties.

Mr. Balfour: In view of the minister's statement that such a pipeline could deliver 250,000 extra barrels of oil per day to Montreal without any major back-up construction to the wellhead being needed, can the hon. gentleman now be more specific and inform the House whether the government has undertaken any concrete action since September 4 which permitted him to make such a projection?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker. That judgment is based on information from Interprovincial Pipelines.

OIL SUPPLIES—REQUEST FOR EARLY DECISION ON WHETHER NATIONAL CORPORATION TO BE ESTABLISHED TO DEAL DIRECTLY WITH VENEZUELA

Mr. David Lewis (York South): Mr. Speaker, I have a supplementary question for the Prime Minister. It seems obvious that it would take some time to set up a national petroleum company or corporation and that it may be necessary to have such an agency in order to obtain sufficient oil supplies from Venezuela for use in eastern Canada this winter. May I ask the Prime Minister whether he and his colleagues can assure the House that they will come to a conclusion on this matter within the next few days in order that eastern Canada will not face a shortage of supplies because of the failure of the government to reach a decision to set up the necessary agency for that purpose?

Right Hon. P. E. Trudeau (Prime Minister): I am afraid I cannot agree with the hon. member's logic. As the minister has said a number of times in the House, the existence of such a company is not the only factor which would determine whether the supplies are sufficient or not. There are a number of other factors involved, including direct relations between the government and the governments of the oil-producing nations.

* * *

[*Translation*]

AGRICULTURE

ACCURACY OF FIGURES IN TWENTY-EIGHTH REPORT ON FARM IMPROVEMENT LOANS

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

I should have asked this question last Friday to enable the minister to enlighten the House, but I did not have the opportunity to do so. Did the minister look through the 28th Report on the Farm Improvement Loans Act for the year 1972? If so, would he be willing to say whether the data included in this report date from 1914, as suggested by his parliamentary secretary last Thursday following my intervention?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Those were the figures we were given. If they were not accurate, I will check on them and see that they are rectified.

[*Translation*]

Mr. Gauthier (Roberval): Mr. Speaker, I have a supplementary question.

Is the minister considering taking the necessary steps to better inform his parliamentary secretary?

* * *

[*English*]

ENERGY

OIL—MOBILIZATION OF TRUCKS AND RAILWAY TANK CARS TO MOVE FUEL TO DEFICIT AREAS IF REQUIRED

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources. At the meeting with the provincial resources ministers on November 23, does the minister plan to put forward the work he has done on collecting or mobilizing trucks and railway tank cars to move fuel from surplus areas to deficit areas this winter?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): This question was not originally on the agenda but I would be quite prepared to brief them. We have responded favourably to the suggestion of the premier of Nova Scotia that there might be a meeting of the five eastern provinces on this question. I shall certainly be glad at the November 23 meeting to take the opportunity of giving full information on the present state of supply and any measures to be taken. I should explain that the November 23 meeting is also to prepare for a full scale energy conference for next year and also to deal with the second stage of our mining policy.

• (1440)

OIL SUPPLY—SUGGESTED PROVISION OF ACCELERATED COST WRITE-OFF TO THOSE WHO BUILD LOCAL STORAGE FACILITIES

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a supplementary question which I wish to address to the Minister of Finance. In view of the urgency of the situation we face this winter, would the minister consider, after consultations with his colleagues, announcing that he is prepared in his next budget to introduce a two-year rapid acceleration provision for all those who build storage facilities in local communities?

Hon. John N. Turner (Minister of Finance): That is a representation that I will certainly consider, Mr. Speaker.

AVAILABILITY OF VENEZUELAN OIL FOR SALE TO POSSIBLE CANADIAN GOVERNMENT CORPORATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my supplementary question is for the Minister of Energy, Mines and Resources. May I ask the minister whether there is to his knowledge oil available in Venezuela that the appropriate agency in Venezuela would be prepared to enter into a contract for sale thereof this winter to a government sponsored or government owned energy corporation in Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the original discussion was with regard to availability of oil following the end of the concessions in Venezuela whenever that might be. Late last week, I think either on Friday or Saturday, there was an indication that Venezuela might be planning to take its royalty in kind, in which case the Venezuelan agency C.V.P. would have oil available. We are pursuing that particular information but at the moment I cannot indicate whether there is any possibility of a contract in the near future.

OIL—SUGGESTED INTERVENTION OF PRIME MINISTER OR ANOTHER MINISTER IN MEETINGS WITH ALBERTA

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I have a supplementary question for the Prime Minister. Since the methods followed by the Minister of Energy, Mines and Resources in his dealings with the province of Alberta have led to confrontation on two consecutive occasions, will the Prime Minister advise whether the right hon. gentleman plans to intervene personally in this matter by meeting with the premier of Alberta or using other means, or whether he intends to nominate the Minister of Finance or some other intermediary to help end this atmosphere of confrontation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am always ready and delighted to meet with the premier of Alberta on any subject, but on this particular one I must assure the House that the entire government is behind the Minister of Energy, Mines and Resources—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Hellyer: They are all behind.

Mr. Trudeau: —comma—in support of a policy that is not unfair to the American people and which only has the effect of returning to the treasury, for the time being, a windfall profit that otherwise would have gone not to the people of Alberta but to the multinational corporations.

Some hon. Members: Hear, hear!

OIL EXPORT TAX—REPRESENTATIONS TO ALBERTA MINISTERS VIS-À-VIS FEDERAL POLICY

Mr. Joe Clark (Rocky Mountain): I am not quite sure, Mr. Speaker, what is meant by the reference to the American people, but I will let it pass as a fault of geography. May I direct my supplementary question to the Minister of Energy, Mines and Resources. May I ask the minister whether the representations made to ministers of the Alberta government a week ago tonight regarding the export tax differed appreciably from the position that the government announced Thursday night? If so, would the minister explain why the policy differed from the representations?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we presented to the Alberta ministers the options that the government faced, which basically were the options whether there should be a staged increase in price to February 1 west of the Ottawa Valley line or some variation of that. These options were presented to the ministers, but because they had refused to sanction any action under the price restraint program we arrived at no agreement.

OIL SUPPLIES—ESTIMATE OF POSSIBLE IMPORT SHORTFALL—POSSIBLE NATIONAL MARKETING MECHANISM

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I have a supplementary question, Mr. Speaker, to the Minister of Energy, Mines and Resources. In view of the fact the Arab states, particularly Saudi Arabia, have announced a reduction in oil production of 25 per cent for November and an additional 5 per cent in the month of December, and in view of the constant danger that Venezuelan oil may be diverted to the United States, may I ask the minister whether his department has made any estimate of the parameters within which we can anticipate imported oil supplies this winter. Has the minister made any

estimate of what the shortfall will be between the 900,000 barrels a day that we normally require and what we are likely to be getting?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Not at the moment, Mr. Speaker. As the hon. gentleman knows, the meeting of the Arab states last weekend confirmed their policy that certain states would be embargoed and also confirmed certain policies regarding reduction in production. How that reduction will affect the supply to each of the recipient countries such as Canada is at the moment still to be determined.

Mr. Speaker: The Chair will recognize the hon. member for Nanaimo-Cowichan-The Islands for a further supplementary, followed by the hon. member for Edmonton Centre, the hon. member for Calgary North and the hon. member for Calgary South.

Mr. Douglas: In view of the minister's statement a few moments ago that the government is pursuing the possibility of dealing with the state oil trading company in Venezuela for any oil that government may take in kind, may I ask the minister what plans he has for marketing such oil in Canada? Does he intend to set up a national marketing mechanism to deal with that oil in order to see that it goes to the areas where it is most needed?

Mr. Macdonald (Rosedale): Mr. Speaker, I do not think that in the short run a national marketing mechanism would be necessary in the sense that I think the government of Canada, through existing agencies, could undertake the responsibility of acquiring the oil and making it available to various refiners that might be short of feed stock. As for the long run, the best agency for doing this is all bound up, of course, in the decision whether or not we will have a national petroleum corporation.

OIL EXPORT TAX—POSITION OF MINISTER OF FINANCE—DISCUSSION BY PRIME MINISTER WITH PREMIER BARRETT

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I have a question for the Minister of Finance. Did the Minister of Finance promise at the meeting with Alberta officials that there would be prior consultation before he reversed his field on the export tax on oil?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, my intervention in the meeting with my colleague and the Alberta ministers was to examine the position of the export tax and particularly the situation of Syncrude.

Mr. Speaker: Order. I will allow a supplementary to the hon. member for Edmonton Centre and then the Chair will recognize the hon. member for Calgary North.

Mr. Paproski: Mr. Speaker, the Minister of Finance did not answer my question but I will direct my supplementary question to the Prime Minister. In his discussions with Premier Barrett last week did the Prime Minister discuss the Canadian export tax on oil and did the premier approve the measure?

[Mr. Douglas.]

Right Hon. P. E. Trudeau (Prime Minister): That conversation was privileged, Mr. Speaker.

OIL—POSITION OF GOVERNMENT RESPECTING SYNCRUDE DEVELOPMENT—POSSIBLE TAX INCENTIVES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources. In view of the cabinet leak to the effect that the government intends to nationalize or is considering nationalizing one of the corporate parties to the Syncrude project, is the minister now in a position to encourage or to discourage the immediate development of the Syncrude project to assure supplies of crude petroleum for all Canadian needs now and in the future? That is the question today; we are talking about supply.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to confirm a statement made outside the House, namely, that a *Globe and Mail* report of a proposal to acquire either Gulf or Shell is totally without foundation.

An hon. Member: Oh yeah?

Mr. Macdonald (Rosedale): Yes. With regard to the Syncrude position, I would point out that it is a rather fundamental matter of taxation policy whether a special change should be made in our taxation law affecting the Syncrude project, and this is a matter that the Department of Finance now has under study.

● (1450)

Mr. Woolliams: In light of the fact the Minister of Finance's department has this under study, what tax incentives will be given to this project to assure a supply of crude petroleum for Canada and at the same time encourage an immediate labour force of more than 10,000?

Mr. Lewis: It's phony; there is no tax incentive.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Trudeau: What is Lincoln telling you?

Mr. Speaker: Order, please. There seems to be a private verbal confrontation at the other end of the chamber. If that is now completed, perhaps the minister might be allowed to reply to the hon. member's question.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, both the Minister of Energy, Mines and Resources and I said to the Alberta ministers that it was in the interests of this country that the Syncrude project go forward. The problem is not only how to reconcile the Syncrude project, or the agreement between the consortium and the province of Alberta, with the existing tax laws, but of developing and announcing guidelines for federal tax resources policy. To that effect we are reviewing our position and, indeed, in light of information supplied to the Alberta ministers they are also reviewing their position. I will be meeting with the Syncrude people later this month.

Mr. Speaker: Order, please. I did recognize the hon. member for Calgary South a moment ago and I apologize to him. I will recognize the hon. member for Calgary North on a further supplementary question followed by the hon. member for Calgary South. I will then seek the co-operation of hon. members to try to limit the number of supplementary questions in order that we may have as many questioners as possible before the end of the question period.

Mr. Woolliams: Mr. Speaker, I will be very brief. I should like to ask the Minister of Finance whether he considers the surtax of $1.90 an incentive that will stimulate and motivate this project and put it on the map so it will go ahead?

OIL—EFFECT OF GOVERNMENT POLICIES ON EXPLORATION AND DEVELOPMENT WITHIN CANADA—TAR SANDS PROJECT

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. In view of the fact the only secure source of oil supply for Canada must come from Canadian oil fields and that Canadian oil reserves at present are down to something in the order of a 12-year life, will the minister say why all of the government's recent policies have aggravated the Canadian energy supply problem and why no consideration has been given to security of future supply by way of stimulating the search for and development of energy reserves in Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I will not accuse the hon. gentleman of a conflict of interest in the situation, but I would point out that in July and again in discussions the government has had with the governments of both Alberta and Saskatchewan we have pointed out that substantial funds can and will be made available for the purpose of developing non-conventional sources of oil particularly and, in addition, for the development of other sources of oil and natural gas, and it is our intention to have this development by and for Canadians.

Mr. Bawden: Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. The minister has made some vague statements about the federal government trying to find ways of directing the $70 million a month that is being creamed from the western provinces into heavy oil development. In view of the fact the National Energy Board projects production from the Alberta tar sands in the amount of some 500,000 barrels a day by 1980, which is an almost impossible target date, will the minister promise that before the end of this year the matter will be concluded so that private enterprise can get on with this job?

Mr. Macdonald (Rosedale): Mr. Speaker, I think it would be desirable to conclude it as soon as possible, and I look forward to early conversations with the government of Alberta in an attempt to nail this down.

Mr. Speaker: Order, please. The hon. member wishes to ask another supplementary question and I will recognize him for that purpose, but I would seek the co-operation of hon. members in making progress. I will recognize the hon. member and then the hon. member for Northwest Territories.

Mr. Bawden: Mr. Speaker, my supplementary to the minister is related to the policy he announced last week. Will he indicate whether it is correct that he was overruled on his proposal to the cabinet—

Some hon. Members: Order!

Mr. Speaker: Order, please.

Mr. Bawden: —and that the cabinet—

Some hon. Members: Order!

Mr. Speaker: Order, please. I recognize the hon. member for Northwest Territories.

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NORTHERN AFFAIRS

NORTHWEST TERRITORIES—ALLEGED LETTING OF CONTRACTS BY HIRE NORTH WITHOUT TENDERS

Mr. Wally Firth (Northwest Territories): Mr. Speaker, in the absence of the Minister for Indian Affairs and Northern Development I should like to direct my question to the right hon. Prime Minister. Is the government aware that the person appointed to head Hire North last year awarded contracts of more than $250,000, without any tenders being called, some to firms in which he himself has an interest, and will the Prime Minister agree to move a motion to refer this matter to an appropriate House committee?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I certainly did not understand the question. I was wondering whether the subject "he" to which the hon. member referred was myself or some other person. I am certainly anxious to look at the question when it appears in *Hansard* and answer it if possible or ask the hon. member to put it on the order paper.

Mr. Firth: Mr. Speaker, I should like to clarify my question to the right hon. Prime Minister. Is the government aware that the person appointed to head Hire North last year awarded contracts of more than $250,000, without any tenders being called, some to firms in which he, the project manager, has an interest, and will the Prime Minister agree to move a motion to refer this matter to an appropriate House Committee?

Mr. Trudeau: I thank the hon. member for having clarified the question so far as it concerns myself. I must confess that I am not aware of the answer nor, indeed, of the subject matter. I will take notice of the question and report to the hon. member at a later time.

Oral Questions

ENERGY

OIL EXPORT TAX—NATURE OF PROJECTS IN WHICH REVENUE TO BE INVESTED

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. On Friday last the minister told the House that revenues from the oil export tax would, among other things, be invested in "other projects for the purpose of developing energy resources in Canada". Will he now tell the House whether these projects will be hydroelectric or nuclear? Just what did he have in mind?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, primarily they would be in the hydrocarbon field, but the province of Saskatchewan has indicated a very keen interest in the development of its uranium prospects and may, indeed, elect to have funds applied in that area. We would be very interested in discussing that.

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UNEMPLOYMENT INSURANCE COMMISSION

REQUEST FOR INQUIRY INTO OPERATIONS

Mr. J. R. Ellis (Hastings): Mr. Speaker, the heat has been on in respect of more than one subject this weekend. I should like to ask the Minister of Manpower and Immigration whether he will not reconsider his statement of last Thursday and ask for a public inquiry into the Unemployment Insurance Commission administration budget?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as I indicated last Thursday, the administration budget of the Unemployment Insurance Commission was referred to the Estimates Committees earlier this year for study in detail. That administration budget as forecast then, will be met, and it will be reviewable when we go again before the standing committee of the House. Since I have great confidence in the chairman and the Unemployment Insurance Commission, I would not think it would be necessary to review that again except in the ordinary course of events.

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ENERGY

EFFECT OF GOVERNMENT ANNOUNCEMENTS ON OIL SHARE TRADING—REQUEST FOR STUDY

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In view of the huge profits made in the trading of oil shares last week, in the neighbourhood of $1 million in Imperial Oil shares alone, and in view of the fact this is the third time in two months the government's handling of an energy announcement has caused erratic oil share trading on Canadian and United States markets, resulting in windfall profits to astute traders, has the minister requested that a study be made of the trading in such shares to determine whether this has been the result of leaks or illfounded statements from the government?

[Mr. Trudeau.]

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, so far this parliament has not given the government the authority to regulate securities; this is primarily a provincial matter. My own department is engaged in developing proposals for a federal role in the area, and I am glad to see what appears to be support from my hon. friend in this regard.

Mr. Stevens: Mr. Speaker, my supplementary question is directed to the Minister of Energy, Mines and Resources. In view of the fact that past handling of energy announcements has created erratic price fluctuations, affording professional traders an opportunity to make fortunes in the trading of oil shares, will the minister assure the House that the manner in which future announcements are conducted will lend itself to more orderly marketing? Specifically, how will he correct such unfortunate mistakes in the handling of government announcements?

● (1500)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I cannot guarantee that the decisions of investors will be fully informed, but I would agree with the hon. gentleman that in general we should try to make announcements at least at a time when there is no trading on the market.

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MANPOWER

LOCAL INITIATIVES PROGRAM—SUGGESTED INCREASE IN ALLOCATION OF FUNDS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the fact that the number of applications coming in from communities in connection with the Local Initiatives Program and the fact that the allocation of funds which has been announced does not meet even a small portion of projects as well as the fact this will destroy initiative and destroy the objectives of the program, is the minister considering or willing to consider increasing the amount available under this program?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I fail to understand why that particular aspect is destructive of initiative or the objectives or criteria of LIP. If any further funds are considered, an announcement will be made in the usual manner.

Mr. Marshall: In view of the fact that advisory committees are having difficulties with the number of applications and they will have to turn down the greater portion of them, would the minister look at it from this light and consider increasing the funds?

Mr. Andras: I suppose this represents the outstanding success of the program generally.

Some hon. Members: Hear, hear!

Mr. Andras: Incredible though it may be, each year that we have announced it and no matter how much money we

have allocated to it, we have only been able to handle one-third of the applications that have been submitted.

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EXTERNAL AFFAIRS

ROLE OF CANADIANS IN EVALUATING LOGISTICAL REQUIREMENTS OF MIDDLE EAST PEACEKEEPING FORCE—POSITION OF POLAND

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I should like to return to the matter of the evaluation team in the Middle East and ask the Secretary of State for External Affairs to tell the House whether the evaluation team, consisting of Canadian armed services personnel, has been charged with evaluating the entire logistical requirement of UNEF, that is, determining what will be required by both Canada and Poland, or just that part which Canada will be expected to play in logistics?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am happy to have this question put to me because I think it requires clarification. Probably the most difficult and most important job facing the UN Emergency Force is the logistics arrangements, to get the men into the field, organize signals, airlifts and so on. We have been entrusted with the job of evaluating the whole process and therefore, while we hope that we will be joined by some colleagues from Poland, essentially the job will devolve upon Canadian shoulders. With all due deference to the right hon. member for Prince Albert, may I say that I think this is an important function.

Mr. Munro (Esquimalt-Saanich): It is not clear whether Poland is to join in this evaluation process. I wonder if the minister would be able to tell the House what reaction Poland has to the assignment of Canadians to this role?

Mr. Sharp: As the hon. gentleman knows from his own experience, Canada is the most experienced and best equipped group in the world outside of the great powers to undertake this kind of job, and I think it is a great tribute to Canada that the Secretary General called upon us to fulfil this function.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Diefenbaker: A great tribute to Canada which the country does not want.

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ECONOMIC COUNCIL OF CANADA

ALLEGATION THAT CONSULTANT MEMBER OF CENTRAL INTELLIGENCE AGENCY OF THE UNITED STATES—POSSIBLE CONNECTION WITH OTHER DEPARTMENTS

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is directed to the Minister of Finance. Is the minister in a position to report on the case of Michael C. McCracken which I raised last Thursday, and can he at the same time advise the House whether Mr. McCracken has undertaken work in a consulting capacity for any other government department or departments?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, since the Economic Council of Canada reports to the Prime Minister, I have had discussions with him and understand that an inquiry has been undertaken by his office.

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IMMIGRATION

MR. McCRACKEN—DISCLOSURE OF CONNECTION WITH UNITED STATES CENTRAL INTELLIGENCE AGENCY ON APPLICATION FOR LANDED IMMIGRANT STATUS

Hon. Paul Hellyer (Trinity): I have a supplementary question for the Minister of Manpower and Immigration of which I gave him notice. Can the minister advise the House whether or not Mr. McCracken's service with the United States army and the Central Intelligence Agency was shown on his application for landed immigrant status and, if so, was any effort made to determine if and when his connection with the CIA had been terminated?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I appreciate the hon. member sending me notice of his question just before the question period. Traditionally, information contained on personal applications for landed immigrants for permanent residence in Canada is considered to be a matter of confidentiality. However, I can tell my hon. friend from my own information that, as is done in all cases of applications for landed immigrant status, a complete check was done on Mr. McCracken and he was found to meet all immigration requirements.

Mr. Speaker: The Chair will recognize the hon. member for Gander-Twillingate who has a supplementary question, then the hon. member for Vancouver Kingsway, and then call orders of the day.

APPREHENSION OF ASIANS AT GANDER AIRPORT—POSSIBLE CONNECTION WITH MUNICH BASED OPERATION

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is related to the one by the hon. member for Trinity to the Minister of Manpower and Immigration. Were a number of Asian persons designated as visitors to Canada apprehended at the Gander International Airport over the weekend and again today? Has an investigation taken place, and was there any connection between this particular apprehension and a Munich-based operation?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I have no information whatsoever as to the latter part of the hon. member's comments. I can tell him that the six persons apprehended at Gander were deemed not to be bona fide non-immigrants. An inquiry was ordered and they were ordered deported on the basis that the evidence presented indicated they were not here genuinely as visitors.

Mr. Speaker: The hon. member for Vancouver Kingsway.

Mr. Hellyer: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: I apologize to the hon. member for Vancouver Kingsway but the hon. member for Trinity is rising on a question of privilege.

Mr. Hellyer: My question of privilege is this. Today we have had an assurance from the minister that Mr. McCracken's file was given the usual routine examination and that it was satisfactory in all respects. Yet some of us have been advised privately by a member of the minister's department that in fact information concerning Mr. McCracken's background was not shown on his application and that no attempt was made to have the RCMP do any kind of security screening whatsoever. In view of this, I feel the minister has misled us and I would appreciate it if he would make available Mr. McCracken's file to the appropriate parliamentary committee so that we can examine it and determine the facts.

Mr. Andras: Mr. Speaker, I indicated to the hon. member that my information was that Mr. McCracken's application had passed the test of immigration requirements. I have no reason to believe that this is not accurate information. Certainly, I will personally review the file. After reviewing it, if there is any discrepancy whatsoever I will be glad to respond to the hon. member.

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, my question is for the Minister of National Health and Welfare. Since he is not in the House today I would like to defer the question until tomorrow, but perhaps you would like to give my spot to the hon. member for Selkirk.

Mr. Speaker: I would be delighted to recognize him but we have gone beyond the time allocated for oral questions. I will note those hon. members who did not have an opportunity to put their questions and supplementaries—

Some hon. Members: Hear, hear!

Mr. Speaker: —and see that they are given an opportunity for priority tomorrow, if that can be arranged. Orders of the day.

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BUSINESS OF THE HOUSE

PROVISION FOR HOLIDAY ON MONDAY, NOVEMBER 12, 1973

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Standing Order 2 (3) indicates certain days on which the House shall not meet. However, there seems to be some uncertainty as to whether the reference in that standing order to Remembrance Day applies this year in view of the fact that Remembrance Day falls on Sunday. There have been some discussions about this and I wonder whether, so that everyone will know where we stand, the government House leader could clear it up by seeking an appropriate House order.

[Mr. Andras.]

Mr. MacEachen: Mr. Speaker, if the Standing Order were to be observed, the House would normally sit on Monday, November 12. But because, in certain cases, hon. members may have made arrangements to be in their ridings and will be travelling to observe Remembrance Day, it would be agreeable to the government if the House order were adopted providing that the House will not sit on Monday, November 12.

Mr. Bell: We agree to this suggestion, especially since it was one of our former members, the hon. member for Winnipeg South Centre, Mr. Gordon Churchill, who fought long and hard to ensure that Remembrance Day be included as one of our holidays.

Some hon. Members: Hear, hear!

• (1510)

Mr. Speaker: Hon. members have heard the suggestion made by the President of the Privy Council. Is this agreed and so ordered?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FOREIGN INVESTMENT REVIEW BILL

PROVISIONS RESPECTING ACQUISITIONS OF CONTROL OF CANADIAN BUSINESS ENTERPRISES AND ESTABLISHMENT OF NEW BUSINESSES

The House proceeded to the consideration of Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker: Order, please. As hon. members know, there are a great number of motions to be considered at this point, and in the hours and days ahead. Motion No. 1 is in the name of the hon. member for Yorkton-Melville (Mr. Nystrom). I will read that motion in a moment and express a few thoughts.

I might mention that procedurally speaking, from the point of view of the Chair in any event, there does not appear to be anything seriously wrong with motions Nos. 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13, but the Chair has some reservations in relation to motions Nos. 1 and 14.

Perhaps the Chair might read motion No. 1, and then seek the advice of hon. members as to whether it is procedurally acceptable. If the Chair can be convinced that there is no serious or insurmountable procedural difficulty the motion would then be formally put and debated by hon. members. The motion proposed by the Hon. member for Yorkton-Melville (Mr. Nystrom) reads as follows:

That Bill C-132, An Act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, be amended in Sub-clause 2(1) by changing the period at the end of line 9 at page 2 to a comma and by adding immediately thereafter the following words:

"and that it is also expedient to establish a means by which established firms that are foreign owned may have an increase in the value of their assets or sales provided they make available to the Canadian public that portion of their total equity which is proportionate to the said growth, such increases in assets or sales to be submitted to the Agency established under this Act at regular five-year intervals, for the preceding five-year period, the equity ratio to be based on average experience of the firm over the preceding twenty years or its time of incorporation in Canada, whichever is shorter, and the first option to purchase equity to be provided to the Canada Development Corporation."

As hon. members will appreciate, there is a suspicion that this is a new proposal. Clause 2 purports to set out the purposes of the bill. It is somewhat in the form of a preamble, and the hon. member for Yorkton-Melville proposes in this motion, by way of an amendment to the bill, an additional purpose, or suggests an additional purpose. This purpose, at least at first sight, appears to be quite beyond the other purposes and the general purport of the bill. This is why the Chair, reviewing the matter and studying this motion closely, has had some reservations, but I would be pleased to hear the views of hon. members in relation to the proposed motion.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, since you have just indicated that you are prepared to accept as procedurally admissible 12 out of the 14 amendments proposed at this stage, it is a bit hoggish for us to suggest that we want a bit more, but we do regard motion No. 1 as very important, and we hope that Your Honour will reconsider your position on it.

We were aware that you would probably suspect that this is the addition of something that is not in the bill, but it is our view that it is really one of those additions that simply make more clear what we think is implied in this kind of legislation. In other words, if we are going to have a Foreign Investment Review Act, surely there has to be some understanding as to what happens to kinds of corporations that would normally be dealt with under a grandfather clause. That is what the purpose of this motion is, namely, to make it clear how the legislation would apply to corporations that already have certain assets in the country.

We contend that it is not introducing something brand new, something that is not implied in the legislation, but rather that it seeks to clarify a point which is called for but which is not spelled out clearly anywhere in the bill itself.

We feel that with this kind of language in what Your Honour has called the preamble it will help to make the rest of the bill clear. Therefore, because in our view it is that kind of amendment, we hope that Your Honour will see fit to permit its introduction.

Mr. Reid: Mr. Speaker, it seems to me that this amendment is definitely out of order on the basis of the citations available in Beauchesne and May. I should like to quote citation 406(a) at page 285 of Beauchesne's Fourth Edition as follows:

Amendments are out of order if they are

(a) irrelevant to the bill, or beyond its scope, governed by or dependent upon amendments already negatived;

Is this an amendment beyond the scope of the bill? I suggest that a close reading of clause 2(1) of the bill would indicate that this motion proposes a new purpose, so new in fact that there is no provision in the bill to make it effective even if accepted by Your Honour and the House of Commons. It is a new proposition; it is different, and it does violate the principle of the bill which was accepted on second reading and studied in committee.

Relevant quotations can be taken from May as well, but I think the point is crystal clear that this is a new principle which the hon. member is attempting to carry into the existing structure of the bill. It has no relevance to material already in the bill, and therefore should be ruled out of order on those grounds.

Mr. Bell: Mr. Speaker, we do not take a hard position on this amendment. It is very innocuous, but we do express the hope that in some way Your Honour will find it possible to allow some latitude for general debate on the various amendments because this bill has been in committee a considerable length of time, and at some point hon. members will want to express their general views about the bill, which has been considerably changed in committee.

Mr. Knowles (Winnipeg North Centre): That can be done on third reading.

Mr. Nystrom: Mr. Speaker, I am by no means an expert on the rules or procedure, but I do want to reply to a brief comment made by the parliamentary secretary. It has been said that the purpose of the legislation is to review new investment and expansion into other areas. This motion refers to expansion of existing business enterprises.

The parliamentary secretary made the point that even if this amendment were accepted and carried, the bill as it is now written does not contain any provision to carry out the intention of the amendment. I suggest he is wrong on that point because from the wording of the amendment it can be seen that we are talking about expansion in related areas, about an increase in the assets of firms about which we are concerned and which, under the terms of this amendment, would be submitted for the consideration of the agency established under this legislation. That agency would then apply the same rules as are applicable to other firms that come under the bill as presented by the Minister of Industry, Trade and Commerce (Mr. Gillespie). In other words, the same rules that are in Bill C-132 and that are applicable to the kinds of firms already mentioned in the bill would come into effect if our grandfather clause is very important if we are going to be serious about foreign ownership in Canada.

Mr. Speaker: I thank hon. members for their guidance in relation to motion No. 1 standing in the name of the hon. member for Yorkton-Melville. I am afraid that hon. members, while they have sought to help the Chair, have not clearly resolved the difficulty for me. Referring to the first point made by the hon. member for Saint John-Lancaster

(Mr. Bell), I would think looking at motion No. 2 and those immediately following, these motions might allow some latitude in debate. I am sure the Chair would not want to limit hon. members too closely to the contents of the motion, particularly in view of the fact that motion No. 2 would provide an opportunity for some latitude in debate. I would find it very difficult procedurally to accept motion No. 1 standing in the name of the hon. member for Yorkton-Melville (Mr. Nystrom). It is, in my opinion outside the scope of the bill. Without quoting at length or quoting at all the citations I would refer hon. members to May's 18th edition, page 508, which suggests which matters are acceptable and which ones should be ruled out.

● (1520)

The point made by the hon. Parliamentary Secretary to the President of the Privy Council (Mr. Reid) is well taken when he refers to the fact that even if this clause were put to the House, debated and carried, it would be very difficult to reconcile it with the rest of the bill. There would be nothing that I could see, after studying the bill, that would actually give effect to this new purpose of the bill. There would then be required additional legislation or additional amendments. I suggest that, in itself, is an indication that the proposed motion is beyond the scope of the bill.

This being taken into account, and agreeing with hon. members that there should be no attempt to limit too strictly the scope of the debate when we reach the next motion, I would hope that hon. members would agree with the Chair that we would at this point put the second motion. My suggestion would also be that motions Nos. 2, 3, 4, 5 and 6 should be considered at the same time but disposed of separately. If hon. members agree, I believe they are essentially the same matter, so that we will put No. 2, and Nos. 2, 3, 4, 5 and 6 are before the House for debate; eventually, all motions would be disposed of separately by separate votes.

I would suggest to hon. members, and perhaps to House leaders and representatives of the parties that have moved motions which will call for votes, that it might be a little difficult, if the House is to divide on all such motions, to have them all at the same time. It would be better if these votes could be broken up into maybe two or three voting sessions rather than one lengthy voting session on all of the motions that come to the House for decision.

The hon. member for Central Nova (Mr. MacKay) moves motion No. 2 which reads as follows:

That Bill C-132, An act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, be amended in sub-clause 2(2) by striking out lines 38 to 44 at page 2 and lines 1 and 2 at page 3 and substituting the following:

"dustry or industries in Canada;

(*e*) the compatibility of the acquisition or establishment with national industrial and economic policies; and

(*f*) the compatibility of the acquisition or establishment with industrial and economic policies enunciated by the government or legislature of a province in which the enterprise is carried on or the new business is proposed to be carried on.".

[Mr. Speaker.]

I assume hon. members would not direct the Chair to put the other four motions to which I referred, that is No. 3 in the name of the hon. member for Crowfoot (Mr. Horner), No. 4 in the name of the hon. member for Yorkton-Melville (Mr. Nystrom) and Nos. 5 and 6 in the name of the hon. member for Central Nova (Mr. MacKay).

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, on that point, we certainly do not expect you to put them if it means reading all these motions; that would be almost making a speech. However, since the debate is to range over motions Nos. 2, 3, 4, 5 and 6 I think that they should all be on the record at this point so that if anybody reads this *Hansard* he will know what the debate is all about. I suggest that they be put on the record as if Your Honour had put them.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's Note: The motions referred to are as follows:*]

No. 3.—That Bill C-132, An Act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, be amended in sub-paragraph 5(1)(c)(i) by deleting "$250,000" in line 21 at page 17 and substituting therefor:

"$500,000".

No. 4.—That Bill C-132, An act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, be amended in sub-paragraph 5(1)(c)(ii) by deleting "$3,000,000" in line 27 at page 17 and substituting therefor:

"$1,500,000".

No. 5.—That Bill C-132, An Act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, be amended by deleting Subclause 7(3), lines 23 to 28 at page 18, and substituting the following:

"(3) The minister shall make available to the agency the services of officers who are representative of each region of Canada, including such officers from within the department of the government of Canada over which he presides as he may designate for the purpose.

(4) In any case where a review or assessment of a proposed or actual investment is likely to affect significantly a province or provinces, a recommendation to the minister thereon shall be submitted by a panel of officers of whom a majority shall be representative of such province or provinces."

No. 6.—That Bill C-132, An act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, be amended in Clause 9 by deleting line 32 at page 20 and substituting the following:

"a copy of the notice shall be sent by the agency forthwith by registered mail to the province or provinces likely to be significantly affected by the proposed or actual investment of which the notice relates and".

Mr. Speaker: The hon. member for Central Nova (Mr. MacKay).

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, certainly, there can be no basic disagreement with the proposition that the government of Canada should be making an effort to minimize foreign domination of our economy. The issue of foreign control of Canada's econo-

my is one of the oldest and probably one of the most continuously discussed topics and has been, for the most part, ever since confederation. We are one of the few nations in our peer group of countries which has no policy in this regard.

In the last ten years, a succession of Liberal governments did little to attack the issue actively. In fact, they seemed curiously reluctant even to implement tax and fiscal policies which would allow Canadians to compete on equal terms in their own country with outside interests. To this very day, foreign interests can operate in Canada on more favourable terms than Canadians in some respects. Now, at last, this government has moved and has done so in its usual fashion, typical of its philosophy, that is negatively, excessively bureaucratic and poorly organized.

In our last parliament, an attempt to deal with foreign ownership died on the order paper and now, once more, parliament has the opportunity to come to grips with this issue which touches every Canadian in one way or another. It goes, almost without saying, that for a Confederation like ours, a nation with diverse needs and capabilities, massive in size and rich in geographic differences, a consensus for dealing with foreign investment policy is much more difficult to achieve than for countries with a more unitary outlook, different political system, compact area and advanced state of development. In short, before being excessively critical of this government's present efforts, I want to say in all fairness that I appreciate fully the difficulties inherent in this sort of legislation.

Most of the provinces of Canada have reason to be concerned about the effect of controls on foreign investments, which is one of the primary reasons for the various amendments standing in my name. These concerns, I think it is fair to say, are reflected more vigorously in the poorer provinces because the poorer a province is, paradoxically the more it has to lose by restraining foreign investment capital.

Let us not forget, also, that a major department of government was set up to deal with the problems of poor regions, namely, the Department of Regional Economic Expansion. Even leaving aside constitutional issues, which are also implicit in this type of legislation, the provincial governments are fearful of the practical consequences of having provincial economies and regional economic development impeded as a result of direction from Ottawa with regard to the investment potential in their provinces by potential investors from the world community. The more fortunate provinces in Canada, and the central region in particular, also have their own particular reasons for concern over foreign investment; but they can afford to be more statesmanlike about the issue since they already have built the sort of economic structure that is the envy of less fortunate provinces in Confederation.

Premier Hatfield of New Brunswick, appearing before the Standing Committee on Finance, Trade and Economic Affairs this summer, speaking on behalf of his government and as a spokesman for the Atlantic area, was very emphatic in his concerns. He said, in part, at that time, and I quote:

> I have been talking interchangeably about New Brunswick and the maritime region in what I have said because the problems that one province has in this region are to be found in the other two.
>
> In the light of this, I had discussions with my colleagues, Premier Campbell of Prince Edward Island and Premier Regan of Nova Scotia, at the time of the maritime premiers meeting in Fredericton last Thursday and Friday. They authorized me to say that they, too, shared my deep concern that this Foreign Investment Review Act would be detrimental to the expansion of industrial development in the whole maritime region.

I asked the premier at that time whether he subscribed to the necessity, to some degree at least, of regulating foreign investment in this country and he replied that he had not been convinced that the government of Canada did not have the power at the present time to control foreign investment if they chose to use it. "I suspect", he said, "what they might lack is policy development". By that I assume he meant a positive proposal of tax and fiscal incentives to promote positively Canadian expansion—and the capability of holding our own in relation to outsiders' interests.

● (1530)

Premier Hatfield also expressed concern that this type of legislation could become an obstacle to the progress of DREE policies and DREE purposes and would exacerbate the long delays in getting a decision from DREE. The former minister in charge of DREE is quoted in the recent past, in reply to a request that DREE grants be restricted to Canadian-owned corporations, as saying, "I do not want to make economic philosophy on the backs of underdeveloped regions". This is a clear indication that he, at least, was keenly aware of the relationship between development vis-à-vis the foreign investment issue.

A view expressed by a spokesman for the government of Ontario was as follows:

> As an underlying theme to the Ontario position, we believe that the primary objective of the proposed review process should not be to restrict foreign investment per se, but to ensure that future investments by foreign corporations make an effective contribution to the achievement of national economic and social objectives.

The position taken by the government of the province of Saskatchewan is contrary to that expressed by Premier Hatfield and an excerpt from their presentation is as follows:

> There seems to be a notion that one reason why foreign investment shouldn't be tampered with, is because it may retard efforts to promote regional development programmes. This is a myth. But even Prime Minister Trudeau was spreading this doctrine for a time.

The Saskatchewan government then goes on to say that it wishes to emphasize that it is not just a case of placing a restriction, or a controlling rein on foreign investment that is needed, but rather the development of a positive policy that can serve as a framework for future Canadian development. While I cannot agree with much of the position put forward by the government of Saskatchewan, I think this latter excerpt from their presentation is one that is reasonable and certainly is one with which all Canadians can identify.

The Atlantic Provinces Economic Council has been actively concerned with the issue of foreign ownership. They believe that the question of foreign investment

cannot be regarded in isolation, and should not be looked at as a problem in itself but, rather, should be considered in the context of a new national policy, or as the former federal minister of industry, trade and commerce phrased it, of industrial strategy that takes into account the divergent needs of the various regions of Canada.

It is interesting to put on the record the results of a recent select survey, done by the Atlantic Provinces Economic Council which put the following proposition to its membership:

Indicate the importance which should be given by provincial development corporations, in assessing firms:

Ownership within Canada;

Ownership within the Atlantic provinces

Ownership within the province.

To summarize briefly, practically all who replied indicated either directly or by implication that Canadian ownership was important. I wish to indicate emphatically that the people of our underdeveloped regions are not concerned merely about the grave issue of foreign domination of our economy, important though that is. As well, they are concerned about their personal welfare. Their experience in dealing with the federal government has given rise to real concern with respect to the implementation of this type of legislation. They will be concerned unless they are given a maximum chance for input and a consultative function.

However, I want to say again, that this legislation, particularly if the government will be reasonable and consider amendments to modify its approach, is at least a beginning, and to that extent the government is to be commended. Let me quote an old Chinese proverb: "Longest journey begin with one small step"; and another, "A bad beginning sometimes makes a good ending."

There certainly is no doubt that there is a need for a new policy for national development of Canada. A proper policy would help to fill a vacuum which certainly now exists, and this government will have to take a great many positive approaches to stimulate Canadian development to supplement the rather negative, unimaginative and bureaucratic approach exemplified by this legislation.

The position assumed by the government of Quebec with reference to this legislation is interesting indeed. This province has always been very conscientious in protecting provincial prerogatives, while at the same time extremely sensitive in claiming its full rights under Canadian confederation. In the presentation from Quebec it was stated that, while it was not the intention to make the distribution of powers between the two levels of government in economic matters the sole criterion for evaluating Bill C-132, the government of Quebec nevertheless considered that this bill related, to a field of jurisdiction which largely entailed responsibilities which it had, in fact, assumed to date. "Is it not a fact," said the Quebec presentation, "that Quebec's power in the development of natural resources, regional development, transportation and communications, would be directly affected by the proposed legislation?" Quebec, therefore, considered it inopportune for the federal government to give itself jurisdiction by legislation governing foreign investment as such, without formally acknowledging the need to secure the agreement of the provinces concerned.

But even disregarding this question of the timeliness of such federal intervention, the Quebec position went on, it remains that, to be acceptable to Quebec, any bill should explicitly recognize the regional economies and respect provincial jurisdictions. It is with such considerations in mind that some amendments standing in my name will be brought forward. Once more we see manifested the very justifiable concern for provincial consultation and input, as put forward by Quebec, which has always played an active role in this regard.

For example, within their own jurisdiction, consider if you will the concern manifested by provinces over the ownership of land by foreign interests. This is, of course, outside the purview of the legislation we are discussing today. But it is interesting to note that provinces in eastern Canada have already taken steps to control land use by outside interests and are concerned philosophically about this whole question.

For my part, Mr. Speaker, I would prefer to see foreign control of our economy regulated and controlled by a more positive approach. Instead of approaching this matter by the introduction of an act entitled "The Foreign Investment Review Act", the government, to my mind, should approach this matter by introducing legislation which might be called, instead, "The Canadian Development Incentive Act". This would be more in keeping with the aspirations of Canadians in the latter part of the twentieth century and would be better oriented towards world trade patterns. Rather than see us take a negative approach, I would prefer seeing us adopt selective tax policies to favour Canadians and Canadian companies. These would include a more flexible policy of tax credits and capital gains as well as other tax modifications, in order to give Canadians an advantage in their own land and not fetter them in competing with strangers in their midst.

It is shocking to see that, despite attempts to cure the inequities from which Canadians suffer, compared to foreigners, in doing business in their own country, this government refuses to press on with the removal of these paradoxes while at the same time seeking to restrict foreign investment. Surely, one policy must complement the other. There is not much use in locking the door and leaving the window open, or vice versa. I. H. Asper, a noted tax authority as well as a power in the Liberal Party of this country—

An hon. Member: Some power.

Mr. MacKay: An hon. member says, "Some power". Nevertheless, he is a prominent politician, and certainly, he is a very good tax consultant. He pointed out emphatically how a recent federal court decision exposes Canada's paradoxical tax policy towards its people. The effect of the decision was to give, under our existing tax law, much better treatment to associated companies whose only inter-corporate link is with a non-Canadian company, to which the Canadian tax act does not apply.

Mr. Asper comments as follows:

The law is now inequitable. If an American family business structured in this fashion pays approximately half the tax that would be paid by a Canadian family operation set up in the same

corporate manner, obviously a change is needed. That change should not take the form of wiping out the beneficial treatment for the United States citizens but rather by extending it to Canadian families.

The reason for proposing that solution to the inequity is that the present tax law already imposed unwarranted and harsh tax discrimination and disadvantages upon Canadian families who are in business together. And that is not in Canada's best long-term social and economic interest.

I think we all agree with that proposition.

Again, in the interests of fairness, I want to point out that some recent tax law changes have had the effect of fostering Canadian ownership. For example, tax legislation requiring that any Canadian-owned private corporation being taxed at the lower rate of 25% on the first $400,000 of profits must retroactively repay the federal government the benefits received from the use of the lower rate if it is subsequently sold to non-residents provides an example of what can be done.

In this regard, I commend the government for having taken that step.

Canada is now in a better position, as are Canadian financial institutions, to invest domestic capital to invest Canadian savings, in the development of our nation.

● (1540)

In the past, and to some extent at present, Canadians have been and are curiously reluctant to invest in the development of their country. To their everlasting and extreme discredit, a succession of Canadian governments have not been providing our people with the proper incentives for this kind of investment.

The position taken by the Toronto Stock Exchange on investment policies is a very sensible one. While furthering the principles implicit in lessening the effects on Canada's economy of foreign investment, the Toronto Stock Exchange makes the following points. They say that our existing financial institutions have emerged as a powerful instrument for collecting Canadian savings and, in recent years, Canadians have shown a willingness to invest in new Canadian issues. They go on to say:

We are confident that with the maturity of our financial institutions, the expanding savings base of Canadians and the increased maturity and liquidity of our capital markets, Canada has reached the threshold of where it can be more selective in the way in which non-resident capital has been permitted to come into our country. Canadians can be much more prudent about the price which they pay for non-resident capital. We do not rule out, however, the desirability of having non-resident capital flowing into our country provided it is on terms which are consistent with the objectives of Canada and its citizens.

This, Mr. Speaker, is the common theme advanced by people having many different ideas and basic philosophies on government and business. The common theme is that there must be an attitude fostered in this country by governments, business and the average Canadian that we, as Canadians, are entitled to the primary benefits of our initiative, our natural resources and our heritage. However, we can find a useful place in the development of our nation for foreign investment capital.

The Toronto Stock Exchange makes a very interesting and pertinent distinction between the types of foreign investment most common. They say it is of vital importance to establish a clear difference between portfolio investment and direct investment. True, portfolio investment is purely passive in relation to the question of control and management. Direct investment is the use of shares for the purpose of control and active involvement in the management of the affairs of the corporation.

Certainly, it should become apparent that we should try as much as possible to reduce the equity investment in proportion to that of passive portfolio type investments when we are looking at the whole issue of the types of foreign investment that should be encouraged. Most of all, it must be apparent that at any time when a province suffers from the effects of Bill C-132 we, as Canadians, in other parts of the nation and the federal government in particular, through its jurisdictional capacity, must make available capital to replace the equivalent of that which has been lost by this policy of advancing a truly Canadian economy. It is not right to expect any one part of Canada to bear more than its fair burden in achieving this very laudable objective.

I have every hope that this government is politically aware, and has a sufficient amount of the milk of human kindness embodied in it for it, although I doubt that when I see how they have been dealing with some of our western provinces. However, I sincerely hope they will keep in mind the absolute necessity of making alternate sources of capital available, if it turns out that the sources of capital from abroad diminish to an alarming extent.

The first motion in my name, and those which will be discussed later, are designed to encourage more input and consultative procedures as far as the provinces are concerned, to deal with this type of legislation. Judging from what has happened in the past, and what is happening at the present time, it is obvious that the provinces have every right to be concerned about the way the central government has been dealing with their economic aspirations.

I will be very interested to hear the Minister of Regional Economic Expansion (Mr. Jamieson) speak in this debate. As the former Minister of Industry, Trade and Commerce mentioned, there is an obvious link between the attempts being made by this government to foster the economic advancement of the poorer regions of this country, in the process of which they spend hundreds of millions of dollars, and the other side of the coin, which is to try to promote the advancement of Canada's economy by placing greater control of it in the hands of Canadians. In doing so, the government would regulate the type of capital that is available for this purpose. The two policies must surely be considered together.

I trust the minister will be flexible in his approach and sympathetic toward the concerns manifested by the provinces. I hope he will not begrudge the provinces the opportunity to have more input, but will make it possible for them to exert greater influence in considering basic matters of policy, which ultimately remains in his hands. I trust the minister will immediately send to the provinces the applications referred to in this act, advising them of people who wish to come into this country to start a business, or who otherwise fall within the purview of this legislation. He should immediately let the provinces know about these so they will not hear about them later and, in a spirit of confrontation, wonder what was done before they were brought into the picture.

If the minister and the government follow this course, I am sure the legislation will be successful. He will then have the co-operation and understanding of all Canadians, something that is absolutely essential if this very important piece of legislation is to work.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the debate at report stage at this time deals with the first six amendments, as announced by you a few minutes ago. Before I get into those amendments, I want to say by way of general comment, that our party supports the bill before us, Bill C-132. We do not say that with any great enthusiasm because we do not think the bill is strong enough. It should be a lot stronger.

There are two or three basic fallacies in the bill before us. One is that it is a very powerful piece of legislation. With regard to those things to which the screening agency applies, it could be very powerful. If the minister in charge and the chairman of that agency are concerned, it can be very effective with regard to takeovers. At the same time, if there is a minister who does not give a darn about foreign investments, there is no mandatory provision in the bill. Almost any takeover could occur.

This legislation can be very tough on one hand and very weak on the other. Frankly speaking, one reason I want to see the bill passed is that when there are foreign takeovers and new investment, we in this party can ask the minister whether it is of significant benefit to Canada. If not, we then have the minister and the government on the spot. This gives us a lever in our campaign with regard to the patriation of the economy in Canada.

● (1550)

The second shortcoming of the bill is that it pertains only to takeovers, new investment and the expansion of an existing firm into a non-related area. It says nothing about the expansion of an existing firm into a related area. The more I look at this, the more I am concerned. Initially, I thought the bill would cover perhaps two-thirds of foreign activity in our country. I no longer think this is so. My reading of the bill suggests that it will only cover 10 or 20 per cent of foreign activity in this country. In others words, between 80 and 90 per cent of foreign expansion will probably go unscreened, even though the legislation might be administered in a tough and competent manner.

The Gray Report contains, on page 478, a table showing the number of takeovers in 1968, which is described as a typical year. In that year, through takeovers, foreign ownership increased by $170 million. This represented 5 per cent of the total increase of foreign ownership in Canada in the year 1968—5 per cent of the over-all foreign expansion in the Canadian economy achieved through takeovers. Dealing with new investment in 1968, the same report stated that only $80 million was attributable to direct new investment from outside our borders. This figure represents roughly 2½ per cent of over-all foreign activity in this country. If we add the takeovers and the new investment, we find that in 1968 they amounted to only 7½ per cent of total foreign activity, and this is in a supposedly normal year. But even if it were 15 or 20 per cent, a great deal of leeway is still being left to other types of foreign expansion.

[Mr. MacKay.]

The third area the minister wants to screen is that which concerns the expansion of existing firms into non-related activities. At first, this sounds a useful measure. It means, for example, that if INCO wants to move the hotel business as well as the nickel business, the project is automatically screened. But how many industries will, in fact, be covered? Take, for example, a company such as ITT. Someone unfamiliar with the operations of this telegraph and telephone corporation may say: If it expands into an unrelated area the proposal will automatically be screened. But my research shows that ITT controls 58 different companies in Canada.

So, what is an unrelated area? The bill defines a company by the products with which it is associated, but ITT is involved with hundreds, maybe thousands of products. So if it wishes to take over, for example, a toilet tissue firm, it could probably find a company within the ambit of its organization which is producing products sufficiently similar to enable it to expand into making toilet tissue without having to submit to screening under the legislation. If this is the case, how much of the total of foreign expansion does the bill actually cover? Take Imperial Oil, the giant of the oil industry in Canada. If it expands into an unrelated area, the proposal is automatically screened. But Imperial Oil is involved through its various subsidiaries in all kinds of industries in this country. For example, it owns a company called Polytwine which manufactures rope. So Imperial Oil could buy a rope company through this subsidiary without the necessity for screening because it would be an expansion into a related area. I should like the minister to comment on some of these points I am raising when he speaks later in the debate.

Take another example, the Gulf Oil Company. If Gulf wished to expand into the toothpaste business, my understanding is that it could do so without being screened because it has a subsidiary company currently engaged in this business and it could expand its activities through the use of that subsidiary. Take Bell Canada. Bell Canada controls Northern Electric and Northern Electric in turn controls Microsystems. If Bell Canada wished to expand in this latter field it could probably do so through its Microsystems subsidiary. All these corporations are integrated backward from the retail level to the raw materials level.

I am concerned that the bill before us would, apparently, result in the screening of only 10 per cent or 20 per cent of the foreign activity in our country. The corporations will be able to get around these provisions in all sorts of ways. This is why earlier today we sought to move what we call a grandfather clause which called for the screening of existing foreign ownership in Canada. We were very reasonable. We said that screening should be post facto—that where an existing company had expanded over a five-year period by, say, 20 per cent, it must make 20 per cent of its common shares available to the Canadian people, with the first option going to the Canadian Development Corporation. To my mind, this would be a significant move, because we would then be reaching existing firms which the bill before us does not reach at all.

Specifically, we are dealing with five or six amendments during the first part of the debate on the report stage. The first is the amendment by the hon. member for Central

Nova (Mr. MacKay). Basically, he proposes to give the provinces more power and influence over decisions reached by the screening agency. There is considerable merit in this amendment but I believe the bill as currently worded gives sufficient power to the provinces. It already provides that the minister must take into consideration the economic situation of the various provinces, and this is probably as far as we need go toward meeting the object which the amendment seeks to achieve. One fear which arises in my mind is that if the provinces are given too much power, too great an input, the bill could be rendered totally useless.

For example, if the Province of Alberta were given too much influence over decision-making regarding foreign ownership of the oil industry, Ottawa would be hamstrung when it came to the making of decisions affecting the oil industry. Claims have been made by members of the Conservative party, particularly by those from Alberta, that if we were to restrict the inflow of capital into this country we would be restricting growth, and that this, in turn, would mean fewer jobs for Canadians. This assertion does not hold water, because there are more funds flowing out of Canada today than are flowing into the country in terms of investment. I should like to quote from a paper prepared by a well-known Canadian Mel Hurtig on this very topic. Page 38 of this paper reads, in part:

> It is ironic that we should live in a nation which believes it must have foreign capital in order to survive, although during the entire decade of the 1960s foreign firms operating in Canada sent out of Canada in interest, dividends, royalty fees, management fees, etc. over $2 billion more than all the capital they imported.

Other reports state that of all the foreign activity in Canada, all the investment every year, only approximately 6 per cent involves new money coming in from outside; the other 94 per cent is provided from retained earnings, profits kept in Canada and funds borrowed from Canadian banks or financial institutions. So, I do not think much credence can be given to the assertion that Canada needs vast amounts of foreign capital. What is happening is that we are selling out our country and using our own money in the process.

There are a number of other interesting statistics which might well be borne in mind when considering whether foreign investment really helps this country. If we look at United States investments in countries around the globe in 1967 we find that the total figure involved was $19.4 billion. What did this mean to United States entrepreneurs? The inflow to the United States by way of dividends, royalties, management fees and so on amounted to $33.3 billion. In Latin America alone—an area that has been in the news often during the last couple of years—the Americans are by no means the generous, benevolent souls that some people try to make them out to be. They invested $1.7 billion between 1960 and 1967 and got a return on that investment of $8.8 billion. So you can see, Mr. Speaker, they are extracting more through their investments than they are actually putting into the country.

● (1600)

This is why I say that the time has now come—indeed, it has long since passed—when the argument that any tough laws are going to exclude necessary capital is no longer relevant. We do have investment money in this country. We are a net exporter of capital. It is time we had stronger laws so that these Canadian funds are used to develop Canada. We need all kinds of legislative provisions to this end, certainly many more than are contained in the bill before us today. We need a stronger grandfather clause, a sector by sector approach, controls on banks and lending institutions, so that they do not use their money to finance foreign multinational corporations which control our economy and so Canadian funds are not invested abroad.

The third amendment is moved by the hon. member for Crowfoot (Mr. Horner), and our party is clearly opposed to it. What he seeks to do is to weaken the intent of the bill. The bill will automatically screen an acquisition if the gross assets of the company or corporation concerned are over $250,000 or if the gross revenues are over $3 million. The hon. member for Crowfoot wants to raise the minimum from $250,000 to $500,000, which would, in effect, exclude literally hundreds of transactions from the screening and review process conducted by the agency to be established.

The fourth amendment is in my own name, and it seeks to do the very opposite. We want to bring down the threshold rate from the $3 million gross revenue figure to $1.5 million. We are doing this for a number of reasons. First of all, it is often the small takeovers that are important in a foreign country assuming prominence in a domestic economy. Very often publishing agencies, consulting firms and some stock brokerage firms have very small assets, but their impact on the economy or on the culture of the country can be very significant. Take, for example, the case of an advertising firm. Perhaps an advertising firm will have quite small assets, but its gross revenue and its impact on the country may be very large. Unless the threshold rate is lowered, as we suggest, from $3 million to $1.5 million gross revenue, we will exclude from the screening process a lot of advertising firms, consulting agencies and so on. Foreign concerns often gain a lot of control in key sectors of the economy by gobbling up one small firm after another.

Then, amendment No. 5 is in the name of the hon. member for Central Nova (Mr. MacKay). Again, there are some proposals in the amendment that are creditable. I hope that when the Minister of Industry, Trade and Commerce (Mr. Gillespie) appoints people to the screening agency he will make sure they reflect the opinions of all regions of the country. In view of the way the amendment is worded, I question what the hon. member means by "representative". Does he mean that the provinces will appoint someone or that the minister will choose someone from a certain region?

In any event, it is the second part of the fifth amendment to which I object. According to my reading of it, if a decision is to be made that affects a certain region, the people making the decision should comprise a majority of members from the region concerned. If this amendment is passed, a decision about the oil industry in Alberta would have to be made by a group the majority of whom came from Alberta. I think the amendment would weaken what the bill is supposed to be trying to do, which is to develop a national policy on foreign ownership in Canada. We do not want to balkanize this country by pitting one region

against another as each vies for foreign funds or fights over different policies.

Amendment No. 6, which is also in the name of the hon. member for Central Nova, seeks to provide information to the province when an acquisition is to be screened. I think that is reasonable and that our party may support it. I do not know why the minister cannot support it, and I think he should take another look at it. What the hon. member for Central Nova is trying to do is to ensure that provinces are notified when a particular acquisition is screened, which I think should be the case. The provinces should be provided with the maximum amount of information regarding the activities of the screening agency in their area; I think all hon. members would agree that is necessary.

With that, Mr. Speaker, I appeal to hon. members that we try to strengthen the bill as we go along, not weaken it. As I have said, we have enough foreign capital in this country to develop Canada; indeed, we are a net exporter of capital. As the former member for Duvernay often said in this House, through tax incentives to the mining industry and other industries we encourage the development of capital intensive industries to the detriment of processing and manufacturing in Canada. It is in processing and manufacturing industries that the jobs are found, not in the natural resource industries.

One good example of this is the mining industry, or in gas, oil or petroleum refining. Indeed, there are many examples in western Canada, such as in the food and agricultural products industry, where instead of processing products on the Prairies we ship them out to be processed elsewhere. The multinational corporations also have a tremendous impact on the economic policies of this country and of any other country in which they operate. In today's energy crisis we see a company like Standard Oil of New Jersey or Exxon making the decision as to where oil should be supplied, since they control the majority of the oil fields in Venezuela and certain other countries. We also see the huge multinationals making decisions that jeopardize jobs in various regions of this country.

For example, the hon. member for Nickel Belt (Mr. Rodriguez) has often spoken in this House of how decisions of the International Nickel Company affect the economy of his area. Quite often the company cuts back in its plant at Sudbury because it wants to divert funds and expertise to other parts of the world, such as Caledonia, Indonesia and Guatemala, as was the case recently. As a result a number of people were laid off in Sudbury, despite the fact that the International Nickel Company of Canada supplies about 55 per cent of the nickel exported to non-Communist countries and in 1970 made a net profit in Canada of $102 million. In other words, they used some of the profit made in Canada to expand elsewhere, to open new plants in other countries and exploit the people and resources of those countries.

● (1610)

We suggest it is about time we gained control of our economy and firm control of all industry in this country in the fields of natural resources, finance and others involved in the development of this nation. I suggest that we have

[Mr. Nystrom.]

enough capital to do so. We are now exporting capital and we should stop our banks from selling us out. This can be done in the same way as it was done by Sweden and Mexico, through the adoption of foreign ownership laws. The United States was also for some time, dominated by other countries, but sometime ago their authorities there took steps to assure the control of their own economy, and today they dominate many other countries around the world.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, this bill intrigues me. While I am not too enamoured with it, as I do not think it goes far enough or does enough to satisfy me personally, it did antagonize many Conservative members of the finance committee. I feel if it can antagonize such wealthy bluebloods it should have something for which I can find some support.

The hon. member for Central Nova (Mr. MacKay) suggested this bill would give the federal government the power to screen foreign investments, and as a result could be detrimental to the poorer regions of Canada. Indeed, I have travelled around Canada somewhat in the past 12 years. When I was in the eastern area recently, I found there was no screening of foreign investment and I did not note any improvement in the standard of living of those people there. Indeed, it might be said that most of those provinces have suffered from Conservative administrations during that period of time. I can argue very vociferously that any kind of foreign investment control or screening does not interfere in any way with investment. Let me make it clear before going any further that I do not necessarily accept the view that because one is a Canadian capitalist as opposed to a foreign capitalist he is more acceptable to me. I do not go along with that view.

Having set the record straight for what I am going to say from here on, let me point out that four countries in Latin America, Chile, Columbia, Ecuador and Peru, two years ago approved a common investment guide in respect of foreign capital and technology. This involved very stringent controls on foreign investment in these countries. The Council of the Americas, a very powerful business group, ranted and raved against these restrictions for the very same reasons pointed out by the hon. member for Central Nova, namely that these restrictions would be to the disadvantage of underdeveloped areas. In spite of all these arguments, the United States businessman is still seeking South American resources in a very forceful way, and is exploiting them at reduced profits. A foreign investment in these countries in the areas of mining, as well as oil exploration and extracting, cannot continue for a period exceeding 20 years, when foreign companies no longer own the resources and eventual control must pass to domestic companies.

The very problem we are faced with today in respect of energy has largely resulted because of the fact that the Government of Canada has never moved toward the takeover of our natural resources, or toward Canadian control over them. We have left, to the whim and fancy of foreign producers and international cartels, the job of providing our people with oil. In the field of manufacturing, these Latin American countries have also followed the policy that foreign control enterprises must permit at least 57 per cent capital participation by domestic investors, and until

that target is reached all foreign operation must be controlled by national agencies.

One of our problems is that investments taking place in Canada are largely being financed by multinational corporations over which governments have no control. We in Canada have had a difficult time in establishing some kind of control and, indeed, some kind of identity. There is little wonder that we are faced with the situation as it is today. This is a vast country with greatly varying regional differences. We have within our nation many distinct people, cultures and traditions. In our graceful growth from a child of the great British Empire, we have unintentionally become a handmaiden to multinational cartels.

The question facing us today is not necessarily to be posed in a positive manner, but perhaps in a very negative way. Do we, as a nation, still have enough independence to control the economic destiny of Canada? To answer such a question, we must look at several factors: the amount of our economy already owned by foreign investors, particularly those in the United States; what will be the needs of the United States in the future and, recognizing a crisis, will we as a nation be able to respond to that crisis and how will we respond?

Let us look, first of all, at how much of Canada we actually own and how much is owned by foreign interests. In 1948, about 42 per cent of all Canadian manufacturing was owned by non-residents. By 1968, that figure had increased to 58.1 per cent. More than three-quarters of that foreign control is held in the United States, and that proportion is increasing every year. Not coincidentally, the richest and fastest growing sectors of the Canadian economy are controlled by foreign investment, and again in most cases three quarters of that control rests in the hands of our neighbour to the south.

For instance, we own 94 per cent of agriculture, but 99 per cent of our booming petroleum and petroleum products industry is foreign controlled. Primary metals are 55 per cent foreign owned; mining is 67 per cent foreign owned; machinery 72 per cent, chemical products 82 per cent and the list goes on. Here in Canada foreign investment controls 58 per cent of our wholesale trade, 69 per cent of our retail trade, 57 per cent of our credit agencies, 60 per cent of our paper and allied industries, 81 per cent of our public utilities and 71 per cent of our investment companies. In those areas affecting our cultural life the figures are equally ominous, with 95 per cent of our book publishing being taken from Canadian control and 86 per cent of our national pastime, that is NHL hockey, no longer Canadian owned.

In 1968, non-resident corporations accounted for only 3 per cent of all Canadian firms in terms of numbers, but they controlled 27 per cent of all assets, made 35 per cent of all sales and cleared 41 per cent of all profits. I suggest this is because foreign ownership has a stranglehold on our most profitable and potential companies.

Ironically, we are in an extensive way financing our own takeover. As Professor Kari Levitt of McGill University in her book "Silent Surrender" pointed out:

> The acquisition of control by U.S. companies over the commodity-producing sectors of the Canadian economy has largely been financed from corporate savings derived from the sale of Canadian resources, extracted and processed by Canadian labour, or from the sale of products of branch-plant manufacturing businesses to Canadian consumers at tariff protected prices.

In other words, it is not United States money that is being used to expand our economy, it is Canadian money manipulated by the United States. I should like to give an explicit example of such manipulation, and this is by no means an isolated example. It is an example that is revealing of the kind of attitude and action which must be stopped if we are to ever regain our independence.

My story is about a fellow named John Shaheen who is a New York financier. He intended to operate in the eastern part of Canada, in the have-not area. Shaheen, a capitalist in the true sense of the word, developed certain friendships with others of his class, while in the process of building his own personal financial empire. One of those friends was the ex-premier of Newfoundland, Joey Smallwood. Smallwood approached Shaheen with a project to build a huge refinery and later a petrochemical complex at a little town in Newfoundland called Come-By-Chance. The refinery would cost at least $155 million to build, and $30 million of that was borrowed by the province of Newfoundland to lend to Shaheen. The other $125 million was to be put up by a group of British banks and secured by a first mortgage on the property. Shaheen, in the meantime, would put up $10 million and about $3 million in development costs. The federal government is to provide a wharf at a minimum cost of $16 million, to be paid for out of usage fees. Therefore, the province of Newfoundland, hardly a rich province to begin with, has put up more than double the expenditure of Shaheen. But will the refinery be owned by Newfoundland? No indeed. It will be built, managed and owned by a series of Crown corporations, which are in turn run by the Newfoundland Refining Company which is a wholly owned subsidiary of Shaheen Natural Resources.

● (1620)

After all the financial manipulations, Shaheen Natural Resources will have the option to purchase the Crown corporation that owns the refinery for a nominal fee of $1,800. Then, it must pay the province 5 per cent of the net profits until the original $10 million has been paid, after which the refinery will belong outright to the New York company. What is the risk? If the project fails, Shaheen will simply not exercise his option to purchase; if it succeeds, he will own, for a mere original investment of $30 million, a complex worth $155 million, paid for out of its own operating profits and made possible by the aid of our Canadian federal and provincial governments. The federal government would also allow the company to write off 100 per cent of the refinery costs as depreciation any time during the first eight years, or in effect would give them a five or six year tax holiday. That is the kind of socialism to which I am opposed. It is socialism for the elite, and free enterprise would be preferable for the workers.

I have said that such situations are not isolated, and indeed they are not. Who then is at fault? Should we blame John Shaheen, a publicly avowed American money-maker for taking advantage of our gullibility, or should we lay the blame squarely on the shoulders of many of our politicians who, though never campaigning on the issue of Canadian ownership and protection, quietly and behind the scenes not only go along with the sell-out but in fact

assist in the financing of that sell-out? Thus far, the Canadian public has, by its silence, agreed to the wholesale take-over of our resources. In many cases, we were owned before we knew it, for the profit makers, Canadian, American or others, know no boundaries and recognize no imaginary lines on the map. They are multinational in scope.

It is interesting to note that the amendments that are before us deal with the matter of letting the provinces have some kind of veto power or they must agree to the take-over or agree to the reasoning process before such a process can apply. I think that certainly would be a backward step. We see, for example, that in many areas the provincial governments have refused to put forward any kind of decisive legislation in the area of foreign ownership. It seems to me that the responsibility is in the federal government's lap to give an example of the kind of legislation which would protect and bring back under the control of Canadian people their interests which are now controlled in the whole field by foreigners. If we cannot decide in this country how our resources are to be distributed, how they are to be used and conserved, it seems to me that we are doomed.

Indeed, just thinking about that brings back to my mind a verse from Julius Caesar, spoken by Brutus, which reads as follows:

There is a tide in the affairs of men
Which taken at the flood leads on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries.
On such a full sea are we now afloat,
And we must take the current when it serves,
Or lose our ventures.

Indeed, while this bill will not ensure that we will not lose our ventures, I hope that it might be a foot in the door. I hope that one day when our party, the NDP, sits on the government benches over there we will get the kind of legislation that will not permit these foreign capitalists or Canadian capitalists to take advantage of Canadians.

Hon. Paul Hellyer (Trinity): Mr. Speaker, there is no doubt that Bill C-132 is intended to do something about the growing problem of Canadian participation in the ownership and control of industrial and resource development. Unfortunately, it will fall far short of achieving that objective. Rather than addressing itself to the positive measures necessary to enable and encourage Canadians to participate more fully, it is largely negative in character. It is subject to many deficiencies and, in its present form, raises the spectre of continuing confrontation between federal and provincial administrations. Its potential can only be realized if it is accepted for what it is: a temporary dike to stem the tide of foreign take-overs in the short run in order to permit the permanent installations and power generating positive programs necessary to enable Canadians to play a more active, aggressive and effective role in their economy. We must not be complacent. Bill C-132, by giving the appearance that something is being done, must not provide a smokescreen for continued government inaction and inertia on the creative front.

The Standing Committee on Finance, Trade and Economic Affairs has subjected the bill to a minute scrutiny.

[Mr. Rodriguez.]

To assist it in its work, a number of representative Canadian individuals, corporations and organizations, including several provinces, presented their views. These were most helpful, and I would be negligent if I did not congratulate the witnesses who appeared before us for the high quality of their submissions and the extraordinary amount of thoughtful consideration that they had given to the subject matter and to the technicalities of the bill itself. I will make no attempt to enumerate all of the principal points raised or to comment on them individually. A few reservations were raised with sufficient regularity, however, that a brief discussion might be helpful.

A number of witnesses suggested that the bill provided too much discretionary governmental intrusion into economic processes in the private sector. It was argued that the interference was both unnecessary and detrimental. The extra governmental intrusion in business affairs is self-evident. The suggestion that no action was required, however, was not supported. No evidence was presented to the committee to show that the trend toward foreign take-overs and an increasing level of foreign domination of the Canadian economy would either be abated or reversed on the present basis. This was one of the inherent weaknesses in several submissions where the contention was made that either no problem exists or that to the extent that it exists, it will right itself automatically, and was not supported by factual or statistical evidence.

It was also suggested that the bill is so strongly biased against foreign investment that it would damage Canadian economic prospects. Quite obviously, the extent to which this is true will depend entirely on the willingness and ability of Canadians to fill any void that may be created. Large new capital investments are required in Canada on a scale well in excess of previous experience. To the extent that the necessary savings can be generated in Canada and then funnelled into the necessary development, no detrimental effect will occur. If we are unable to meet the challenge then, of course, our economic prospects will be affected. Interestingly enough, it is in many cases the individuals who are most concerned about the effects of the bill who should be giving the most leadership and taking the aggressive initiative necessary to prove that their fears were unfounded.

● (1630)

It was also suggested that the bill places a particularly onerous burden on small business whose resources are already strained to the limit in reporting to the government. We share this concern. The government can go a long way toward alleviating these fears by printing guidelines which would let small business know exactly where it stands and, to the maximum extent possible, exempt it from routine scrutiny except in those sectors of the economy where failure to do so would be detrimental to the public interest. If the government does not act in this area at the outset, all of the officers of the Industrial Bank and Development agency will wind up being clerks, couriers and corporate babysitters instead of entrepreneurial sparkplugs.

One of the most frequently heard suggestions was that the concept of "significant benefit" should be replaced by a test of "detriment" or "prejudice". A considerable

amount of discussion revolved around this point. Experience in other countries, including Australia, was cited. Theoretically the choice of words would make a substantial difference. In practice, however, I doubt very much that this would be the case. I still believe that the policy, personality and outlook of the government and its administrators will be far more important than the choice of words. Some of my friends would find significant benefit in almost any foreign investment. Others would find it difficult to believe that significant benefit to Canada could ever occur, and would so rule. I have no doubt that, in practice, the usual Canadian compromise will prevail. As the ultimate limitation on the interpretation of the act is political it would appear to us that the actual choice of words, in this instance, is not important enough to argue.

It was further suggested that the bill is negative and discriminatory, and that more could be achieved by providing positive incentives to Canadians to invest in Canadian enterprises than by placing obstacles in the path of foreign investment. Strictly speaking, Mr. Speaker, this is quite correct.

The bill is negative and discriminatory. More could be achieved by providing positive incentives to Canadians to invest in Canadian enterprises. But as I stated earlier, Mr. Speaker, until those positive measures are in situ, it may be expedient to have a temporary dike behind which the more positive and permanent structures can be built. The idea that the positive measures are in the long run far more important is enthusiastically and unreservedly supported. I will return to this subject in a few minutes and discuss some of the steps which, in our opinion, should be undertaken at once.

Finally, Mr. Speaker, we were told that the bill creates a new area of conflict between the provinces and the federal government. Beyond doubt this is the greatest weakness in the bill and one which must be corrected before it is read a third time.

The Premier of New Brunswick, speaking as a representative of the Atlantic area, was against the bill. He feared that the federal government would make decisions which would not reflect the best interests of the Atlantic provinces and take their needs and aspirations fully into account.

Officials speaking on behalf of the government of Quebec stated their grave reservations about federal intrusion into an area which they had considered primarily provincial in nature. They suggested that the federal government should not be able to veto development plans supported by the province.

The governments of Saskatchewan and Ontario both indicated their general support of the principle of Bill C-132, but expressed reservations about specific provisions. The province of Saskatchewan questioned the discretionary powers of the minister and was concerned that the recommendations will be arbitrary and judgmental. They also were anxious to know how the provinces would be involved in the process of assessment.

Ontario's reservations were similar. They felt that the federal government should provide the province in which the foreign investment is proposed with a copy of the notification and any additional information submitted by the foreign investor, and that the province, in its turn, should have full opportunity to submit its views on proposed investments.

In our opinion these reservations are too serious to be ignored and must be taken into account. It is for this reason that my colleague, the hon. member for Central Nova (Mr. MacKay), has placed a number of amendments on the order paper. Motions Nos. 5 and 6 are of cardinal importance in that they are specifically designed to assist in meeting the objections and concerns of provincial governments.

No. 6 specifically requires that a copy of any notice in respect of an investment significantly affecting a province or provinces be sent forthwith, by registered mail, to the province or provinces. This would go a long way toward the avoidance of misunderstandings and confrontations based on lack of early communication. The provinces will know from the start what is being proposed, and will have time to prepare their submissions and do the investigation necessary to have a full and meaningful input.

The motion listed as No. 5 is the complementary amendment. It requires that the minister, in establishing a panel of officers to work with the Commissioner, will choose people from inside and outside his own department who are representative in every respect of all the regions of Canada. The Commissioner then, in any case where a province or provinces may be significantly affected, will draw from that pool of officers a panel where the majority of members will represent the region significantly affected.

This proposal falls far short of the provincial veto which has been suggested by some as being a prerequisite. While we have come to the conclusion that a provincial veto would make the entire bill inoperative, and therefore cannot be supported if the bill is to be of any significance whatsoever, the requirement to have recommendations to the minister made by people whose hearts and experience reflect the needs and aspirations of the region most directly affected, will guarantee that the feelings of all parts of Canada will be taken into account and not just the so-called Ottawa point of view.

The spokesman for the NDP indicated that this would be going too far in the direction of provincial participation and might lead to balkanization. I would think that that is not a correct interpretation. As a matter of fact, I am surprised that that hon. member did not insist that the recommendation reflect the point of view of the province or provinces concerned. He should realize that this is a recommendation to the minister and not a decision in itself. It is ultimately the minister who recommends to the Governor in Council, and the Governor in Council that takes the decision. If in some instances a recommendation made by a panel of officers representing a specific part of the country represents more the aspect and the points of view of that part of the country, there is no obligation on the minister to accept the recommendation. If he feels so strongly that the national interest is being prejudiced, he can override the recommendation because he has the ultimate responsibility. It seems fundamental that in this process of making recommendations to the minister, the provincial or regional point of view be pre-eminent. In the past this was the point of view that was often neglected.

I cannot overstress the importance that is attached to these two amendments. Certainly, in the present context in Canada, they are absolutely essential. We have witnessed a growing tendency toward confrontation between Ottawa and the provinces. Recent examples involving the Minister of Energy, Mines and Resources (Mr. Macdonald), and his relationship with the province of Alberta in particular, underline the gravity of the situation. Federalism cannot survive this kind of unilateral back-of-the-hand approach on the part of the federal government. It is all the more annoying when it follows by only a few weeks a conference designed to convince the provinces, and the western provinces in particular, that Ottawa really cares about their views and wants to work with them in a co-operative and harmonious way. The provinces do not trust the federal government sufficiently to turn over to it, without reservation, so much arbitrary decision-making power. Those of us from all parts of Canada, but in particular representatives from the Atlantic provinces and the western provinces, have a solemn obligation to ensure that the provincial point of view is heard and that the provincial need is taken fully into account.

● (1640)

I should like to return now to the positive alternative which in the long run is far more significant in meeting the objective than the bill now before us. This was pointed out time and time again by witnesses giving evidence to the committee. It reflects the viewpoint not only of a number of business organizations, some energetic and imaginative individuals such as Messrs. Lee, Frank, Topping, Sinclair and others, but also that of the Canadian Labour Congress which decried the lack of an industrial strategy for Canada. The Minister of Industry, Trade and Commerce (Mr. Gillespie) may feel that a master blueprint is not the answer, but certainly he should be capable of giving us something more coherent and comprehensive than the ad hocery to which we have become accustomed. Of the seven or eight industries in which he claims we have industrial strategies, his contention is not supported by evidence in more than one or two cases.

The Progressive Conservative Party strongly believes that we must undertake a number of positive initiatives which will take full advantage of the Canadian potential, and give to Canadians individually the maximum range of choice as well as the maximum benefit from their efforts. I would like to repeat, briefly, the five steps that I outlined at the end of my speech on second reading of the bill.

First, Mr. Speaker, we have to get our economy much closer to its potential curve than has been the case in recent months and years. Admittedly, the growth rate this year has increased, but we are now informed that it is not sustainable and that next year we can anticipate a cutback. It is alarming to be told that we are at, or near, our potential yet we still have a ridiculously high level of unemployment in Canada. Rather than attack the root problem, the government is making excuses and trying to change the location of the goal post. Instead of analyzing the situation logically and trying to achieve a level of unemployment of between 3½ per cent and 4 per cent—which by any reasonable standard is still excessive—the government is trying to condition us to get used to levels in excess of 5 per cent. By repeating over and over again that 5 per cent or above unemployment should be considered normal due to structural changes in our economy—whatever that might be—they expect us to believe it. Already they have had some success, and a number of professional economists and editorial writers have absorbed the new conventional wisdom as pronounced by the government and its apologists. This technique, which was so well perfected in another regime in the 1930's, should not go unchallenged. We can do better than that and if the present government is not capable of it, it should resign and let someone else with higher standards have a chance.

Of course, there are shortages of skills in some areas, Mr. Speaker. This is admitted. But there are also hundreds of thousands of people who are unemployed, and in most cases looking for work. The fact that for many of them the jobs being offered do not give sufficient incentive over and above unemployment insurance and welfare, has been verified many times. Even the Minister of National Health and Welfare (Mr. Lalonde) stated this well-known truth in one of his recent speeches. He did not take the next logical step which was to propose that something be done about it. This inertia has reached epidemic proportions amongst his cabinet colleagues.

Two things should be self-evident, Mr. Speaker, If we want to encourage people to leave the ranks of the unemployed and to enter the labour force, there must be an incentive for them to do so. Bluntly stated, that means they must be paid more, after deductions and fringe benefits, for working than they get for not working. Second, if demand is to be maintained at a high level so that jobs will be available for people wanting to work and for new entrants to the labour force, it is absolutely obvious that an incomes policy is necessary to stop the wage-price spiral on the more affluent side of our economy which is pushing costs and prices up well in excess of productivity.

The Canadian Manufacturers Association, in one of its sillier policy pronouncements, has just advised us that wage-price controls would treat the symptoms and not the major causes of inflation. What naïveté! A recent settlement in the construction industry in Calgary provided for a 32 per cent increase in wages, including fringe benefits, over a two-year period. That, Mr. Speaker, is not a symptom of inflation but, along with rising government expenditures and taxes, is a major cause of inflation.

Economic policies devised to reach and maintain our productive potential are fundamental, Mr. Speaker. The additional output does not need to reflect extra tin cans and useless consumption but rather the potential for the solution of our real problems of poverty, slums, pollution control, urban transportation, housing and, in the context of our discussion today, the savings necessary to enable Canadians to participate more fully in the ownership and control of their own industrial resource assets.

Step number two, Mr. Speaker, would be the introduction of tax and other laws designed to encourage Canadians to save in support of Canadian entrepreneurship. We do not have to consume all of our extra production; we can convert an increasing proportion to capital in order to enable us to own a greater share of our productive capacity. Imaginative proposals are required and a number have been made, including one put forward by my leader during

the last election campaign. It is most important to small business and would enable friends, relatives, employees and others to participate and support our young and aggressive risktakers. Certainly, to maintain and encourage the development of pools of risk capital, a Progressive Conservative government would take a hard look at our tax laws. While the capital gains tax was long overdue, Mr. Speaker—

Mr. Speaker: Order, please. I regret that I have to interrupt the hon. member, but the time allotted under the terms of the Standing Order appears to have expired. The hon. member can continue with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Hellyer: Thank you, Mr. Speaker. While the capital gains tax was long overdue, the taxation of inflationary increments is confiscation rather than taxation and should not be allowed.

Arrangements should be worked out with the provinces whereby small and medium-sized family businesses could be continued without the necessity of crisis liquidation for purposes of death duties in respect of the shares of a principal shareholder. Many other changes in the tax law would be effected to give Canadians an equal or better opportunity to participate in their own industrial and resource development.

Step number 3 would be a massive increase in the extent of research and development undertaken in Canada. We must learn from our neighbours that modern technology requires massive public investment and cannot be left to chance or to the marketplace alone particularly when many of our industries are owned by foreigners. In 1967, only 18 per cent of research and development spending by Canadian firms was financed from public funds; in the United States, 53 per cent of research and development spending by private firms was government financed while comparable figures for the United Kingdom and France were 35 per cent and 42 per cent respectively.

The areas in which we could usefully increase our energies is legion. One of the most topical, however, is in the energy field. The technology associated with the extraction of oil from the tar sands in Saskatchewan, Alberta and the territories is in its infancy. Vast sums are required to improve techniques. It is not only essential that this money be spent, but also that the results be in the public domain so that Canada is not held at ransom by any single company or group of companies. The techniques for burning low grade coal without the present unacceptable levels of air pollution should be explored. A visit to Hong Kong a couple of years ago convinced me that their technology in this area was ahead of ours.

● (1650)

Then, there is the whole vast area of development of power sources other than the burning of fossil fuels. Much additional research needs to be done to capitalize on present achievement in the field of atomic power. We made an excellent start but now we are not pressing our advantage as vigorously as we should. Nor do we let the world know what we are doing. Comments by visiting members of the European community last week showed an abysmal ignorance of the performance of heavy water moderated atomic reactors. Then, there remains the exploration of other power sources such as tidal, solar, fusion, etc. We have the brains and the incentive to explore the potential in all of these areas. But so far our most characteristic achievement is foot dragging. Few, if any, countries of the world could profit more by a deliberate, calculated program of pure and, equally important from the Canadian standpoint, applied research.

Step number 4 is the development of more flexible financial institutions. Significant progress has been made in recent years but much remains to be done. Not only do we have to encourage Canadians to save enough to meet their own capital requirements, we have to have the channels by which these savings can be directed to those opportunities and areas where they are needed. The reluctance of provincial governments in east and west to endorse this bill is proof positive that they are convinced that Canadian financial institutions are not yet organized in a way that meets their financial requirements. If Bill C-132 is to have any success at all we must have the capability to meet, internally, any capital need which would otherwise have been filled from outside Canada. Until that is the case, dissatisfaction and dissension will persist.

More flexibility is needed at the lower and upper ends of the scale in particular. Small entrepreneurs have great difficulty in obtaining the funds they need. The same is true of the giant ventures involving tens or hundreds of millions of dollars. A really adequate capital market must be able to meet both needs promptly and unequivocally.

Canada desperately needs a Renaissance of entrepreneurship in its business community. Without the vision and initiative that only gifted entrepreneurs can bring to a nation's economy, Canada will remain locked into the secondary roles offered by the head offices of large multinational enterprises. To respond to the entrepreneurial instinct latent in Canada will require a more sensitive and visionary approach by our financial institutions and, above all, a change in policy which will get the government off the backs of the entrepreneurs so that they can swim with their heads above water.

Step number 5, Mr. Speaker, is to combine all of this dynamism into a massive effort to increase Canadian exports. It is disturbing to note that last year we went into deficit with many areas of the world. This is not good enough. We can compete in world markets and we must be encouraged and assisted to do so. The objective would be a sufficient surplus on current account to provide the United States dollars necessary to acquire ownership of major multinational corporations with substantial assets and activities in Canada. Only with ownership and control of one of the major companies in each industry will we be able to provide Canadians with the total range of opportunities they seek and to which they should be entitled.

Mr. Gillespie: We had the largest increase in 20 years, Paul.

Mr. Hellyer: Within a decade, with proper management, we could acquire one of the giants in most areas of significant concern and potential benefit to Canada. Then, with

reciprocal arrangements with our neighbours, we could enjoy the advantages of scale and the lower prices that come from international competition, while at the same time being the beneficiaries of the research, development, product development and market expansion that the big companies enjoy. Our scientists, engineers, technicians, market analysts, brokers, financiers, salesmen, advertisers and others would have full scope for the utilization of their talents, without having to move to another country.

This positive Progressive Conservative policy is far more important than the bill now before us. It is designed, not just to keep the situation from deteriorating further, but to do something about it and move in the direction of a real solution involving greater Canadian participation. Can we do it?

Mr. Baker: Not with this government.

Mr. Hellyer: The hon. member is absolutely right. We cannot do it with this government. All that is required, if we are to do it, is a government which believes in Canada and has a vision for the future of this great country—a Progressive Conservative government, led by the hon. member for Halifax (Mr. Stanfield).

Mr. Speaker: Order, please. It is close to five o'clock. Earlier today a motion for the adjournment of the House under Standing Order 26 was proposed by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). The Chair indicated at the time that consultations would take place with representatives of the different parties, or the House leaders. This consultation has taken place.

It has been agreed that the motion will be put this evening at eight o'clock, for debate in the course of the evening. There was also discussion at the time as to the possible limitation of the length of the debate and it was agreed, subject, of course, to the order of the House. that **the debate might go on from eight o'clock until eleven o'clock this evening. As well, there would probably be an order providing for the suspension or cancellation of the adjournment proceedings.**

It was also agreed, I gather, that the first spokesman on behalf of each party in the House is to be given 20 minutes in which to speak, and subsequent participants 15 minutes **each. As I said, the motion shall be deemed to have been adopted at eleven o'clock this evening. The motion will be put at eight o'clock.**

For the moment, I should like to inquire whether there is agreement from the House as to the time limits which were suggested a moment ago.

Mr. Bell: Mr. Speaker, yes, we agree. Without prejudice to any time limitations in future debates, we agree to the time limitations to be imposed on this occasion, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Yes, Your Honour, you have stated our agreement exactly.

Mr. Speaker: Is this agreed?

[Mr. Hellyer.]

[*Translation*]

Mr. Boisvert: We give our consent, Mr. Speaker.

[*English*]

Some hon. Members: Agreed.

Mr. Baker: Five o'clock.

Mr. Speaker: It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions and public bills.

PRIVATE MEMBERS' MOTIONS

[*English*]

TRANSPORT

SUGGESTED REINSTATEMENT OF RAIL PASSENGER SERVICE IN SOUTHWESTERN ONTARIO

Mr. Bill Jarvis (Perth-Wilmot) moved:

That, in the opinion of this House, the government should consider the advisability of taking all necessary steps to reinstate passenger rail service in Southwestern Ontario adequate to the present and anticipated transportation needs of the public.

He said: Mr. Speaker, as you are aware, this subject has been discussed in this House on previous occasions. The subject matter of rail transportation, particularly service involving passenger transportation in southwestern Ontario, has been debated in this House for many years. I do not know the origins of the issue Your Honour, and I do not know whether the issue first arose because of partisan politics. Nevertheless, I know that in 1973 that issue has become one of equal importance to that of motherhood. Nobody seems to be against rail passenger service in southwestern Ontario; by the same token, nobody, unfortunately, is going to do anything about it.

Since 1968—indeed, before that date—all parties in this House, through their spokesmen, have expressed concern about this passenger service. Two years ago that concern turned to frustration when the recommendations of a standing committee of this House were rejected by the then minister of transport. Let me hasten to add that the recommendations of that standing committee were unanimous. There was no evidence of any partisanship in the report of that committee. I also wish to assure the House that that committee was one of the hardest working and most diligent of committees that this House has ever established. I attended a number of its meetings, although certainly not all. The hon. member who formerly represented my riding in the House has told me of the effort which the committee made in bringing forward that report. What has happened since that report came out has created frustration. For many, that feeling of frustration has turned to a feeling of hopelessness.

I am not the only one in this House who has talked about such feelings of hopelessness. Others have complained about the lack of service. In this regard, may I quote the words of no less a spokesman than the hon.

member for Bruce (Mr. Whicher) who, on October 22, when discussing the CNR financing bill, said, as recorded at page 7095 of *Hansard*:

> I said I was frustrated because I have spoken on this subject on numerous occasions and have listened to others speak on it, but nothing has happened. I also have a feeling of hopelessness, because I am almost totally certain that no matter what the opposition has said in the past or this afternoon and no matter what I say, nothing will happen. The CNR will carry on in its own way, doing exactly as it sees fit. It will not pay one iota of attention to the wishes of the House of Commons. Certainly, this has happened in the past, as far as I can see. The fact is that out feelings, as voiced by the constructive criticism which has been given by members of this House, are shared, in my opinion, by the people of Canada. Those feelings the CNR has completed ignored over the years.
>
> ● (1700)
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> With respect, I suggest that the members of one side of this House are in the position to do something. Surely, I do not exaggerate when I say that the government has the right, the ability—to do something about this. Canadian National Railways may be a very important segment of the economy of Canada, but if they think they are bigger than the government of Canada or the Parliament of Canada, they have gone too far. I suggest respectfully, and I say this apologetically as I hope members of the opposition will appreciate the position I am in, that the government is obligated, not only to Parliament but to the people of Canada, to move into this field and, especially in extreme situations, to act.

My only comment on that particular part of the hon. member's speech is that I wish I had been the author of those words. Without reservation or qualification, I adopt everything that the hon. member for Bruce (Mr. Whicher) said on that occasion.

The various individuals, groups and organizations of the area affected must share this feeling of hopelessness and even helplessness. The case for restoration has been made forcefully over the past few years from all segments of society in the area affected, and by a standing committee of this House, unanimously, as well as individual members of all parties. The purpose of my motion, therefore, is not to plead the case for restoration of passenger rail service. In my opinion, the case has been made successfully. My sole purpose is to point out why this situation has been allowed to exist.

I suggest the finger of guilt can be pointed in many directions. May I mention just three groups, the first being the railways. The railways have been guilty of deliberately downgrading their service. As a result of that, they built up enough evidence of disuse to convince the Canadian Transport Commission to approve their application for the elimination of these passenger trains. Since then, in spite of the uproar, the railways have continued to downgrade services, not passenger services because there are none. They have continued to downgrade the railbed. They have ignored their responsibility to adjacent land owners. All of this can be documented. Indeed, such documentation has been sent to the Minister of Transport (Mr. Marchand).

One example I might give is an application for fence repair that was made on June 1 this year by 11 farmers in my constituency. After sending four letters to Mr. Benson of the CTC and correspondence to the railway concerned, I received correspondence confirming that the tender for fence repair has been let and that the fences would be repaired by the end of November. That is six months following the date of requisition. It may be of some comfort to the Minister of Transport to know he can get a fence repaired in six months, but I will point out to him that the climate in my area is of such a nature that we do not need many fences in the winter when our pastures are buried in the snow. We asked for the fence to be fixed in June. It will be fixed in November.

The second group to which I want to point the finger of guilt is the CTC. As hon. members can appreciate from the example I have given, I am not very enamoured with their responses to situations for which they have a responsibility. I feel they deliberately ignore their responsibility on occasion. Dealing with rail passenger service, I accuse them of a number of things. First, I believe they relied on bad evidence when they granted the discontinuance. Second, they allowed themselves to be completely misled by the railways in that particular hearing. Third, it appears they did not make a decision independently of railway pressure. Indeed, one is forced to the conclusion they are almost in collusion with the railway companies of this country. In any event, the most charitable thing that can be said about the CTC is that it has become a comfortable haven for the Hon. J. Edgar Benson.

The third person who must stand accused of this deplorable situation is the Minister of Transport. I examined very carefully the minister's answers to questions in this House since January on the subject of railway passenger service. The attitude exemplified in those answers simply defies logic. First, the minister defied the unanimous recommendation of a standing committee of this House. The great majority of the members of that committee are Liberals. I believe they are sincere, hard working members, as indeed are all members of that committee.

Second, his answers to the many questions in this House during question periods since January attempted to relate this issue to the rapid transit problems in and around the city of Toronto. May I hasten to say that I in no way minimize the problems of that large metropolitan area. I assume they are of a very severe and important nature to the hundreds of thousands of people who must rely on some form of transportation around the city of Toronto. I do not minimize the importance of that. I simply say that rail passenger service in southwestern Ontario, the area which I and members of adjacent constituencies represent, has nothing to do with the rapid transit system in and around the city of Toronto. The smokescreen drawn by the minister in reply to serious questions by many members of this House, not just the party I represent, does not do him or the government he represents justice. It is a great discredit to the people living in and about southwestern Ontario who have no means of public transportation.

Third, the only positive step, and I say this very charitably, is that a study has been ordered. This is not a study by his department or a standing committee of this House. It is not a bilevel or trilevel study. It is not a study whose participants received any local input. The study is by the CTC. I cannot think of anyone less equipped in view of the history of this issue to study passenger service in southwestern Ontario than the CTC which has made a bad decision. They have not done anything to correct it. I

assume that through this study they are simply trying to hide that fact.

The Parliamentary Secretary to the Minister of Transport (Mr. Guay) is in the chamber. He will remember a group which came to Ottawa. Indeed, the parliamentary secretary was very gracious in receiving them. On that occasion, I suggested somewhat uncharitably that this was just more windowdressing. The parliamentary secretary took great umbrage when I made that suggestion. I do not think he realizes it was born from the frustration, helplessness and hopelessness of the people in my area and the area surrounding.

We heard, before someone managed to keep him quiet, a few words from a member of the CTC who sat in on that meeting. He told us that at that time the study was about two thirds completed. That was months ago and we did not hear anything more about it until last week when it was indicated we might get the results of this study next week or the week after.

My concern is this. Since we first heard about the birth of this study, it has been indicated that local people would be consulted. I presumed the local people would be people in my constituency or surrounding constituencies. This is a very elusive animal, the local people who are to be consulted. I cannot find one in my constituency. I have checked with almost every municipal official, elected or appointed, in my constituency. Not one has talked to the CTC. The CTC has never talked to them. I would hope that when this study is tabled, if it is ever tabled, there will be appended to it the names of those people who were consulted by the CTC in connection with it.

● (1710)

I am by nature an optimist, though at times it is very difficult to remain an optimist, especially when one is dealing with rail transportation in my area. Let me point out one thing—and I do so with considerable reluctance. From the birth of this issue to this very day there has never, to my knowledge, been inserted into the debate one iota of partisan politics. Everyone has been in favour of the improvements we are seeking—everyone, that is, except the railways, the CTC and the minister. The conclusion to which one is inevitably drawn is this: the attitude the minister continues to take, together with the discontinuance of the service, reflects the only way he knows of penalizing the people in this area who have failed to elect Liberal members since 1968, the only exception being the hon. member for Bruce (Mr. Whicher)—and it certainly is not his fault that geographically his constituency is isolated by water and by ridings represented by Tory or NDP members. I can well understand why he spoke with such vigor and dedication on October 27. It seems to me that the people who live in this area have been witnessing political patronage in reverse. It amounts to telling them: if you don't send Liberals to Ottawa you will not get passenger trains. It is incredible to me that in this area of non-partisanship the minister should take such an attitude. With reluctance, as I say, this is the only conclusion I can draw.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to the Minister of Transport): Mr. Speaker, this motion asks that the government consider the advisability of taking all necessary steps to reinstate rail passenger service in southwestern Ontario adequate to the present and anticipated transportation needs of the public.

The government is in full accord with this motion. However, the motion is not really necessary, because the government is already studying the anticipated transportation needs of southwestern Ontario and is, in fact, considering the advisability of reinstating passenger rail service. Both the minister and the hon. member for Bruce (Mr. Whicher) have repeatedly expressed concern about this matter. As has been mentioned, the hon. member for Bruce has frequently made representations to the Minister of Transport (Mr. Marchand), to the CTC and to myself. I should like to say to the hon. member who has just resumed his seat the information given in our various discussions had nothing to do with politics; we spoke with simple sincerity because we are concerned about the people in his area just as we are concerned about people everywhere in Canada.

An hon. Member: Like the devil, you are!

Mr. Lundrigan: Don't cry!

Mr. Guay (St. Boniface): I am always pleased to hear comments from members of the Official Opposition. But some of them may have noted that their leader has just walked into the House. They do not realize that he came in to listen to me rather than listen to them.

I repeat, the government is very concerned that southwestern Ontario should get the best and most suitable surface transport systems. The immediate question is to determine how this objective can best be achieved. Both the Canadian Transport Commission and the Ontario government are currently in the midst of separate major studies to this end. It may be the case that reinstituting rail passenger service is part, or all, of the solution. It may not. We cannot at this stage prejudge the conclusions which will be reached as a result of these studies.

The Minister of Transport has not simply let this matter rest with the studies currently under way. On June 14 of this year, along with officials of the department, I met with a delegation from southwestern Ontario, as the hon. member for Perth-Wilmot (Mr. Jarvis) will recall, and listened to representations on this matter. The consensus of this meeting was that the next Ontario trilevel conference would offer the most appropriate opportunity for the discussion of this question, and that a solution could be found through the co-operation of the three levels of government concerned.

As to the background of this issue, I think it would be very useful if I were to put a few facts on the record. But before doing so, I assure the hon. member, as I have done on several occasions, that as soon as these reports are available, we shall actively pursue this matter. I am not being "political". I am just being sincere, and answering the question he has raised on various occasions. I should like to refer, also, to the Standing Committee which visited the hon. member's area. This visit was made possible because the hon. member for London East (Mr. Turner) voted against other members on our side, if you want to put it that way. He took this action because he felt there was a need to do so, and I compliment him. Had it not been

for the hon. member for London East, this visit by the committee would never have taken place.

Responsibility for providing travel facilities to the people of Canada is shared by all levels of government though, no doubt, the greatest over-all responsibility rests with the federal government. Historically, the railway system, from the date of its construction through to the 1940's, provided the principal means of intercity transportation in Canada. From the 'fifties onward, with the advent of improved facilities by road and air, the attention of the various levels of government was focussed on the creation of a first-class network of highway and air routes. The redirection of national transportation expenditures came in response to the public preference for the convenience and flexibility of the private automobile and the bus lines, when shorter distances were involved, and for the advantages of airspeed for longer trips. While the public in general benefitted from the changing pattern of passenger services, the impact on the rail passenger system was adverse, leading to a widespread decrease in patronage. Railway deficits increased in the light of competition with highway and air modes which received the major benefits of public financing.

The federal government, recognizing that provision for rail passengers now involved burdens which were not normally assumed by commercial firms, moved to relieve the rail carriers from the financial losses incurred in the operation of passenger trains. In 1967, the National Transportation Act established a mechanism whereby the government could order the continued operation of uneconomic passenger services if those services were judged to be in the public interest. Having done so, it would absorb the bulk of losses associated with each particular operation. The federal government ensured that the broad transportation needs of the public would be considered when a decision was made as to whether an uneconomic passenger service should be continued or not.

The act required the Transport Commission to fully evaluate all available and projected competing modes of travel in each case brought before it so that the need for passenger train service would be judged in the context of the total facilities available to those directly affected. As well, this process was initiated as part of the major aim of federal government policy to ensure that the best allocation of resources in the passenger field was accomplished.

● (1720)

In the case of train service abandonment, specifically in southwestern Ontario, it is useful to recall that all steps prescribed by the Canadian Transport Commission have been followed and there was no other recourse than to abandon this service after exhaustive hearings on the part of the commission.

In its capacity of rationalizing passenger services and protecting the public interest, the railway transport committee of the Canadian Transport Commission carried out a full investigation. No less than six days of public hearings in different cities were held at which no less than 70 government organizations and individuals attended. The purpose of these hearings was to examine the economic viability of, and the public need for, the railway passenger services in southwestern Ontario, commonly referred to as the Bruce peninsula services.

During that hearing it was shown in particular that the lines abandoned since then had incurred losses in the neighbourhood of $600,000 in 1968. It was also proven that alternative public transportation existed in the area and that extensive bus service was available. It was demonstrated that revenue increases between 2.4 to 7.8 times the actual 1968 revenues would have to be obtained to make the services profitable.

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

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Gander-Twillingate is rising on a point of order.

Mr. Lundrigan: Mr. Speaker, I think I have a legitimate point of order when I suggest that it is perhaps wise for the members of the House to recall a fundamental rule of the House in order to preserve this chamber as a debating forum, the purpose for which it was intended. The hon. member is reading a statement prepared by officials of the department or some other section of the government. The hon. member for Fort William has a pile of papers on his desk as well, from which he is ready to read. Even if Your Honour does not accept my point of order, I suggest it is wise for members to remember this is a debating forum, not a place in which to read statements prepared by departmental officials.

The Acting Speaker (Mr. Laniel): Order. The point raised by the hon. member is one that is raised on many occasions and I think is well taken. The Chair appreciates the hon. member's intervention, but I suggest the rules are not strictly applied. They do authorize hon. members to refer to notes, and in special cases, such as budgets or very important political matters, the Chair has a tendency to allow leeway. In view of all these variations in the application of the rules, it is not easy for the Chair to decide on a strict application of the rules. But I think the fact that, on occasion, members do suggest to the Chair that there should be a stricter application of the rules is helpful to the operation of the House.

Mr. Guay (St. Boniface): It so happens, Mr. Speaker, that I did this research myself through our research bureau. Hon. members opposite also have a research bureau. In this instance, I would have accepted nothing less. I suggest the hon. member for Gander-Twillingate is prejudging the conclusion of my speech; I am more favourable to the motion than he thinks. I might also say that the other member who will speak on our side has no departmental notes, and I say that in all truthfulness because he would not accept them. So, the hon. member should not make statements that he cannot substantiate.

Mr. Lundrigan: Since you are a rookie, we will accept that.

Mr. Guay (St. Boniface): The hon. member is known for making rash statements, but half the time he does not know what he is saying.

Mr. Baker: At least he does not read from a text.

Mr. Guay (St. Boniface): I should just like to mention a few other points, Mr. Speaker. If the service had been continued, with the taxpayers paying 80 per cent of the losses incurred by the railway companies, in 1968 the distribution of cost per passenger would have ranged from $2.06 for the passenger, $0.61 for the railway company and $2.44 for the taxpayer for the Canadian National Toronto-Palmerston service. The cost would have ranged from $3.36 for the passenger, $3.92 for the railway company and $15.69 for the taxpayer for the Canadian Pacific Toronto-Owen Sound service.

Other studies have been carried out as we are all aware. A lot of consideration has been given to the cost of improvements and so on. A good number of bus services require improvements in equipment, but their financial positions prevent them from taking action. It does appear that, in that particular district, public intercity transit is not well regarded. A possible answer to this may be the fact that the road network is good and that people prefer the automobile for travelling.

I should like to point out that further action will be taken by the Minister of Transport. In more recent months, as an indication of the very strong concern of the federal government for passenger services in southwestern Ontario, the Minister of Transport asked the president of the Canadian Transport Commission once again to carry out an investigation of the transportation needs of the residents of the area. This the CTC has undertaken and the minister is now awaiting a report on the situation in the area. The minister has already indicated in this House that he will discuss this report at a trilevel meeting with Ontario and the municipalities so that we can solve this problem.

It is useful at this time to recall that the government of Canada is spending tremendous amounts of money to ensure the mobility of the Canadian population, both for its leisure and business travel. It is the policy of this government to ensure adequacy of service to all the population of the country, and no less for people from southwestern Ontario.

Efforts are being exercised in connection with all modes of transport to ensure that Canada is benefiting from all technological advances. At the present time we are sponsoring additional car ferries; we are expanding our airports; we are creating new air services; we are participating in road improvement programs with the provinces; we are funding research in the railway passenger field, and so on. These are tangible efforts made by this government to get at the passenger service problem in Canada and in southwestern Ontario. Items such as increased fuel costs, scarce energy resources, and technological advances such as the LRC and turbo-trains may prove to be significant factors. The future of passenger trains in Canada may soon prove to be more interesting. It is in this context that the people of southwestern Ontario should await the result of the new study undertaken by the Canadian Transport Commission.

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I rise to intervene briefly in this debate to state once again the support of my party for the sentiments and opinion expressed in the motion of the hon. member for Perth-Wilmot (Mr. Jarvis), which may I say were also ably expressed not long ago in this House by the hon. member for Bruce (Mr. Whicher). I am not from southwestern Ontario, unless one feels that metropolitan Toronto falls within that category, but as a sometimes member of the committee on transportation who has received correspondence, particularly in the last few months, about this matter, I welcome the opportunity to say a word or two about it.

• (1730)

It has already been said that this passenger service was discontinued some three years ago, and that last year the standing committee of this House unanimously recommended reinstatement of that service. As has already been mentioned, despite that unanimous recommendation no action was taken by the railways, the Canadian Transport Commission or the government. I should have thought that in the political atmosphere of a year or so ago, a unanimous recommendation of the committee would have carried considerable weight. However, this idea of reinstatement of passenger service in southwestern Ontario seems to be an idea in danger of being smothered by too much agreement.

It is easy to say one is in favour, but it is more difficult to translate that statement into some kind of action. Despite all the protestations of the parliamentary secretary, all the studies that are going on, or may be going on again, the government in fact has not committed itself to the reinstatement of passenger service. It has committed itself to another study. I think that is the important distinction which will not be lost upon the residents of the area and ought not to be lost upon the members of this House.

The government, perhaps understandably, wishes to follow the advice of the transport commission in a matter of this kind. Having done that, I think it is not appropriate for the government to suggest that it agrees with this motion. An agreement by the government must be translated into action, and until such time as action to implement the sentiments of this motion is undertaken by the government, the government cannot be stated to be in agreement with it.

My concern about this issue is not only the concern of one who is interested in the field of transportation and who travels in, even if he does not live there, southwestern Ontario. Mine is also the concern of one who sees a progressive deterioration and abandonment of passenger service generally as a step in the wrong direction. Surely, in face of the looming problems of energy and the destruction of our environment, along with the need to service an increasingly large and mobile population, we must not discontinue passenger service or go along with the abandonment of rail services without counting the cost of alternatives.

It is easy to say it would have cost people two or three cents a year to subsidize the operation of certain lines, but what is it costing the people in terms of alternatives to which they must turn, in terms of alternatives which are not there, or in terms of the destruction of the environment which is a concomitant of increasing highway traffic and pollution arising from the use of buses and cars which in increasing numbers use our highways? The arithmetic

employed has been too simplistic, I suggest, in the calculation of passenger and freight rail services in this country. It has been too simplistic and has not counted the cost of alternatives, nor the cost to the future in terms of environmental considerations.

It is trite for me to say, but I think it is perhaps worth reminding ourselves, that this problem is not in any way limited to southwestern Ontario. It is national in scope and concerns western Canada perhaps more immediately and more obviously than other parts of the country. Whether it be commuter rail service or ordinary passenger service, whether it be rail service of any kind, the trend in recent years has been to discontinue and reduce it, or to allow the facilities which support such services to deteriorate so that the service in time becomes more expensive and the case for discontinuing it apparently stronger.

I said I would be brief, and I shall. I urge the government not merely to support the notion of another study—I may say, a study under the particular body which gave approval to the discontinuation in the first place, and therefore not likely to be very objective in its assessment—not merely to give lip service to another study, but to say precisely where it stands. I suggest that the notion of another study is probably made in an effort to buy time or as a delaying tactic.

There must be plenty of data before the government and the Ministry of Transport on the basis of which the government could come to a firm conclusion; and if there is not, I am sure hon. members from the area would be very glad to supply it. I am not impressed by the assurance of the parliamentary secretary. I do not believe the government supports the notion of continuing rail service in those areas. If it does, let it say so in plain, simple English or French.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I want to speak for just two or three minutes. I do not want to prevent my colleague, the hon. member for Fort William (Mr. McRae), putting his remarks on the record. I suspect he has documentation from departmental officials that might be of interest. I do not intend to be too hard on the hon. member for St. Boniface (Mr. Guay) who today performed the unusual role of attempting to present the prepared position of his government. I suggest that is understandable. He is beginning to sound as though he has made some growth in his party, particularly when he uses phrases such as "my government", "my policy", "my position", "our firm policy", etc. This is as bureaucratic and old-fashioned an approach as I have heard for some years, as long ago as the days when we had rail passenger service in Newfoundland in the form of old Bullet.

An hon. Member: 1962.

Mr. Lundrigan: In any event, I do not want to criticize the hon. member too severely because his prospects for future prosperity in his party are looking brighter by the day with every intervention he makes from his seat.

Getting back to the issue, I support certain of the arguments put forward by the hon. member who immediately preceded me. He specifically referred to southwestern Ontario and the need for real effort to be made in that part of his province toward the continuation of some kind of rail passenger service. Of course, you could get hon. members from western Ontario and from the Prairies, as well as from other areas of the country where rail lines have been abandoned, to support that argument: this is also true of members from Prince Edward Island, Newfoundland and various regions of the province of Quebec.

If the government has done anything since 1968 when I first came here, it has taken an unwritten, unconfirmed and "under the table" pass at rural Canada. It has taken the position that rural Canada should be discouraged in all aspects and that there should be an undermining encouragement toward the urban drift which the world has witnessed in the last half-century. When saying that, I look across at the hon. member for Bruce (Mr. Whicher) to whom we refer sometimes, when we are kidding him, as the unofficial Tory member because he does represent a lot of conservative attitudes. He has made a strong effort, in terms of textbook arguments, against government policy harmful to rural Canada.

The point I want to touch upon relates to government policy in respect of transportation services. I think we must look at our over-all services, none of which can be related so closely to our economic structure as our transportation system. That is why when we talk about transportation we are not only talking about public services but very much about economic necessity.

● (1740)

A number of years ago the hon. member from my riding—it was called Bonavista-Twillingate in those days—was the Hon. Jack Pickersgill, a good friend of many members of the House of Commons. At that time he was attempting in his own way to create some kind of buffer for the government on matters of transportation. He was the architect and designer of the Canadian Transport Commission.

The commission is one of the most intriguing animals that ever existed in federal government. Today, if you approach Mr. Benson in the CTC, he says you have the wrong man and you must go to the Department of Transport which created the original legislation and has legislative responsibility for transportation. If you go to the Minister of Transport (Mr. Marchand), he will tell you frankly, candidly and openly that you have the wrong man, that you must go to the commission because they are a quasi-judicial body, a body which is above the law and they are not in any way subject to the will of parliament in the sense that we can point the finger at them and tell them what to do.

The transportation situation in Canada is criminal, because no one seems to have proper responsibility for it. In times when the Canadian Transport Commission did not exist, one could always go to the Minister of Transport with whatever problems one had or whatever applications came forward for the abandonment of a rail service. The minister had responsibility and he was held accountable to the Parliament of Canada and to the Canadian people. Today, one cannot approach him.

I remember when the hon. member for Burin-Burgeo (Mr. Jamieson) was in charge of transportation. He could squirm away from any transportation issue by saying that it came under the quasi-judicial jurisdiction of the CTC.

This is where we find ourselves today. We have arrived at a point in Canadian parliamentary history where somebody will have to take a close look at whether there is a need to continue the CTC, with its present attitude. Someone will have to take a close look at where the responsibility for transportation matters lies.

I could tell stories for hours about all the problems we have encountered in our own little province in our efforts to work out solutions with this multiheaded animal, the Canadian Transport Commission. It is impossible to reach either the Minister of Transport or the CTC. There were two occasions when I served several small communities, in fact seven small islands off the main coast of Newfoundland. The CTC have the responsibility of providing some kind of transportation link between the islands and the mainland. This is contained in the Terms of Union which were signed back in 1949. A small boat operated between the Change Islands and the mainland. On one occasion they wanted some kind of landing facility so that when the boat went in to dock, there would be a small structure for unloading the one car which the ferry boat could take on a calm day; they wanted a small plank on which they could drive the car. The wharf is owned by an old friend of Jack Pickersgill.

This private wharf may be worth about $1,000. There is a private arrangement whereby the owner gets $1,000 a year to rent this wharf to the CTC. It is a neat little arrangement which Mr. Pickersgill made when he repreesented my riding. The people who use the ferry wanted this little plank on platform built which would cost a few hundred dollars. The government said it was the responsibility of the CTC, and the CTC said it was the responsibility of the Department of Public Works or the Department of Transport. Right now there are 700 people being served by the ferry which has to wait for the water to rise or fall to land the one car which it carries. This is hard to believe.

On another occasion I was looking after the case of a similar operation serving 600 or 700 people on another island, actively employed, hardworking people none of whom were on welfare. Their wharf had deteriorated. Again it is a privately-owned wharf, rented to the CTC through the auspices of Jack Pickersgill. The wharf was in such need of repair that the ferry could not carry any trucks or cars. Normally the ferry can carry two cars or one truck loaded with freight or goods for the community. The island had to go for two months without produce. All that was required was a couple of thousand dollars to repair this private wharf by agreement with the CTC. We worked on this problem during the whole summer. I threatened to raise the matter in the House of Commons if we could not get some guarantee from the CTC that they would make the necessary changes. If they were not going to make them, I was going to challenge their decision on legal grounds or on a constitutional basis.

Those are two small examples of circumstances that do not affect the nation as a whole but are indicative of the thousands of transportation problems that are being swept under the carpet because of the inactivity of the CTC. I do not wish to point the finger at all the members of the CTC. I have dealt with some whose names are unsung but who are determined, honourable and distinguished servants of Canada. They are anxious to help solve some problems, but they are being strangled by the political head which is at the top of the organization or by some direction from the government which does not permit them to make the right kind of decisions.

The simple fact of the matter is that under its present terms of reference the CTC can take no action in transportation except to eliminate services. There is a tremendous amount of indecision in the whole area of transportation. If I were a minister of the Crown responsible for transportation, I would look seriously at the need to restructure the CTC, to eliminate it or to give it new terms of reference and public responsibility. As a member of parliament and as a Canadian, I should like to make sure that the Minister of Transport is accountable for transportation problems in our country. I believe the hon. member who will follow me will take the same attitude.

We have certainly arrived at a situation where somebody must face the reality that exists in transportation. I do not want to criticize individual members of the commission, but there is something wrong in Canada when there is a continuous presentation of motions from individual members—and, God knows, western members have been active almost every day in trying to deal with transportation difficulties. Last week 74 of us members of parliament visited British Columbia. Almost incessantly the argument was thrown at us that the people over there are concerned about lack of direction in transportation. Briefs were presented to us and we heard arguments from all across the province regarding stagnation of the economy due to the downfall of the transportation system.

Without making any generalized comment which might be challenged by the hon. member for St. Boniface and of which he would like to accuse me, let me say that the quality of transportation is declining. Japan has come up with the monorail system which has revolutionized their transportation system. Great Britain, with its dense population and its difficulties in building good transportation systems, has been able to provide a transportation system which would put us to shame. Putting partisan politics aside, one wonders where we are going in Canada. There seems to be nobody with over-all responsibility for transportation. That is why I say it is time for us as members of parliament to introduce motions and bring forward recommendations to re-examine the role of the CTC. It is nothing but a buffer for the government and a body which enables the government to make unpopular decisions, a body which can take the blame and responsibility for them.

● (1750)

Mr. Paul E. McRae (Fort Williams): Mr. Speaker, I rise to speak on the motion proposed by the hon. member for Perth-Wilmot (Mr. Jarvis) which asks that rail passenger service be reinstated in areas of southwestern Ontario from which it was removed during the past few years. However, before doing so I would like to speak on a point of personal privilege in reply to the earlier remarks of the hon. member for Gander-Twillingate (Mr. Lundrigan). No departmental officer, or anyone else for that matter, is ever going to put words into my mouth when it comes to speaking about railroad affairs. I come from a great community which is totally dependent on the railroad. I spent 30, 40 or 50 hours with railroaders during the last strike,

and I spent last Friday evening with railroaders. I remember the town of Rainy River when dieselization came in, and the tragedy it suffered, as well as many other areas. So nobody is going to tell me what to say about railroads.

Mr. Lundrigan: I didn't mean you.

Mr. McRae: Mr. Speaker, when I have occupied as much time on the floor of this House as the hon. member I am sure I will not need notes.

Mr. Lundrigan: We accept you, but pros like Joe we don't.

Mr. McRae: I am speaking about what is involved in this motion partly because I am a frequent visitor to the area concerned and am aware of the feelings of the people about the matter. However, I am also concerned about the discontinuance of passenger service in my own area and throughout the rest of Canada. This is something about which all Canadians must be concerned.

In many respects my views on this subject are not too different from those of the hon. member for Gander-Twillingate, but I would like to get to the root of the problem. I do not think the root of the problem is essentially the CTC, although it may be one of the offshoots of the root. I find it hard to believe that the railways of this country are really serious about their role, and especially do I say this about the CPR although it applies also to the CNR. Both railways lack an aggressive approach. Where are our railroads when there is a discussion of rapid transit systems? These are the companies which have the rights of way, the equipment, the money for development and apparently the technology. What sums of money have they put into research and development? Very little, Mr. Speaker.

Trains today are travelling at about the same speed as they were 50 years ago. Except for the diesel engine and a few improvements in bearing-lubricator techniques, nothing has been changed. One has only to look at the dates that rail cars were built, when a freight train is moving past, to realize how old is much of the equipment. A lot of it was built in 1929, 1932 or 1941. Where were the railroads when the controversy over the Pickering airport began? What other sections of industry would pass up the opportunity to suggest a rapid ground transportation system in this area as an alternative to the airport?

Where are the railroads in the present energy scene? We are told that fuel-wise, rail travel is by far the most efficient. In fact, the figures show that as opposed to air travel, per passenger mile we use about a quarter to one-sixth the fuel on a railroad as would be used on an airplane. Would fuel conservation not dictate that we have another good look at passenger rail transportation?

Where were the railroads when the possibility of a unit train system was discussed in lieu of an oil pipeline down the Mackenzie Valley? Only reluctantly and very lately has the CNR shown signs of interest in such a project. And what is $1½ million compared to $40 million to $50 million spent by the aggressive pipeline industry?

It is unfortunate, perhaps even disastrous, that in a nation which requires rail transportation so much we are dependent on railroads which, for various reasons, are not really interested in developing new business. It seems to me that the CPR would be glad to get out of the business and that the CNR is so used to playing second fiddle that it has never thought of an initiative of its own.

I believe that the National Transportation Act and the Railway Act must be seriously amended or, better still, completely revamped to provide the kind of thrust that we expect of our railroads. I would like to go into this question in detail if I had a much longer period of time, but this evening I shall make just one or two short comments. I would like to see these acts amended in order to put control over the railroads back into the hands of parliament and of the government of Canada. I am not happy when I hear the minister reply to questions saying that he will ask the president of one or the other major railway company for co-operation. When the national interest beckons, as it does today in connection with grain movement from the west through Thunder Bay, the minister must have the power to command the railroads to meet the emergency.

It is my understanding that when the railways desire a change, and a change invariably means a change upward in freight rates, they merely have to inform the CTC, and so be it. I repeat that control over the railroads must be given back to the Parliament of Canada. Another change has to do with rail passenger service. It is my understanding that when the railroads want to apply for a subsidy, they must apply for discontinuance of service. In order to achieve this, it is my experience that they deliberately downgrade the service and then, when the volume falls off, they ask for discontinuance.

Just recently the CPR laid off 22 ticket agents and operators in northwestern Ontario and Manitoba. As a matter of fact, the senior clerk in Thunder Bay was laid off on September 30, in contravention of Bill C-217, if not the letter then the spirit of section 16(3)(a), which calls for the arbitrator to give serious attention to adopting a job security plan based on the principle of attrition. Fewer tickets will be sold as a result of this action, and when the volume of usage falls off the railways are free to seek increased subsidies. This is a silly provision. I am in favour of subsidies, but subsidies for providing service. The act should reward the railroads for upgrading service, not for short-changing the public.

When a railroad ceases to operate a service in an area, something goes out of the area. It is time to reappraise the role of the railroads in Canada and to upgrade this role. At a time when fuel shortages dictate a more aggressive rail policy, it is time for the Parliament of Canada to lean heavily on the railroads to force them to play a more aggressive role in providing better service, including passenger service, to the people in southwestern and northwestern Ontario and in the rest of Canada.

Mr. Speaker: Order, please. The hour allotted for the consideration of private members' business has now expired. May I remind hon. members that the 40 hours set aside under the terms of the Standing Orders for private members' business are now exhausted. This is being said in conformity with the disposition of paragraph 6 of Standing Order 15. There will be no private members' hour from 5 p.m. to 6 p.m. on Mondays and Tuesdays from now until the end of the current session.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

ENERGY

OIL SUPPLIES FROM FOREIGN SOURCES

The Acting Speaker (Mr. Laniel): Order, please. Leave having been granted to the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the steps the government proposes taking to meet the continuing interruption of oil supplies from foreign countries, and more particularly, what plans it has for (a) procuring alternative supplies to meet the needs of eastern Canada; (b) organizing public support for reducing the consumption of energy supplies this winter, and (c) instituting a system of oil rationing should this become necessary, the motion is therefore as follows:

That this House do now adjourn.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the purpose of moving the adjournment of the House is to draw the attention of members of parliament and the Canadian people to the fact that we could face a very serious oil shortage in Canada this winter. I think the worst thing we can do to the Canadian people is to keep issuing Pollyanna statements that all is well when all is not well.

I do not think a series of soporific handouts to the Canadian people will go very well if later this winter we find ourselves in desperate straits for lack of adequate petroleum supplies. Therefore, my colleagues and I feel that this matter should be discussed in parliament in order to draw attention to the situation but, more importantly, in order to give the government an opportunity to tell parliament and the Canadian people what plans it has, and what steps it proposes to take, to deal with a serious crisis should it occur. It has been said that the art of governing is the art of foreseeing, and surely this parliament—and particularly this government—have a responsibility to foresee what eventuality is likely to arise, and to act accordingly.

The threat which faces us is the possibility of a very serious oil shortage this winter. This will affect mainly eastern Canada. As far as the area west of the Ottawa Valley is concerned, that region is supplied with crude oil from western Canada and there should be no serious problem. We produce some two million barrels a day, more than half of which is shipped to the midwestern United States. Also, the consumers west of the Ottawa Valley are protected by the price freeze which was announced by the Prime Minister (Mr. Trudeau) on September 4 and which is to continue until the end of January. The Minister of Energy, Mines and Resources (Mr. Macdonald) has said

[Mr. Speaker.]

that at that time they propose to fix the price on the basis of Montreal.

I want to say, Mr. Speaker, that if that happens I think the minister will be in trouble with the people of Canada; he will certainly be in trouble as far as this group is concerned. That is not our immediate problem. West of the Ottawa Valley I think there is no danger of an oil shortage, but eastern Canada depends almost entirely on overseas sources for its crude oil supplies. About 25 per cent of that oil comes from the Middle East, and at the present time the indications are that this may be curtailed.

The Arab states have been making various statements. Over the weekend the oil bulletins from Beirut named Canada as one of the countries which would be cut off. Some time today Saudi Arabia announced that Canada is not to be one of the countries against which a total embargo will be enforced, but the same statement pointed out that the Arab states, and Saudi Arabia in particular, proposes to cut their production by 25 per cent in the month of November and an additional 5 per cent in the month of December. If that applies to Canada, as one can only assume from the statement that it does, it will certainly mean a serious curtailment in our supplies from the Middle East.

Many people are under the impression that it is the Americans who are going to suffer most from an embargo, but it should be pointed out that the Americans only depend on the Middle East for 6 per cent of their oil requirements while eastern Canada depends upon the Middle East for 25 per cent of its requirements. Whatever action the Middle East countries take with respect to limiting their exports of oil to Canada, it will have a very serious impact upon supplies in eastern Canada.

• (2010)

Moreover, some of the Arab states have taken the position that any country which ships oil to the United States, a country on which they have placed an entire embargo, will itself be subject to the embargo. As over 50 per cent of our oil goes to the United States, we have no way of knowing what the attitude of the Arab states will be to Canada.

While most of our attention has been focused on the actions of the Arab nations we have overlooked another serious danger. Sixty per cent of our imported oil comes from Venezuela. That field, in the main, is controlled by Exxon. There is a danger that supplies of oil originally destined for Canada may be diverted to the United States if the Middle East nations place a total embargo upon that country.

I am not suggesting for a moment that Exxon would deliberately cut off Canada from supplies of Venezuelan oil. However, I am saying that if the United States were to be in desperate straits this winter, that country might apply pressure on Exxon and ask the company to meet the requirements of the United States first: quantities of oil destined for Canada could be diverted to the United States. None of us wants this to happen. All of us hope that there will not be any shortage of oil in eastern Canada this coming winter. But it would be a mistake if we were to live in a fool's paradise and assume that we will not face any crisis at all this winter. Our purpose in

moving the adjournment motion was this: we wanted to find out what are the government's plans and what action the government proposes to take.

It is useless, at this late date, belabouring the government because we may face an oil crisis this winter. I have done my fair share of that. I have pointed out that had the government entered into some long-term planning, and had it constructed the pipeline to Montreal, it might have averted much of the difficulty which we might face this coming winter. Scolding will not solve the problem. Finding fault with the government will not recover the years that the locusts have eaten. What we must do now is try to work together to meet a national crisis.

I think it would be far better if the government were to take the people of Canada into its confidence and tell them frankly what the situation is likely to be, how much oil we will be able to import, what are the parameters of the problem, what is the most oil we can expect to have and what is the least that we can expect. In that way we could make our plans on the basis that we may face a shortage and the government could say how it proposes to meet that situation if and when it arises. I think if the government and parliament are prepared to give leadership to the Canadian people, the Canadian people will respond, as they always have, to any challenge and they will meet the national crisis.

There are a number of things on which the government should speak out and with respect to which it can tell us its plans. This afternoon I asked the minister what is the anticipated shortfall between the 900,000 barrels a day we need in eastern Canada and the quantity that it is anticipated we shall be able to procure from oil producing countries. That ought to be known. I cannot believe that the department is not capable of making assessments as to how much oil we are likely to have. We know how much oil we will need. Further, I think the government ought to tell us, either tonight or as soon as possible, what are the alternate sources from which it hopes to secure oil.

Four oil companies are now moving some 53,000 barrels a day of western crude down the St. Lawrence Seaway. That will help. Has the government any plans for increasing the amount of oil which we can move down the St. Lawrence Seaway? Of course, that will be only a temporary measure until the freeze. What other measures has it in mind? If it is not too late, are steps being taken to give tax considerations to those who are willing to put up storage facilities, as was suggested this afternoon, in order that we may store a larger quantity of oil in the eastern areas?

Further, I think we should know the extent to which the government is actively pursuing the possibility of getting oil directly from the state-owned oil company of Venezuela. The minister himself pointed out that although Exxon will control the field until 1983, the Venezuelan government can take its royalties in kind. If in Canada we set up a national marketing mechanism it might be possible to get supplies of oil from the state-owned oil corporation of Venezuela. If we are to do that, we must move fast. Every industrial country in the world is looking for oil. We ought to know from the minister what success he is having in pursuing this matter.

We ought to know what attempts are being made to secure oil from African countries such as Libya and Nigeria. We get about 21 per cent of our oil from the latter country. These countries have been entering into bilateral arrangements with other countries such as Japan and West Germany. That is the policy they have been following. Has the government any hope of obtaining additional oil from those areas? It seems to me that the government should be looking into such matters, instead of just going from day to day in the hope that the problem will go away.

Second, I have suggested in the motion that we ought to begin appealing to the Canadian people to do whatever things that will help to reduce the consumption of oil, natural gas and other fossil fuels. The provincial governments, municipalities, public organizations of all kinds, service clubs, community organizations and many other groups would all rally behind an appeal if the government were prepared to spell out ways and means by which we could reduce the consumption of oil and natural gas this winter.

We also suggest in our motion that the government should tell us today, or fairly soon, what it proposes to do if the situation becomes so serious that there is insufficient oil to meet the normal demands of eastern Canada. None of us wants to see oil rationing, but if oil rationing becomes necessary we do not want to see oil rationed by the pocketbook: we do not want to see gasoline going only to people who can afford to pay $1 or $1.50 per gallon. If we do face such a serious situation in eastern Canada, then I submit supplies ought to be allocated on the basis of priorities so that we can meet the needs of those who require fuel. I am speaking of hospitals and other necessary institutions, of home heating fuel and of those groups which have a legitimate demand on this country's limited reserves.

● (2020)

I hope the government will be able to tell us tonight what steps it is energetically pursuing to meet a possible crisis. If the crisis does not arise and if there is no shortage this winter, all of us will be extremely happy.

Mr. Woolliams: I bet you will be disappointed.

Mr. Douglas: If we plan for the worst and it does not happen, we will have lost nothing except a little thought and a few plans. However, if we fail to plan for the worst possible contingency, this country will be in serious trouble and the people of Canada will not forgive either the government or this parliament.

The government should tell us tonight what steps it is taking to carry on negotiations with the Arab states; what diplomatic activity is going on to ensure that if possible we will continue to get supplies from the Middle East; what steps it is taking with Exxon, or Exxon and the United States, to ensure that oil from Venezuela will not be diverted from Canada to meet American needs this winter; and what steps it is taking to enter into possible bilateral negotiations with Venezuela, Libya, Nigeria or any other country which has state-owned marketing organizations which are prepared to supply us with oil.

We in this party have been urging the minister for a long time to set up a national petroleum corporation for

the purpose of entering into these long-term arrangements and to ensure that oil is earmarked for the Canadian people and equitably distributed to all regions that need it. I am not wedded to any name: if the minister does not want to call it a national petroleum corporation, he can call it any other name. He could call it "Macdonald's Somersault No. 7".

Mr. Macdonald (Rosedale): Macdonald's hamburgers.

Mr. Douglas: Call it whatever you like. The minister said the other day that a national petroleum corporation would not meet our immediate problems. I suggest that he is quite wrong. A national petroleum corporation that could now enter into negotiations with Venezuela and some of the African countries might be the solution to provide us with the extra half million barrels a day that we desperately need if there are not to be a great many hardships experienced in eastern Canada.

In his statement of last Thursday, the minister said, "Although it is recognized that security of supply for priority oil users must be protected, the government is reluctant to interfere at this stage with the normal marketing arrangements in the industry." The normal marketing arrangements in the industry must take second place to the needs of the people in eastern Canada. The minister and the government are eventually going to be compelled to set up a national petroleum corporation. If I may adopt the slogan which the government had some years ago for its winter works program: Why wait for spring, do it now.

Some hon. Members: Hear, hear!

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, the debate tonight is part of a recurring debate that has been going on in the House since May 28 and in the committee on energy, mines and resources since February. Most of us in this House who listened to the hon. member who introduced the motion for the subject under discussion can agree with almost everything he said, because at this particular time it is not a matter that can be dealt with satisfactorily by looking at it purely as an opportunity for partisan advantage.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): Last Thursday evening I said I was deeply disappointed at the evidence I saw in the September 4 statement by the Prime Minister (Mr. Trudeau), and the backing-off from that statement last Thursday is pure, unadulterated sham and humbug, trying to pretend to the consumers that he is their friend. It is obvious to even the smallest child who reads that the idea that Canada could turn back the tide, as King Canute tried to do, is silly and fraudulent.

Tonight the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) should be congratulated for bringing the debate back where it should be, namely, to thinking of the needs of the Canadian people. The subject of the debate tonight is the people of eastern Canada. I hope the hon. member for Nanaimo-Cowichan-The Islands will forgive me, but I would like to add to that the people of British Columbia, because they will be suffering just as much. Their supply situation is as dangerous as that of the people on the east coast, in particular the islanders.

Tonight we are asked to put our views forward about the procuring of alternative sources of oil for eastern Canada and, I hope, British Columbia. I know that under the tone of this debate I should not recall to the minister the many answers I heard him give in this House and in committee when I warned him and asked him to warn the people of Montreal and eastern Canada of their danger. The minister does not have to look up the dates; he must know them. Some of the dates are January 10, 1973; January 11, 1973; January 23, 1973; and March 7, 1973. I could list 20 different references.

The minister will remember my concern about going to Venezuela last spring, going to Nigeria and, if necessary, even to Libya. I recall in the May 28 debate, which I mentioned the other night, putting forward the fact that the Nigerian government, through its intercity sales organization, was offering anybody 100,000 barrels a day on a long-term contract. No action was taken.

Like the hon. member who introduced this motion, I believe it is too late for recrimination. I will simply leave it by reading one of my questions and the answer. This indicates the type of frustration some of us felt. On January 11, 1973, as recorded at page 168 of *Hansard*, I asked the minister the following question:

> . . . has the minister reached the conclusion that it would be a wise policy to warn the people of Montreal and the marketing district of Montreal that if there is any cut-off in the Portland pipeline to help the Americans out of their emergency the people would have only about 60 days supply?

The minister replied:

> We are confident that there will be adequate supplies not only in the Montreal refinery area but elsewhere in Canada for Canadian consumption.

I then asked the following question:

> Has the minister seen fit to consult with the government of Quebec in order to arrange a rationing plan in case there is such an emergency?

● (2030)

The minister replied that rationing was one of the possibilities, but he did not see any particular danger. I do not want to pound home this fact. The reason I mention it is that I hope he will not take our advice believing in any sense that we are trying to scuttle him as a minister, or scuttle the government as a government. We simply want to let the people of Canada know that when there is a threat to the comfort or safety of citizens in any part of the country, we in this House pull together as Canadians.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): I gather from reading the press and listening to the electronic media that the minister has made an approach to Venezuela, admittedly four or five months late, and that the Venezuelan government has restated the position that it took five years ago, namely, that it has hydrocarbon products to sell to any country provided that country has established a government agency to act as purchaser. Because of its long experience of the actions of private

enterprise corporations which have sold most of its products in the past, it will only deal with a national entity.

That is how I understand the situation. I do not think there is any question in the mind of anyone that if this is the term and condition that Venezuela or any other country wants, we should set up some form of national energy commission to go there and buy the oil.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): I do not care what the name of it is, as long as they are satisfied; and I gather from the Venezuelans that they do not care what it is called. They will sell to that entity what oil they have and it can then be made available to the distributive agencies in this country. The main thing I want to say to the minister is this: Do it now. Don't wait for next spring when the cries are being sent up from deficit areas remote from the main supply areas.

That is a simple request. I know that if the minister takes action along these lines, the NDP will support him. I know that every party in this House will support him on the ground that he is making sure we are provided with the oil necessary to meet our needs. Incidentally, on that point, hardly a day passes without news, through the grapevine which is used by those who sell oil around the world, of someone who has spot oil for sale. If the existing corporations prefer to use their own supply sources and are not interested in this spot oil, then maybe this new energy entity would be interested. But do not let these questions divide us. If the minister is having trouble with his colleagues, he has one responsibility to himself and to the people of this country—to resign and tell us why.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): I would think that from what has been said in the House tonight the Governor General would know there are enough people in this chamber to form a government to do the very thing I am talking about. Let it be clearly understood that when the people of this country are in danger of physical discomfort this winter—as they are in danger—we pull together.

The hon. member for Nanaimo-Cowichan-The Islands raised the question of how much we would be short, and whether we would be short. I do not think he would mind if I said to him that any person who assumes there will be no shortage does not know what he is talking about. There is bound to be a shortage. If 25 per cent of our oil comes from the Middle East, and if we can believe the Arab nations when they say they will cut back supplies by 25 per cent, we face the prospect of losing 50,000 barrels a day as a minimum—more if supplies are reduced by 30 per cent the next month.

I think we should go out and make sure the oil is available. The nations of the OECD made an agreement early last spring to share what oil was available. But we all noticed in February and March that four of the European countries concerned made a deal with Libya. We noticed, too, that the United States went to Venezuela five months ago. That is when we should have been there looking after the people of Canada. I am simply pointing out that once the demand is ascertained, we can meet it if necessary; buy it from offshore sources if possible, and I believe there is a 90 per cent chance that we can. If we cannot, we can still meet it from western Canadian sources, provided we quit this abrasive, confrontation type of politics we have been witnessing.

Believe me, those of us who come from producing areas are not poor Canadians. If a price sacrifice is required from us, tell us what the terms are and we will meet the challenge. But treat us as human beings you can talk to and trust.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): I do not want to press that point, because I hope the words which have been written and spoken in the last four or five days by many people will be forgotten as soon as possible and that as Canadians we can sit down together and get this show on the road again. But I do suggest to the minister that when he meets with his colleagues on November 23 he should tell them it must be assumed there will be a shortage in spite of all our efforts—and I do not say there will necessarily be a shortage if certain things are done. But he should be in a position to tell them that an inventory has been taken of all oil-carrying trucks in eastern Canada and in British Columbia, and of all the rail tank cars in Canada, and that plans have been worked out to spot them in the event of shortages this winter. Suppose a seven-day storm hits Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland or any part of Quebec or Ontario. The people affected should know there is something ready to move in from another part of Canada to ensure they do not go cold in their homes.

I should like to say a few words about storage. I happen to know that in many parts of eastern Canada storage tanks which should be full are empty. I should like to see the government speaking to the provincial ministers who have the power to deal with this situation, ascertain where the empty storage exists and see that it is filled before the freeze hits us at Christmas time. I should like to see the Minister of Finance (Mr. Turner) stand up here tomorrow and promise an accelerated write-off, the same as was given to big business, to anyone who will undertake to put up increased storage facilities. After all, the hon. gentleman was quick enough to impose the export tax which directly affected Alberta revenues. If he did this, the extra storage would be put up and it would serve us well not only this winter but next winter too.

Now I should like to say a word about conservation. I have a file here, as thick as anyone would wish to read, setting out all the ways in which energy can be saved. As an example, despite all the innovation made available by the National Research Council, the insulation of our homes is extremely inefficient. We could save 20 per cent on the fuel bill of every home in this country. Likewise, large quantities of gasoline could be saved if we were to change our driving habits. Speeds over 50 miles an hour use up 20 per cent extra fuel. Let us ask the provinces to enforce a 50 miles an hour speed limit on our icy roads this winter. We could take similar steps. For example, last week the hon. member for Saint John-Lancaster (Mr.

Bell), I think it was, suggested we should turn off the lights in Ottawa government offices and set an example.

● (2040)

I should like to conclude by hoping that tonight's discussion will give the minister the incentive and the encouragement to stand up to his party. Let him tell them that he is the Minister of Energy, Mines and Resources; that he has an obligation to the people of Canada, and will not let them down. Let him accept some of these suggestions and for once do something.

For ten years questions have been asked on this side of the House about when we are going to have an energy policy. The government has been asked what is their oil policy, what is their gas policy, what is their policy on research into non-renewables and what is the possibility of research into renewables. But departmental officials take the flat stand, and the minister backs them up, that they are only concerned with those things that are non-renewable. The Department of Energy, Mines and Resources has jurisdiction over all resources, not just non-renewables.

I know that not 50 years but seven years from now the source of alternative supply will be increasingly the renewable type of resource, at prices of around $4.50 a barrel for oil and 37 cents per thousand cubic feet of gas, prices that are much lower than today's. These renewable resources are available all around us, in the garbage of our cities, the animal waste of our farms, the sawdust and the bark of our forest industry products. These will provide us with renewable resources and with energy at cheaper prices.

However, nothing is being done along this line because of this worship of the fact that traditionally the department has only been responsible for non-renewable resources and its officials would not be caught dead dealing with such a thing as biomass, the Anglo-Saxon for which is "cow manure". I have known cases where civil servants have been asked to do this sort of work, but they say, "This sounds like agriculture so let's turn it over to that department". Then the Department of Agriculture replies, "This sounds like energy; let's turn it over to them". I have even known a case where the Minister of the Environment (Mr. Davis) has studied a certain proposal and said, "It sounds like agriculture to us" and around the circle we go again.

The minister and his colleagues were elected to make decisions and to give instructions occasionally. So for heaven's sake let them make decisions and take them, at least on such an important subject as this, out of the hands of civil servants who do not want to muddy their feet by raising such mundane subjects as garbage, animal waste and bark. These, Mr. Speaker, are some of our many renewable resources.

I think I have made my point. I hope that all members of my party feel the same way as I. When it comes to facing a challenge before our nation on any issue, I hope hon. members opposite will never find the Progressive Conservative Party lacking in positive proposals.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, first of all I should like to congratulate the New Democratic Party representatives for having brought up this matter of extreme urgency, especially for the eastern provinces and in particular for the province of Quebec. I know that we shall probably not solve much tonight but at least, Mr. Speaker, we shall have had the satisfaction of hearing the minister, who certainly has something to say about the oil question, and this will probably reassure the population.

I assure you, Mr. Speaker, that the situation in Quebec is far from being reassuring. The election fever in Quebec is now over. As soon as it is, the prices of all types of products are increased, and we must think of the crises that always follow elections.

We are still influenced by the fact that for months the governments kept quiet, probably not to affect their electoral campaign; they have said nothing to the people who are really apprehensive at the thought of the coming winter.

I think that now is the time—and for that I wish to congratulate my hon. colleague from the New Democratic Party—to tell the population what could happen this winter. Will the minister call for fuel rationing? No one knows. But I am sure that the minister knows it more than we do. We have only the newspapers to keep informed, and we read again tonight that Japan wants to secure its supplies. I quote:

> It is a well-known fact that some big countries embassies have often a plethora of personnel, which have been accused, more than once, of being pseudo-diplomats, responsible in fact of intelligence work, not to speak of spying.
>
> Unafraid of accusations of this type, Tokyo has announced recently that it will appoint "oil attachés" to its embassies in important countries which are at the same time oil producers and consumers "so as to be aware of what is going on ... of what is afoot on the oil front and thus better secure supplies to Japan in times of crisis." Their first appointments should be made shortly.

In another column headed "President Nixon and Energy", one can read and I quote:

> President Nixon will announce this week new measures to deal with the shortage of energy in the United States which should be much more serious next winter than United States authorities were willing to admit up to now.

In another column the Netherlands, France, Italy and Greece are mentioned. It is an oil rush. And what is happening to us in Canada, one of the countries that will be running after supply? I think it is time for self-examination. However, I would not want to reject all the blame on the federal government. Today, people in Quebec as well as in the Maritimes ask: What is Ottawa going to do, what can it do? I think that by the same token that will be a good lesson to separatists and show them that they often need the central government because successive administrations in Quebec were somewhat at fault. When there was talk of a pipeline, they feared being fed and accommodated by the west. Today we are caught and unfortunately it is a bit late to wake up.

Quebec is ready now but the oil is not there, conflicts worsen and we are faced with a fait accompli. That is why we are still happy to be able to go to the central government so it will try and reassure somewhat the people on

the possibility of securing home heating oil for this winter.

If we cannot secure supply in the usual manner from Saudi Arabia or other countries we have other openings because I heard some reassuring words from the minister. Perhaps he knows other sources of supplies. We are happy that he can have such sources, and we hope he will find some.

I am pleased that this debate took place, not to put all the blame on the federal government, because in Quebec as elsewhere we have all something to be blamed for. We have yet to learn that to govern is to foresee and I hope that the minister will try to accommodate us to the best of his ability so that this winter the central government, together with the Quebec authorities, reach some decisions, not to put all their eggs in the same basket but to ensure a supply that will eliminate conflicts.

I think that it is our own country which can provide us with the best protection. In my view, there is nothing like doing your own thing and if all the eastern provinces, including Quebec, can draw from their own gas resources, they ought to stop counting on other sources in order to meet their daily requirements.

● (2050)

[*English*]

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in speaking to the motion tonight I should like to follow the general framework put forward in the motion itself, speaking first of the question of supplies to meet the needs of eastern Canada; then I will talk about the potential of interruption and about the measures that have been and will be taken during the next 45 days to meet the demands of the eastern Canadian market.

Secondly, I would talk about the measures we would propose if in fact the threatened interruptions, and they are just threatened and not actual at the present time, become a fact. And, thirdly, I will talk about the system of rationing which would be contemplated if, indeed, interruption reaches a certain level and further rationing of supply does become essential.

I propose, then, to talk firstly of the question of interruption of overseas supply to eastern Canada. Probably the best starting point is the communiqué issued by the Organization of Arab Petroleum Exporting Countries, bearing Cairo dateline of November 4, 1973, which might be useful to have on the record. I quote:

> The Arab oil ministers met at Kuwait for the second time on November 4 and 5, 1973, and studied the way their first decision was implemented and its result. They have made the decision including:
>
> 1. The total reduction of production by every Arab state implementing the decision shall be 25 per cent of the production of the month of September including the quantities deducted as a result of cutting off oil supplies to the U.S. and the Dutch market. After that the reduction will continue in December by 5 per cent of November production. The reduction will not affect the share of which every friendly state has been importing Arab oil exporting countries during the first nine months of the current year.
>
> 2. Algerian energy minister and the Saudi oil minister shall be sent to the Western capitals to explain the Arab viewpoint regarding the oil decision made at the two meetings held by the Arab oil minister.

To summarize the Arab oil position at the present time as disclosed to us by the diplomatic activity of Canadian representatives abroad and by the activities of my colleague, the Secretary of State for External Affairs (Mr. Sharp), the Arab countries have basically divided their oil customers into three lists: firstly, the friendly countries in which list they include the United Kingdom, France and certain other countries to whom, as the report indicates, there would be no cutback whatsoever in oil supplies base upon the first three months of the current year; secondly is the neutral list to which Canada has been assigned, countries which are not to be subject to curtailment as are the so-called unfriendly countries on the third list, such as the United States and The Netherlands.

Those on the neutral list will be entitled to an equitable division of the reduced production from the Arab oil areas. How much that reduced oil production will be depends on a number of variables which cannot be determined at the moment, including how large is the amount to be withdrawn from the United States and the Netherlands, how many more countries will be added to the friendly list and therefore will have first claim on the reduced production, and the number of neutral countries.

So at the moment of speaking, the actual amount of reduction cannot be known in the case of any particular country on that neutral list, except that we do know what the so-called unfriendly group of countries, the United States and The Netherlands, can count on for the time being until the disagreement between the Arab countries and Israel is resolved or until such period of time as the Arab states will be cutting off oil supplies to these two countries.

I suppose the first matter to be considered is that while it is difficult, on the basis of that information, to have a full reading of the amount to be affected, we do at least know some dimensions of the Arab oil supply and, therefore, what some dimensions of the 25 per cent cut for November will be. The announced original cutback of 25 per cent for November, to be followed by a further 5 per cent each month to be extended to the end of the current winter, represents on the average about 21 per cent of world exports of crude oil to consuming countries.

Considering our own crude oil and home heating supplies, that is, our home supplies in Canada as of October 1, we anticipate that the loss of home heating fuel in eastern Canada will be something just under 10 per cent of the estimated demand for home heating oil during that period. I think that even before the Arab-Israeli war one could fairly say there had been a breakdown in the private supply system which had hitherto been run by private organizations, that is, by the companies in eastern Canada. Indeed, the government was active during the summer to try to remove the deficiencies of this particular supply system.

I think it is fair to point out that the eastern Canadian market was partially supplied by overseas suppliers, the majority of supply came from refineries in eastern Canada which refined either west of the Ottawa Valley line in refinery centres such as Sarnia and Toronto with western Canadian crude, or east of the Ottawa Valley line refining

petroleum which came from overseas. There was, however, very substantial competition in respect of home heating fuel oil, and also in respect of gasoline and other refined products which came into the market from overseas, particularly in the form of gasoline east of the Ottawa Valley line, but in the form of home heating oil both east and west of the Ottawa Valley line.

In consequence, consumers east of the line had the advantage of prices being kept down by competition which for 10 or 12 years existed between independent distributors who were competing with their share of crude being imported, and domestic refineries which refined the product within this country. Because of this competition, however, because of the share of the market that the independents had, the refinery capacity never expanded to meet the full market demand. Of course, in the current year, when the international price of refined products went very much higher than the Canadian refined price, the independents found themselves in a financial squeeze which made it virtually prohibitive for them to buy the product abroad. What are the consequences of this policy?

● (2100)

Some hon. Members: Question.

Mr. Macdonald (Rosedale): Hon. members say "question". For 10 to 12 years the eastern consumer got a break in lower prices. In a speech made in Vancouver, the leader of the NDP (Mr. Lewis) suggested that if he had been in charge of the government, he would have established the pipeline to Montreal. The consequence would have been, if he was to assure a market such as there was in Toronto, that all through that 10 to 12-year period the consumers would have paid a higher price for the refined product.

Mr. Lewis: Not necessarily.

Mr. Macdonald (Rosedale): There was a period of time during which the consumer in eastern Canada got a break, and on the whole was happy to get the break.

I will just make one comment about what the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) had to say about the ten long years that he spent warning the government about the threatened interruption and danger to eastern Canada from the structure of the market, from the fact that the pipeline did not go to Montreal. I think it is fair to remind the House that the division of the market east and west of the Ottawa Valley line was introduced by the government of which that hon. gentleman was a member. Indeed, it was introduced by the hon. member for Prince Edward-Hastings (Mr. Hees) who was then minister of trade and commerce. So that whatever danger may exist now, existed in 1961 when that policy was introduced. Apparently the hon. gentleman was not concerned enough about the policy at the time he brought it in, but now he is.

Mr. Gillies: That a specious reasoning; it is spurious.

Mr. Macdonald (Rosedale): I do agree with the hon. gentleman that it is of no great avail to look back at past years. In his case he cannot afford to look back at past years because the structure of the market is one upon which he and his colleagues decided. As I have said, the consequence of that market has been that for 10 to 12 years that eastern consumer got a break in lower prices, although the Ontario consumer paid higher prices in order to subsidize the Albertan industry and make its production possible. But with the drying up of the international supply, the eastern Canadian market has been left short of supply in the current year, and we expect that Canadian importers are making every effort to maintain their supplies of overseas oil.

In this connection the House will recall that in 1956, 1957 and 1967 our oil industry was highly successful in assuring a continuity of supply to eastern Canada. However, it must be recalled that the present crisis has more serious dimensions than the crises of past years which were largely crises of transportation rather than a physical curtailment of overseas oil. Efforts to maintain supply include at least one extraordinary purchase arrangement entered into at short notice and high cost.

The companies are, of course, well aware of the importance that the government attaches to their discharging their obligation to the community. Although the oil companies in eastern Canada have been operating essentially at capacity and at maximum middle-distillate yield since May of this year, nevertheless, they are now looking at what further steps might be taken to increase the yield of middle-distillates during the winter at the expense of heavy fuel oils. One of the ways of doing so would be to require the relaxation of certain of the regulations applicable here, and I have in mind in particular environmental regulations with regard to specifications for heavy fuel oil and home heating fuel.

Mr. Fraser: That is a cheap way out.

Mr. Macdonald (Rosedale): One of the principal ways of providing further supplies to the Canadian market is to try to arrange for the further movement of western Canadian crude oil to the Quebec market. Prior to the outbreak of hostilities in the Middle East, Canada was already experiencing the stringency of overseas crude oil supply in terms of very high marginal prices, if not in terms of physical shortage. As a consequence, shipments of western Canadian oil from Ontario to Quebec in September averaged 16,000 barrels a day, and in October they reached the level of about 36,000 barrels a day.

Our best estimate is that between 70,000 and 80,000 barrels a day of western oil is already scheduled to move through the Seaway in November to relieve the supply situation at Montreal, and the Ministry of Transport is chartering tanker space which could contribute another 10,000 barrels a day to this movement in November. At the same time, the proposal is to effectively bring the Ottawa Valley area of eastern Canada onto products supply from Ontario refineries, thus relieving a demand on the Montreal refining complex.

For this purpose it is proposed that a reversal be arranged in the operations of TransNorthern Pipeline and that option is being actively canvassed with the owners of TransNorthern and the co-operation of the National Energy Board. As a back-up to the Ontario supply, arrangements are also being made with prairie refineries. Some companies are already shipping heating oil by pipeline from the prairie refineries to Ontario as well as

catering for some demand in western Ontario, for example, in the Lake of the Woods area which is normally met from Sarnia and Toronto plants.

The hon. member for Qu'Appelle-Moose Mountain asked a question with regard to the availability of tank truck and tank car space. There is indeed a meeting of the transportation companies in the city tomorrow for the purpose of reporting to the government on their assessment of the availability of tank car facilities.

Finally, with regard to further possible movement of crude from Vancouver to eastern Canada, either through the Portland pipeline to Montreal or to the Atlantic area, it is dependent on tanker rates and the possibility exists of moving perhaps up to 50,000 barrels a day spare capacity in the TransMountain pipeline.

With regard to the contingency plans under way, the government has established with the industry, which has had the prime responsibility for the marketing system in Canada, a technical advisory committee on petroleum supply and demand. This committee groups the leading importers of crude oil and petroleum products in eastern Canada and will be meeting this week for the purpose of reporting again on the current status of inventories, on some possibilities within control for the purpose of shifting supplies to short areas from surplus areas, and for the purpose of participating with government in further contingency plans.

I think it is fair to observe at this point that all of these measures can be taken at this point without any damage being done to the current export trade which we have under way to U.S. markets. The crude oil deliveries to Quebec outlined previously can be made without impairing the predetermined volume of our exports to the United States. The Energy Board's established procedure is to take account of domestic needs, including Quebec requirements, prior to licensing monthly exports to the United States. At present this can be achieved without any interruption in that particular program.

Finally, in terms of the emergency situation where a special demand will be put on the western Canadian oil producing capacity, at present, as hon. members know, the industry is operating substantially at its economic capacity. Any significant increase in production, for instance to meet domestic requirements not specifically provided for on a monthly basis, and which could not be supplied out of inventory, would require emergency production measures in Alberta. These measures, involving relaxation of conservation practices such as gas flaring, would require the approval of the Alberta Energy Conservation Board.

• (2110)

Mr. Bawden: You had better phone them.

Mr. Macdonald (Rosedale): I would point out to the hon. member for Calgary South (Mr. Bawden) that up to the moment we have not had an interruption in supplies.

The additional production which would be forthcoming is of rather modest proportions, 50,000 to 100,000 barrels per day for a few months, versus the 100,000 to 150,000 barrels per day previously advised; but the figures are not insignificant and they would, of course, depend on the judgment of the Alberta board. If emergency production capability were called upon immediately, there would be pipeline capacity to handle an additional 35,000 barrels per day into Ontario for eastward transportation by vessel.

In addition, the government has been authorized and is currently in the process of supplementing individual corporate purchases with purchases for government account, particularly for distillate heating oil supplies, to cover any interruption that might occur during the coming winter.

I have indicated a number of ways, both domestic and foreign, in which supplies of oil to the eastern Canadian market would be supplemented. Now I would like to make a brief reference to some of the means that could be used in order to control the demand curve, the way in which a voluntary emergency use restraint program would be introduced, one in fact that has been prepared; and, secondly, I wish to indicate plans that are being completed for a mandatory allocation program in case it is required.

First I wish to make reference to the voluntary emergency use restraint program which is available for implementation at such time as there is an interruption. Fuel oil requirements for the heating of federal buildings would be reduced by turning down the thermostats three degrees to five degrees and making certain adjustments in air-conditioning and ventilation equipment. Secondly, fuel oil requirements for the heating of commercial buildings would be reduced by these same measures. The government of Ontario has indicated its wish to co-operate in such a program, and the other provincial governments will be asked to co-operate in the same way.

Fuel oil requirements for homes would be reduced by turning down thermostats three degrees, with the temperature to be kept at the 70-degree level. Fourthly, fuel oil requirements for space heating in industrial buildings would be lowered by similar temperature and ventilation adjustments, but no restrictions are planned at the moment in fuel supply for the manufacturing processes.

An hon. Member: Wear an extra sweater.

Mr. Deputy Speaker: Order, please. it is becoming a little difficult for the Chair to hear the words of the minister.

Mr. Macdonald (Rosedale): Thank you, Mr. Speaker. If there is full co-operation across Canada in this program, fuel oil requirements could be cut by about 10 per cent. This would be the result of the voluntary program.

The next stage in demand control would be emergency requirement measures to reduce demand by a mandatory allocation program. Should the oil supply fall below 10 per cent of demand, a mandatory allocation program would be introduced. Under this plan, wholesalers of petroleum products will cut back on their deliveries by a percentage equivalent to the supply shortfall. The more essential industries will continue to receive close to their requirements in order to avoid any restrictions on food supplies and other essential goods and services.

A mandatory program is now under preparation but it is not expected to be required. However, if it should be required it will be quickly implemented in order to ensure equity of energy supply throughout the country and the full protection of essential services.

Mr. Stanfield: Is this based on consultation?

Mr. Macdonald (Rosedale): Such a program would be employed up to the point at which the supply of oil fell 25 per cent below demand. Only then would it be necessary to institute a formal rationing program. The Leader of the Opposition (Mr. Stanfield) has said that basically this is unconstitutional.

Mr. Stanfield: I did not, Mr. Speaker. I apologize for interrupting the minister. I asked if that is based on consultation.

Mr. Macdonald (Rosedale): Oh, I see. I would point out to the Leader of the Opposition, who has had his mouth open through most of my speech rather than his ears, that we are talking about a program which we do not expect will come into existence but which has been a matter of discussion with, among others, the Alberta Energy Conservation Board.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): I would think that, unlike the Leader of the Opposition—

Mr. Deputy Speaker: Order, please. Is the Leader of the Opposition (Mr. Stanfield) rising on a point of order?

Mr. Stanfield: No, Mr. Speaker, not on a point of order but just to ask if the minister would permit a question.

Mr. Macdonald (Rosedale): I will be glad to have a question, but first I will complete my remarks. Before the interruption I was pointing out that such a program would be implemented up to the point at which the supply of oil fell 25 per cent below demand. Only then would it be necessary to institute a formal rationing program.

Within the federal government a special committee has been formed, representative of the relevant departments, for the purpose of planning and effecting such measures if they should be required, and the assistance of the industry has been enlisted through the technical liaison committee. All I can say, again, is that there have not been these interruptions yet, but if the Arab states continue to go forward with their intentions there will be at least some diversion of oil supplies from the Canadian market. On this basis, through the acquisition of supplies, is necessary for government account—and by saying so I do not absolve the industry from taking special measures to acquire supplies—and through transfers from western Canada, either through the Seaway or by tank trucks and tank cars to eastern Canada, and by efforts to restrict demand on unessential services, we would seek to provide for the contingency which we all anticipate this winter. In conclusion, we hope we will have the co-operation of hon. gentlemen on all sides of the House should this become necessary.

Mr. Stanfield: Would the minister indicate what kind of consultative machinery has been established with regard to the hypothetical compulsory rationing system which will only come into effect if it is really necessary, not only with the Alberta people but with the people who may be affected by the rationing? What consultative machinery has been set up, and has the Secretary of State for External Affairs (Mr. Sharp) been included in this—because at least he may be able to turn out the lights in his own office building even if he cannot do anything with regard to the Arab states?

[Mr. Macdonald (Rosedale).]

Mr. Macdonald (Rosedale): As I indicated in my remarks, which the hon. gentleman heard, we have already discussed these programs with the minister of energy for the province of Ontario and he has indicated the wish of his government to give support. We have discussed the matter with a number of provincial premiers, and I anticipate I will be meeting the Premier of New Brunswick during the current week and anticipate the possibility of meeting all five eastern premiers at a convenient date in the immediate future.

With regard to further supplies of oil for the eastern Canadian market, as I said, representatives of the Alberta board are participating in this particular committee. So that indeed there have been extensive consultations, and we would hope to have the co-operation of all provinces in putting the programs into effect.

Mr. Coates: Mr. Speaker—

Mr. Deputy Speaker: Order. The Chair finds itself in some difficulty. I gave the minister extra time because his speech did provoke numerous sallies, particularly between the front benches, which I thought were in the nature of interruptions. The minister has gone over his time, but if it is the wish of the House that members ask questions, I will recognize the hon. member for Cumberland-Colchester North (Mr. Coates), the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), the hon. member for Scarborough East (Mr. Stackhouse), and the hon. member for Prince George-Peace River (Mr. Oberle) on questions.

• (2120)

Some hon. Members: Agreed.

An hon. Member: No.

Mr. Deputy Speaker: It is not agreed.

Mr. Macdonald (Rosedale): Mr. Speaker, perhaps you could ask again whether the House would permit questions. If I understood correctly, you said it was not agreed.

Mr. Deputy Speaker: Somebody on my right said no.

An hon. Member: John Reid said no.

Mr. Macdonald (Rosedale): I wonder, Mr. Speaker, if you would put the question again. I would be delighted to have questions.

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The hon. member for Cumberland-Colchester North (Mr. Coates).

Mr. Coates: Mr. Speaker, I wish to speak, not to ask a question of the minister.

Mr. Douglas: I have a brief question for the minister, Mr. Speaker. He has dealt mainly with the possible curtailment of supplies of oil from the Middle East, upon which we have depended for about 25 per cent of our imports. He said nothing about security of supply from Venezuela, upon which we depend for about 60 per cent of our imports. Has the minister had any consultation with Exxon, or the government of Venezuela which would indicate that the amount of oil which we usually import from Venezuela will be available this coming winter?

Mr. Macdonald (Rosedale): Mr. Speaker, I have discussed this question with the government of Venezuela. They expressed it as their position that all existing contracts should be honoured in their terms, which in specific terms means that the producing companies in that country would be expected to make the deliveries that they have contracted, wherever that may be, and particularly to Canada. From that government's standpoint it is their intention to see that their contracts are honoured.

It is difficult to nail down the question of whether there would be intervention of the companies, but—I have said it before and I will say it again—we would expect that the companies, Imperial, Shell Canada and Gulf would continue to honour their contracts and their obligations to the Canadian market. In the case of companies like Imperial and Texaco, they control the acquisition and overseas shipment of their particular supplies. They have made this point to us, and we intend to hold them to their obligations to meet the Canadian market.

One aspect has come up, although it has not been confirmed, and that is that Venezuela has in contemplation the possibility of taking their royalty in crude rather than in terms of cash payments. We have a mission in Venezuela which is active at the moment in pursuing that. At the moment we do not anticipate interruptions in our Venezuelan supply, although they will bear careful watching as time goes on.

Mr. Stackhouse: In light of the minister's stress on the hypothetical nature of his rationing proposals, and in light of the rumours in Toronto at the weekend that arrangements for printing of ration coupons, and so on, have been made, would the minister inform the House if any such arrangements have been made?

Mr. Macdonald (Rosedale): Mr. Speaker, I cannot specifically say if they have been made or not, as this falls within the responsibility of the Minister of Supply and Services (Mr. Goyer). However, I think it would be a wise precaution, in view of the fact that it would take some time to prepare this particular system, to take all steps to put it in place just as soon as it would be needed.

Mr. Oberle: Mr. Speaker, in light of the export tax on crude oil to the United States, and in light of the drastic measures taken by Westcoast Transmission of British Columbia to curtail some of the commitments to the United States, what steps has the minister taken to assure supplies of home heating fuels to consumers in British Columbia this winter, in particular since they have just finished facing a crisis with natural gas?

Mr. Macdonald (Rosedale): Mr. Speaker, the British Columbia market is one that will bear careful watching in this regard. We will look at the possibility of increasing the throughout of the Transmission pipeline in order to ensure additional supplies of home heating oil to British Columbia. We anticipate co-operation by both suppliers and users on that line, but there may be a need to supplement present supplies and this is one of the circumstances under consideration now.

Mr. Oberle: Does the minister expect there to be a cut-off of supplies from offshore suppliers of that commodity?

Mr. Macdonald (Rosedale): Of home heating oil?

Mr. Oberle: Yes.

Mr. Macdonald (Rosedale): I believe the inventories have been down, and very probably for the commercial reasons that they have been down in eastern Canada. In the case of the British Columbia market there is the advantage of a direct pipeline connection to refinery capacity and it is believed that arrangements to supply can be made, but it is a situation that bears careful watching.

Mr. Lundrigan: Mr. Speaker, the minister indicated that he has had some consultation with the Ontario government and plans next week to discuss the matter with the Premier of New Brunswick—

Mr. Macdonald (Rosedale): This week.

Mr. Lundrigan: —this week, and some time in the future with the premiers of the other Atlantic provinces. Is he telling the House that he has not to date, bearing in mind the almost imminent problem facing the eastern part of Canada and the Atlantic provinces with respect to supply, apprised the other premiers of the circumstances with respect to supply, or even his officials? I hope he can say that his officials have made detailed indications to the Atlantic premiers on the matter of supply.

Mr. Macdonald (Rosedale): Mr. Speaker, I would remind the hon. gentleman that there has been no supply interruption as yet. It seems appropriate, in anticipation of a decision by the Arab states, to have such a meeting. Initiative has been taken to see if we can arrange a meeting with either the premiers or the responsible ministers for the purpose of apprising them of the facts of the situation and of the kind of measures which we have in contemplation.

Mr. Lundrigan: Is the minister saying, for the public record, that he has not taken the premiers of the Atlantic provinces into his confidence? He has stood here tonight and told us about the possibility of rationing and about turning thermostats down. Is he saying that he has not told the men who are responsible for over two million Canadians that there will be a supply interruption or a rationing problem?

Mr. Macdonald (Rosedale): As I said, Mr. Speaker, and I will repeat it again for the hon. member, the interruption is potential only. I think it is advisable that we should

have full discussions, however, and arrangements are now being made for that.

Mr. Deputy Speaker: The hon. member for Vancouver South (Mr. Fraser), followed by the hon. member for Labelle (Mr. Dupras), followed by the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty).

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

Mr. Deputy Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles) on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, when we agreed some minutes ago to continue the minister's time for questions to be put to him, Your Honour had named about four questioners and we thought that we were agreeing to a limited question period. But if this goes on there will be no more speakers. We think there should be a cut-off fairly soon.

Mr. Deputy Speaker: I will recognize four questioners, if I may: the hon. member for Vancouver South (Mr. Fraser), the hon. member for Labelle (Mr. Dupras), the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty), and the fourth as my eye chances.

Mr. Fraser: The minister spoke—

Mr. Fortin: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Lotbinière (Mr. Fortin) on a point of order.

[*Translation*]

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

Mr. Deputy Speaker: The hon. member for Lotbinière is rising on a point of order.

Mr. Fortin: Mr. Speaker, I would like to know on what basis hon. members are allowed to ask their questions. How is it that not one member of my party was given the floor, yet I have been rising five or six times until now?

[*English*]

Mr. Deputy Speaker: I shall do my best to recognize the hon. member, or one of his associates, as the fourth questioner. The hon. member for Vancouver South (Mr. Fraser).

Mr. Fraser: The minister spoke a moment ago of trying to find extra supplies of Canadian oil for the British Columbia market. In the event that supplies become short in British Columbia this winter, can the minister give us any assurance that the extra supply he contemplates will not be diverted to eastern Canada?

● (2130)

Mr. Macdonald (Rosedale): Mr. Speaker, we see an obligation to look after the demands of all Canadians in this particular situation and to make an equitable distribution of excess production available for this purpose.

[Mr. Macdonald (Rosedale).]

Mr. Dupras: Mr. Speaker, can the minister tell us what will be the time-frame for the construction of the pipeline to Montreal?

Mr. Macdonald (Rosedale): I would think, Mr. Speaker, that we are talking of an 18-month or two-year period, depending upon the decision. The decision is in process but, of course, an application to the National Energy Board for this will be required.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a short question for the minister. I wonder whether the minister or his officials have been able to work out, barring any unforeseen difficulties between now and next spring, what the cost per gallon of heating oil and gasoline will be next spring in Ontario?

Mr. Macdonald (Rosedale): Mr. Speaker, I do not think I can do that. I think that any prediction one might have made up to this point would have been ruled out by the effect of international actions. As the hon. member knows, the government has frozen the price of these commodities in the west and in Ontario markets but is prepared, for the purpose of supply, to allow cost increases for home heating fuel oil in particular cases. The intention would be to carry that through to January.

Mr. Deputy Speaker: The hon. member for Rimouski (Mr. Allard) is recognized for a question.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is for the hon. Minister of Energy, Mines and Resources.

In the event of a sudden shortage of oil supplies from the Middle-East, can the hon. minister tell the House whether the CNR or CPR have an adequate number of tank cars to supply the eastern provinces, and particularly Quebec, with oil from Alberta? Do they have a sufficient number of tank cars to ensure adequate supplies or at least minimum supplies in the event of a sudden shortage of oil from the Middle East?

Mr. Macdonald (Rosedale): Mr. Speaker, as I have just stated, officials of the railway companies and other carriers will meet tomorrow officials from my department and from the Department of Transport to discuss the possible use of means of transport such as those mentioned by the hon. member and to determine to what extent it is possible to supply the eastern Canadian market from western oil reserves. I cannot at this time tell exactly what the possibilities are but a meeting will be held tomorrow and after tomorrow I will have a better notion of the possibilities of this region.

[*English*]

Mr. Deputy Speaker: I apologize to the hon. member for Darmouth-Halifax East (Mr. Forrestall), the hon. member for Central Nova (Mr. MacKay) and to other hon. members who wished to ask questions. In the immortal words of Mr. Speaker, I hope they will be patient as they may be recognized when the next, perhaps more regular question period comes around. I now call on the hon. member for Cumberland-Colchester North (Mr. Coates).

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, there has been a short interlude between the speech made by the Minister of Energy, Mines and Resources (Mr. Macdonald) and the beginning of my speech. Maybe, just maybe, we shall derive some benefit from that interlude, as questioners probably secured more information from the minister's answers than was contained in the minister's speech. Speaking as a member of long standing—

An hon. Member: And good standing.

Mr. Coates: —and good standing, as an hon. member suggests, I am disappointed to note that the high level of debate initiated by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), who was followed by the hon. member for Qu'appelle-Moose Mountain (Mr. Hamilton) and then by the spokesman for the Social Credit party, should have deteriorated into the usual nonsensical type of argument that was produced by the minister. Members of the other parties indicated that they were Canadians first and partisan second. They are anxious to find a solution for all Canada and want out of the mess that this government has got us into. They want to do something about it.

Some hon. Members: Hear, hear!

Mr. Coates: Now, for the benefit of the minister, I want to talk about the Atlantic provinces.

An hon. Member: He can't take it; he's leaving.

Mr. Coates: The minister is leaving his seat. As often happens with this government, when you talk about the Atlantic provinces the government seems to think that Canada stops at the borders of Quebec and New Brunswick. As Canadians in the Atlantic provinces, we have contributed more and received less than the people of any area of this nation. We have contributed more because we opted for Canada in 1867, and while we have watched others derive greater benefit, we have not given up on Canada. You do not hear cries about separatism from my area of Canada. However, Mr. Speaker, we feel that the government has thrown us to the wolves. It has shown unbelievable lack of foresight in making sure that we have a simple supply of sufficient fuel with which to protect ourselves and our families during the coming winter. No part of Canada faces harsher winters than the Atlantic provinces, and in no part of Canada are there fewer dollars to meet the escalating demands associated with the increasing prices of oil and gas.

One of the things my leader has offered Atlantic Canada and all Canada is the right to the benefits associated with our offshore oil and gas exploration. Yet what has this government given us? Its attitude with respect to our offshore resources has been arrogant and intransigent. Clearly, the government's attitude has affected materially the exploration for these resources. There has been no agreement. It was all right for some provinces to enlarge their territories by pushing north. The Maritimes cannot push their territory in any direction except to the sea. They are told that they cannot have their offshore resources and that they must be shared with the rest of the people of Canada. All too often the people of Atlantic Canada feel government concern stops at the Quebec and New Brunswick border.

Again, during these days when we are debating this critical situation we hear statements concerning the expansion of the pipeline to Montreal. Mr. Speaker, we are part of Canada. If pipeline extensions are required for the protection of the public, those extensions are required for the Atlantic provinces. They should be to the Atlantic provinces. We must tear down the type of Berlin wall the government is trying to erect between Quebec and the Atlantic provinces. Indeed, Quebec has been willing and anxious to join with us in our efforts to secure justice with regard to offshore oil and gas. At the very least, the federal government should make an effort on our behalf, similar to the effort it is making with the province of Quebec, with respect to the development of our resources.

The hon. member for Qu'Appelle-Moose Mountain did not argue with the government. He tried to act as a good Canadian. He ignored the many areas in which he could have been terribly critical with regard to the government's lack of appreciation of problems that the country faces. In looking for a scapegoat, the Minister of Energy, Mines and Resources referred back to the Diefenbaker administration of 1961 and suggested that the blame for dividing eastern Canada from western Canada in the matter of oil use rests on that administration.

● (2140)

This government is like Rip van Winkle: it has slept and slept and slept. Suddenly it has now awakened to discover there is a crisis afoot because the situation today is not the same as it was in 1961. The hon. member for Qu'Appelle-Moose Mountain could have taken that and other situations where lack of foresight on the part of this government was glaringly obvious and raked them over the coals. That was not his objective. It was not his reason for speaking tonight. His reason was to try to find for Canadians the most realistic solution to the problems that face this country today. The Minister of Energy, Mines and Resources refused completely to accept that. All he wanted was to get into a fight with the opposition. At one point he said the Leader of the Opposition (Mr. Stanfield) sat there with his mouth open all through his speech. No wonder his mouth was open; he must have been aghast at what he was hearing from the minister.

Some hon. Members: Hear, hear!

Mr. Coates: I feel certain that some Canadians who would not believe it before, can now appreciate why the Premier of Alberta and his government were shocked at the way this government has been acting with regard to the oil and gas crisis that now faces this country.

There are many other areas I would like to cover but I cannot do it in the 15 minutes available to me. However, I want to point out that this government should have been doing something that was initiated by the Diefenbaker government in 1958. That was the development of a national power grid. That concept was kicked off by the then prime minister, the right hon. member for Prince Albert (Mr. Diefenbaker), in 1958 during a speech in Kitimat. It was followed up by the hon. member for Qu'Appelle-Moose Mountain. When this government took

office in 1963, it laid it to rest. It has been buried ever since. That is a vital and important link in producing energy equality in this country today.

This government should have been moving forward with all the energy at its disposal toward harnessing the Bay of Fundy tides. Every member from the maritime provinces, regardless of political affiliation, agreed we should move forward with the development of power from the Fundy tides. What happened? It took over a year to convince the government it should re-examine the 1969 tidal power report which said that although the project was feasible, it was not possible because of the high interest rates.

Between 1969 and the spring of 1971, all members from the maritimes, regardless of party, had to fight with the government in order to get the report re-examined. Where is it now? It has been in the process of being re-examined for 2½ years. We will soon have to set up another committee to find the re-examiners. It just goes on and on. That is a resource that would have made a tremendous difference to the energy supply of the Atlantic provinces.

Some hon. Members: Hear, hear!

Mr. Coates: If it had been undertaken in 1969, we would be halfway toward the development of one of the great power potentials of this country. It ranks with the South Saskatchewan dam, the Columbia River system, the St. Lawrence Seaway and other great Canadian projects. It would have made a great difference in eliminating regional economic disparity in our area. It would have produced a resource the whole nation could have utilized, and it would have alleviated to a tremendous degree the problems we face today.

I could go on and on but I will just say this. if this government thinks it can solve the crisis we now face by fighting with the other parties in this House of Commons, it has to be out of its mind. The attitude of the Minister of Energy, Mines and Resources has to change drastically, especially if he is now going to meet with the premiers of the other provinces. Are we to get the same kind of reaction from the other premiers that he unfortunately got from the premier of Alberta? I hope not. I hope we do not get the kind of reaction that was indicated here tonight to the hon. member for Qu'Appelle-Moose Mountain and the hon. member for Nanaimo-Cowichan-The Islands for the type of realistic, sensible Canadian speeches they made with no indication of partisan politics associated with them.

This matter is too important to all the people of Canada to be putting up with partisan politics. The minister had better realize that fact and start meeting with all members of parliament on an equal footing, to try to collect from them the very best he can in order to solve the most serious crisis that has faced this country in a long, long time.

Some hon. Members: Hear, hear!

Mr. David Lewis (York South): Mr. Speaker, I fully agree with the last speaker about the need not to be too partisan. I cannot quite agree that he carried out his injunction in his own speech. I suggest the debate has already proved valuable. We have had some information this evening in the spirit in which the last speaker suggested. I am not going to castigate the minister for not having all the necessary information at his fingertips.

An hon. Member: Why not?

Mr. Lewis: I do not think it is possible. I do not think it would be possible for any member of this House, except some irresponsible catcaller, to have immediately available all the information about the cutback from the Middle East, a possible cutback from Venezuela, what may be available from tankers moving oil from western Canada to eastern Canada, and all the rest. I do not think any reasonable person should ask for statistical data of that sort at this stage. However, I think it is important to have this debate and get from the government at least some indication as to what it is thinking and is preparing to do. What is even more important is to have the Canadian people, particularly in eastern Canada and British Columbia, and indeed throughout the country, alerted to the problems that may face them this winter.

The first point I would underline is there now appears to be agreement among three parties, the other party did not say anything about it, that we need to have some kind of national agency for direct purchase of oil that may be available from Nigeria, Libya or Venezuela, as well as oil that may be available elsewhere. It should be a direct agency of the Canadian government. I suggest that is one of the most certain ways of guaranteeing supply to eastern Canada.

The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) said that he is in favour of such an agency. I hope he was speaking for all his colleagues, including the 19 Conservative members from Alberta. I assume he spoke for all his colleagues. The idea of a national petroleum corporation would then receive the support of the Conservatives. We have proposed it for many months, so the government can rely on our support. Therefore, there is no reason whatever why the government should delay setting up this essential national agency to protect Canadians, east and west, against the failure of supply of oil products in this country.

• (2150)

Perhaps there were difficulties in cabinet about the idea of a national petroleum corporation. Of course, I do not know, but I would assume there have been some difficulties because the proposal was made by the minister's own department as long ago as last April. Otherwise I cannot for the life of me understand why there should have been this long delay, unless there was a difference of opinion. But the minister can now go back to cabinet and assure the other members of the government that this idea now has the full support of the opposition—

An hon. Member: Oh, yeah!

Mr. Lewis: Apparently not, because the hon. member for Edmonton Centre (Mr. Paproski) says, "Oh, yeah!" So there is not full support on the part of all members in this House.

Mr. Paproski: On a question of privilege, Mr. Speaker, I did not say that, and I do not think these innuendoes should be made by the hon. member for York South (Mr. Lewis). What I said was that the government had no oil policy.

Mr. Alexander: I heard that.

Mr. Paproski: I do not appreciate what the hon. member for York South has said, and I think he should withdraw that statement.

Mr. Lewis: I thought I heard the hon. member for Edmonton Centre make the kind of interjection which suggested he was not in agreement. I gather from his remarks on his question of privilege that he is in agreement with the hon. member for Qu'Appelle-Moose Mountain.

Mr. Paproski: Again, I wish the hon. member would withdraw that statement.

Some hon. Members: Oh, oh!

Mr. Lewis: I am not quite sure which statement I am now being asked to withdraw.

Mr. Paproski: Both.

Mr. Lewis: Apparently I am to withdraw both. Well, I cannot. Either the hon. member is in agreement with his hon. friend from Qu'Appelle-Moose Mountain, or he is not. Assuming he is, the government knows that every member of this House is in agreement with the idea of a national petroleum corporation. If this particular gentleman is not in agreement, I still believe the majority of members in this House are in favour of such a necessary national agency to protect Canadians, and I urge the government to lose no time.

I was also disappointed that the minister should have said nothing about the extension of the pipeline. I agree with the hon. member for Cumberland-Colchester North (Mr. Coates) that the line ought not to stop in Montreal but that it should go further east. I do not take back what I said in Vancouver. I believe the division of Canada into two markets to protect the oil corporations of this country, introduced by a Tory government in 1961, may have given the people of eastern Canada a slight advantage in price for 10 or 12 years but it has now placed them in a position of danger, a position they would never have occupied had Canadian resources as well as offshore resources been available to them.

I do not accept the proposition that the extension of the pipeline would necessarily have meant large increases in the price to eastern Canadians because obviously what was needed, and has been discussed for years, is a reversible line through which western oil could flow to the east and offshore oil, as it is available, go in the other direction during certain periods, averaging the cost and offering the same price to all Canadians—and a lower price than the multinational corporations are presently imposing.

This is why we support the export tax. Members of the Conservative Party keep railing against the minister for having made Premier Lougheed mad at him. Well, if he did so on the issue of the export tax it is a good issue on which to get him mad, in my submission. What would have been the situation had the export tax not been imposed? I made some calculations myself. It would have meant an extra amount of money, in terms of exports of about 1.2 million barrels a day, of around $57 million a month to the multinational corporations, of which the Alberta government—one talks about the Alberta people at the moment, so it is the Alberta government and people—would have got about $13 million.

So $44 million of the $57 million a month would have gone into the pockets, already well filled, of the multinational corporations. In the course of a year, the government of Alberta might have received about $150 million. But the multinational corporations would have got $533 million. Members of the House who are anxious to give this kind of money to the multinational corporations at the expense of the Canadian people are welcome to continue their catcalls and their defence of their corporate friends in the oil industry. My colleagues and I are glad that our proposal for an export tax has been accepted by the government.

I, personally, believe that the Alberta people should receive more than the Minister of Energy, Mines and Resources (Mr. Macdonald) has suggested. There is no reason why they should not get a very much larger part of the $1.90 export tax, the remainder being used in the way the government has indicated to help develop new sources of energy for the people of this country.

Let me conclude by saying this: I am convinced there is no reason for the problems which now face the people of Canada in the area of energy and petroleum resources. Our country has enough oil. Our country has enough natural gas. Our country has enough refining facilities or, if it has not, it should have. Our country has sufficient transportation facilities to meet the needs of all the people from our own Canadian resources, should there be difficulty in getting supplies from elsewhere, or, if it does not, it should have.

An hon. Member: So move them out.

Mr. Lewis: Whoever said that, God save this country and the people of this country if these people protecting the oil companies of western Canada were to get their hands on the levers of power at any time.

Some hon. Members: Hear, hear!

● (2200)

Mr. Lewis: The only reason our country is experiencing such major difficulty this winter is that our oil and petroleum resources have been sold out by consecutive federal and provincial governments, particularly the Social Credit and Tory governments of Alberta, to the multinational corporations without concern for the welfare and future of this country. I think that until through this parliament Canadians regain control of the natural resources of this country and take away the power that the multinational corporations now have, periodic crises are bound to continue in the future.

I warn that this winter is not the only winter of crisis in this area. As consumption and demand increases in this country and throughout the world, we will continue to

have serious crises in the future, or will unless we take control of our natural resources for the benefit of Canadians instead of for the benefit of multinational corporations.

Mr. Paul E. McRae (Fort William): Mr. Speaker, I was rather surprised at the remarks of the hon. member for Cumberland-Colchester North (Mr. Coates) who listened to the minister's speech and then said he had not heard what was said. I am surprised because the question was: What are we going to do in case of emergency? The minister clearly outlined, not in great deal but in generalities, the steps that would be taken and I should like to review those steps very briefly.

The minister indicated that with a 10 per cent cut in supplies, the government would take voluntary measures such as keeping down the use of fuel with the assistance of various agencies, private businesses, home dwellers, and so on. He went into some detail on that matter. He then talked about mandatory allotments in the event of a 25 per cent cut, with the government taking some very strong measures. With any loss of supply greater than that, he spoke of rationing. I thought the whole thing was very clear and I find it difficult to understand why the hon. member did not hear his remarks.

As a member who sat patiently all winter on the parliamentary committee on national resources and public works, I spent a great deal of time discussing the supply situation in the long term. If I recollect the various discussions that we had, it seemed to me there was an unbelievable equanimity on the Tory side in regard to this situation. I kept hearing phrases like "we have unlimited oil", "there is no shortage", "why do we want export quotas?", "all we need is more money for exploration".

Tonight I heard one or two other things as well. I must admit that during the debate on October 25, a week or so ago, I could not find anything put forward by the Tories in terms of policy; I heaad only negative suggestions. But I did hear two new things tonight, one in reference to a matter that had been referred to in the committee, alternate energy forms. I think the hon. member from Saskatchewan mentioned the biomass area. He has been very persistent in discussing alternate areas of supply. Certainly I think that is one that should be examined.

In addition, the hon. member mentioned a marketing board. Perhaps I did not hear him correctly, but as I understood what he said I did not hear him say that this party was in favour of the setting up of a Canadian petroleum corporation. Whether he did say so or not, I do not know; the hon. member for York South (Mr. Lewis) seemed to indicate that he thought he had. I think one of the problems we have is finding out how his party feels on this question. I did hear some very good comments about conservation, and again that is an area about which the hon. member from Saskatchewan is very much concerned.

I suggest the speeches made in the debate on energy on October 25 should be looked at very carefully. I think hon. members will find very few suggestions made by members on the opposition side I would like to ask them several questions. For example, what is their policy in regard to an all-Canadian pipeline? How do they feel about this? What is their policy in regard to a Canadian petroleum

[Mr. Lewis.]

corporation? I heard no answer to that question this evening, though I may have missed it. What is their policy on federal government involvement in development of the tar sands? I heard no discussion of that.

It is not my nature to be partisan, Mr. Speaker, so I will now deal with the issues that have been raised and continue in this vein. A question was asked during the question period today about raising more money for energy supply. I wondered all last winter whether there was money to develop additional petroleum supplies, particularly Alberta crude. I think there is a great deal of question about how much oil can be supplied from the western basin if additional money is found.

In this regard I should like to quote Professor Ken North, one of Canada's best known petroleum geologists, a man who is not employed by an oil company. According to Professor North, the CPA--that is, the Canadian Petroleum Association—forecast of reserves for the western Canadian basin is 45 billion barrels. He pointed out that 50 years of exploration, and almost 25 years since the discovery at Leduc, the combination of 250 drilling rigs, 100 to 150 seismic crews and the expenditure of more than $11 billion has discovered a little over a quarter of this quantity. All this money and time spent on discovering just over one-quarter of 45 billion barrels.

I should also like to quote the National Energy Board's review published in December of 1972, which was submitted to the committee in January, 1973. The review states:

> The current remaining reserve level is about eight billion barrels with about five billion barrels having been produced. These 13 billion barrels are considered by many knowledgeable observers to be about 60 to 70 per cent of the ultimate crude reserves to be found and developed in this region outside of the frontier areas.

Whichever way one looks at it, it seems there is a total of between 15 billion to 20 billion barrels, of which we have used up six billion to seven billion barrels, leaving between nine and 12 billion barrels, a 15 years' supply at current production rates, ten years' supply if you have an exponential factor similar to past experience.

Our greatest concern in this area, aside from the situation we are facing this winter, has to be for the tar sands themselves. The tar sands are a massive oil reserve. There are some 65 billion barrels accessible through normal mining methods, and over 300 billion barrels which may become accessible by means not yet developed through in situ technology.

● (2210)

However, to get one billion barrels a day, which would be at least what we will need by 1980 as Alberta crude runs out, would require about $15 billion of investment, the removal of 200 million cubic yards of sand per day, the removal of oil from that sand and the involvement of a whole series of problems that are well explained and developed in a document the Alberta government drew up and which was finally dealt with by the Alberta legislature. Let me read just one passage from this document which was dealt with extensively in the last decade:

> Unfortunately, however, most of the tar sands research appears to have been directed toward bituminum extraction processes, mining methods, or in situ experiments. We are not aware of any research with respect to tailings disposal, reclamation or revegetation. This apparent emphasis on winning the resource is again an

indication of the heavy influence of the conventional crude oil industry.

This is not a statement by the Committee for Independent Canada, or from Pollution Probe; it is a statement from a very serious, top-level group composing 41 people in the Alberta government and commissioned by the executive committee to put it together. There is a series of similar statements which refer to what happens to the water table when the oil is removed from the tar sands, and various conservation aspects which have not been developed. This is one important problem that has not yet been faced.

Like many members of my party, I maintain that there must be a much greater federal involvement in the tar sands development. I think this is absolutely essential, for several reasons, the first being that this is perhaps our greatest single resource and it must be developed by Canadians for Canadians. In this respect some suggest that in our industry we do not have Canadian people with the technology or ability to solve these problems. I suggest that is nonsense. This document points out that we have Canadians with the necessary skills. This potential should be developed by Canada, using Canadian technicians, and the only way to do this is through massive federal involvement.

In reference to a national petroleum corporation, I support the idea and I think this is something we are sorely in need of because of its importance. It is important for a number of reasons, one being that it will enable us to develop Canadian ownership in the industry. At the present time we own a very small portion of the industry, depending on the source one looks at, varying from one per cent to seven per cent.

The second important aspect of this whole situation is the monitoring feature. Such a monitoring feature would give the Canadian government the opportunity to see what is happening in the industry and to follow developments. This would also increase the use of our Canadian technicians, which is very important. I think it would also set the pace for Canadian development.

In relation to the acquisition of such a petroleum corporation, several approaches have been suggested. It has been suggested that the government should purchase the existing rights of one of our multinational corporations. This approach has advantages and disadvantages. I think its advantages are that such a corporation is in fact operating and holds leases and so on. One of the disadvantages is that the methods and practices used by the company are company methods and practices and it would be much more difficult for the government to obtain a change in direction. This is a decision that has to be made after viewing all the facts. I am of a mixed mind as to whether we should buy or set up our own corporation.

An hon. Member: Where are you going to get the money?

Mr. McRae: I think there are all kinds of ways of finding the money. One way would be to use a portion of the $1.90 export tax which is not going back to Alberta. One thing that rankles me a little bit is the attitude of members of the press who seem to have the feeling that all moves in this direction are the result of ideas from hon. members in the party to my right on this side, and to the left in some senses.

An hon. Member: It is your left-wing movement.

Mr. McRae: I suggest that hon. members might look at the October 25 debate in order to see that four of the five members on this side who spoke referred to an involvement in the tar sands development; that three of the five were in favour of a national petroleum corporation, and that two were strongly interested in an all-Canadian pipeline, not one that commenced in Toronto or Sarnia but one that commenced in Manitoba using two links from the lakehead through Sault Ste. Marie.

An hon. Member: Where are you going to get the oil at Sault Ste. Marie?

Mr. McRae: I think the oil could be tapped in at Sault Ste. Marie and run back at a future time. I should like to deal with one or two other items, but I see that my time is running out. Let me mention one final point. I feel I should deal with, although I would like to deal with other conservation aspects. I refer to the $1.90 export tax which I think all Canadians must realize—

Mr. Speaker: Order, please. I apologize to the hon. member for Fort William (Mr. McRae), but his time has expired. I should remind hon. members that we will soon be running out of time.

Mr. Lundrigan: Having made two speeches tonight, that should be plenty.

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, if there is any redeeming feature of the crisis facing Canada today it is the impetus it may give this government to implement much needed decisions about energy. The most significant factor in recent times in this country has been the increasingly rapid removal of energy from the realm of economics, from common sense and into the political arena.

Some hon. Members: Hear, hear!

Mr. Bawden: Let me quote from the Toronto *Star* of several days ago:

> While the gut issues of oil and gas prices could have been predicted several years ago, no one wanted to talk about them and there was little enthusiasm among government officials to come to grips with them then.
>
> But now the cabinet is caught up in the frenzy of fast-changing developments and has to make crucial decisions that affect the consumer industry and public welfare.
>
> It is ill-prepared to make these decisions, yet the world of energy is moving so fast it cannot put them off much longer.

I endorse those comments, Mr. Speaker. On the world energy scene today perhaps the focal and the crisis point is the Middle East. At the present time the Egyptian third army is encircled on the east bank of the Suez Canal. The disposition of this army and the events that take place in the next several weeks will be the biggest factors in energy supply decisions that must be taken in the coming months. Let us hope that this crisis and the difficulties will be settled. I suggest to you that if they are not settled; if the issue of prisoners being returned, and if the whole

matter surrounding the Suez Canal does not come to an amicable conclusion, the world this winter, Canada included, will face very cold times.

● (2220)

As for the time-frame, I suggest that even if the prisoner exchanges and the release of the Egyptian third army is accomplished in the near future, we will still face an ongoing crisis for many months. Surely it must be recognized that this problem, which has been a problem for the world for so many years, will not be settled in two months, three months, six months or indeed perhaps a year.

The Arab countries, starting off with a 5 per cent cut in the crude oil supply to the world, increased it to 10 per cent and subsequently named the United States and Holland as countries to which no oil would be shipped. They have some preferred countries on their list, such as Spain and Malaysia, but Canada is not one of them and I suggest that any plan for energy security in Canada in the months ahead must be made on the basis that further cuts can be expected very shortly in the supply of Middle East crude to this country. At present this represents over 30 per cent of our energy imports.

This brings me to the Canadian scene. We have seen in editorials and heard mentioned in the House on a number of occasions tonight comments regarding the security of supply mentioned in the resolution relating to the interruption of supply from foreign sources. I suggest the problem can only be solved by secure supplies which lie beneath the Canadian soil. In other words, what I am saying is that the foremost consideration in this entire problem is the development of secure reserves right here in Canada.

Over a period of many years this government has done much to discourage, and much to create disincentives for those who were willing to develop these reserves to give us the security which we required. I bring your attention first to the fact that it is recognized in this country that our greatest reserves of conventional oil and gas for the future lie in our offshore and frontier areas. In 1961 the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) and a Conservative government put forward regulations applying to all federal lands in offshore areas and the Northwest Territories, with the exception of Indian lands which were under separate jurisdiction. One portion of these regulations related to the mechanics of lease selection.

This land order was revoked on April 15, 1970, and has never been replaced with a new land order. Thus, at this time the industry has no knowledge of how the corridor lands will be treated. In Alberta, such corridor lands are sold back to industry on a competitive bid basis. Theoretically, the balance of the regulations are still in force. However, in early 1970 the government announced that they would be totally revised. This supposed revision has therefore been under way since that time. Meanwhile, the government has declared a moratorium on the issuance of any new permits or on the issuance of leases of old permits, even if those permits have expired. There has not been a federal land sale since late 1969.

I suggest to you, sir, that if this great source of future energy is to be available to Canadians, this government had better get on with the job, and I challenge the minister to give us an answer to the question as to when we will see these regulations, because every time he is asked he says "soon".

Some hon. Members: Hear, hear!

Mr. Bawden: We have heard from the party to our left tonight something about multinational companies, big oil companies, and so forth. For many years that party and Canadians have been asking when they will have the opportunity to invest in Canadian resources on a footing that is equal to that of foreign investors.

Some hon. Members: Hear, hear!

Mr. Bawden: Again this government gives us no answers. The tar sands represent one of the greatest oil reserves in the world, approximately equal to the reserves of the Middle East. But what policies are we getting? Indecision, foot-dragging and vague statements, such as that from the hon. member on the other side when he said that the federal government should have an involvement in the tar sands, that they should go ahead and develop these projects. I suggest that private enterprise and the oil industry which has done the research and is ready to go ahead with the projects should be given the clearance now. I suggest that in the absence of decisions and answers to industry, the first and very important project, the Syncrude project, will not get off the ground. As to Canadian participation, I suggest that a royalty representing 50 per cent of net profits and a great many other innovative features negotiated by the Alberta government gave Canadians a great stake in this resource.

I should like to touch upon a couple of other aspects. If we want reserves of all types of energy in this country, we will have to change the basic attitude of this government, which is one of confrontation. Not only are they engaging in confrontation with the provinces, they are engaging in a confrontation with industry. I suggest that this is getting worse by the week. A long-range energy policy in this country is a policy that lasts for seven days, and the minister must take full responsibility for that.

There is also the whole question of confidence. At present some $5 million a day is being invested in this country in the search for oil and gas. This search, I suggest, can and will only continue in an atmosphere of certainty where the rules are clear and are not changed in midstream.

Some hon. Members: Hear, hear!

Mr. Bawden: I suggest that the lack of confidence that is growing in this industry in fact exists with business all across Canada.

We have had some figures regarding price which concern us greatly. I should like to point out, however, a fact that the minister and I think most members of the House have commented upon; that is, that the price of energy in the future will go up. If we take today's price in Alberta of approximately $4 a barrel, and if we add 5 per cent a year for 25 years, we find that this works out to something like $16 a barrel. I am not sure where the price will go, but it

will certainly go up—and fast. This country will have to face the fact that $10 a barrel oil is just around the corner.

May I point out, however, that in 1961 when the consumer price index in Canada is related to natural gas and light Alberta crude and projected through to 1972, the consumer price index has gone from 100 to 139, the natural gas index had gone from 100 to 92, and the light Alberta crude index had gone from 100 to 119. In other words, the figures show a substantially smaller increase for oil and gas in this country than in the consumer price index since 1961.

With regard to oil security for eastern Canada, I would like to challenge the minister to answer the following charge. In June of 1969 the Independent Petroleum Association of Canada met with the Prime Minister (Mr. Trudeau) and his cabinet and set out in detail the problems of energy supply expected in the 1970s. At that time Ottawa was cheerfully subsidizing new eastern refineries to process overseas oil, mainly for American markets, and Alberta oilfields were producing at only half capacity. The Independent Petroleum Association urged corrective measures, including the extension of the Alberta Ontario pipeline to Montreal to give Quebec supply security.

● (2230)

The government refused to face up to the realities we could already foresee for the 1970s, flatly refused extension of the pipeline to Montreal, and told western Canada to peddle its oil surplus wherever it could, and that for eastern Canada the government policy was to supply the Montreal market with cheap foreign oil. Mr. Speaker, had that policy been implemented at that time we would not have the problem we have today, and the government must be reminded of it.

I would like to touch briefly on Canada's relations with the United States as a result of what has been done by the government in recent weeks and recent months. May I remind the government, and the minister in particular, that there was a supply crisis back in 1967 during the Middle East confrontation of that year. Canada and the United States co-operated in easing the crisis, with the United States delivering oil to ease the eastern Canadian pinch, and western Canada supplying more oil to American areas where transport facilities existed.

May I also remind the minister that in World War II when Canada had little developed oil, the United States saved this nation from desperate oil shortages. I would also like to point out that the province of Ontario at the present time is generating one-third of its electrical energy from coal imported from the United States.

The Interprovincial pipeline which crosses the American border to carry oil to eastern Canada, as well as the pipeline from Portland, Maine, which carries crude from foreign sources to Montreal, are subject to a presidential permit. In other words, with a single signature these pipelines could be cut off. I do not suggest that the government of the United States would be so foolish as to take that action. However, I do wish to remind the government that relations with the United States are important. These relations include energy, and Canada would be very vulnerable in the event that that country decided to take retaliatory action.

May I also say that trade is another very important matter, and if such retaliation is to be taken I believe it will be in the area of trade. Indeed the auto pact would be one of the very important matters to this country that would be threatened. May I also say that Canada has a surplus in trade in petroleum of approximately $1 billion a year. If I reflect on the recent trade figures, I would say this country, without the trade surplus resulting from oil and natural gas, would be in great difficulties.

In conclusion, I would say that the policy that this government is following is one of continued consultation—with the NDP. I have heard from speakers to my left that we must have a federal government oil company exploring for oil. I ask you, Mr. Speaker, how this party, with their disastrous experience in Saskatchewan, could suggest that such a company would be more efficiently run as a government enterprise than by free enterprise? I would also like to ask hon. members to my left, where would the government find the capital for such—

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

Mr. Barnett J. Danson (York North): Mr. Speaker, when we began this debate hon. members wanted to know the plans of the minister to meet what might become a crisis situation. I think the minister has answered well. He has told us the plans as he foresees them for the present time. There are rather modest measures to achieve a 10 per cent reduction in the consumption of crude oil in this country. These are measures that all Canadians will support and, from what I have heard tonight, all parties here will support.

The only answer to the potential crisis part of the situation, as the hon. member for Calgary South (Mr. Bawden) said, is peace in the Middle East. But that will not resolve all our problems. We had a problem before the crisis in the Middle East erupted; now all parties realize how vulnerable we are in this country to external forces, particularly when our resources are not within our own control. We also thought that our resources were without limit. We failed to listen to the people who wrote "Limits to Growth." We did not want to believe that. Yet it is happening. Even the major petrochemical companies were caught off guard. I was speaking to the head of one of these companies, a multinational corporation, in New York the other day and he said even they had not foreseen it. This is quite incredible, but it is a fact. Now they find that their contracting sources of supply are not reliable.

This debate and this situation have brought us to a moment of truth in this country, regardless of the Middle East situation. It is now no longer just a group of nationalists, of academics, of some politicians and journalists, and of the almost lone voice of Walter Gordon over the years; it is now businessmen and farmers, barbers, butchers and housewives who are concerned, and I sense in this House and across the country a national consensus that we are not going to let this happen again and that we are going to use our resources for our own best purposes.

There may be some exceptions like the oil potentate from Edmonton, Sheik Peter El Acheed, but there is a determination to use our own resources not only to supply our requirements of crude and fuel oil, but also our

requirements for industry, particularly secondary industry. We have been talking tonight basically about crude, and I think that initially we must be thinking about heating oil and natural gas for heat, but there is no reason why we should be exporting the crude if we could be exporting the ethane, the ethylene and the polyethylene.

There are major secondary markets for synthetic fibres and plastics. These are out-reaching industries, oriented to future growth, and there is no reason why we cannot use our resources to upgrade our Canadian industry to a much more sophisticated form. If we are going to export, let us export the product much more downstream where there is more processing involved. In that way we should be able to establish an even more significant petrochemical industry in this country.

It occurs to me that while the mass of these resources is within the province of Alberta, right next door, in the conomic sense, is the so-called have-not province of Saskatchewan. It should not be any great trick, if agreement can be reached, to bring some of that industry into Saskatchewan at least commensurate with its own resources of oil and its share of the tar sands. If we are to keep this country together we will have to co-operate in this way, and that is something I believe the people of Alberta would accept just as people in other parts of Canada would accept it.

The extension of the pipeline, which has been mentioned a few times tonight, is something which is absolutely essential for security of supply. Not only would it give us security of supply but it would give us leverage in future bargaining. We can negotiate when we have an option. At the present time we do not have an option unless we adopt the stance that some people are suggesting, that if the Middle East cuts off oil we should cut off grain. That kind of international blackmail is counterproductive.

I agree with the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), and with the honourable member for Qu'Appelle-Moose Mountain (Mr. Hamilton), that the people of the country will be behind any government which brings in such measures, even if necessarily they produce uncomfortable results in some respects. We have been loose with our reserves in the past. If it is necessary to cut down heat in our homes and offices and drive at 50 miles an hour, are we going to be mad if our lifeline is being cut off? We have been mad in the past not to consider these the important things.

● (2240)

This is not a time for hysteria; it is a time for determination and common sense. I am sure whatever arrangements the minister makes will be reasonable, because he is a reasonable man and will be backed not only by this House but by this country. We certainly have to back policies which will secure our resources. I am delighted to hear the response to the establishment of a state marketing board. We believe this is essential and something which we will accept. It is proper, correct and needed in this country at this time and in the future.

As far as a national petroleum corporation is concerned, I do not think there is consensus in this House, but I suggest there is consensus in the country. I am not suggesting expropriation here. We have the tools already-there is the Canada Development Corporation, although perhaps it is not the right vehicle, and we have Panarctic Oil. We must go farther downstream, through, and if a company could be purchased on a fair and equitable basis I think we would be building a control mechanism into our marketing lifeline, and this is very important. I say this only if it is a fair purchase and not necessarily going for total ownership. I think it should be controlled, not unlike the Texasgulf deal.

It is essential to maintain the management, people who know what they are doing. I can think of many ways of trying to run an oil industry, but if with it you can get good and dedicated management such as we have in this country, then we should use it; but we must recognize that we do need people from outside this country too. We could use this resource to upgrade our own skills, use them were we have to and get the results we want for our own benefit.

Some people ask where the money is coming from. Well, the export tax is providing a substantial source of income. I suggest that the Athabasca tar sands, which are supplying 300 billion barrels per day—which I understand is roughly equivalent to the Middle East resources—and I believe there is the same amount not recoverable out there, should be developed to the hilt. Maybe we could take a lesson from the Japanese who are very sophisticated in this respect. I think it is possible to arrange a deal for non-equity financing that could be taken out in trade. These countries would be grateful for assured sources of supply, and that is something we should consider.

We must look at the alternatives, Mr. Speaker. Coal has gone out of style, although I think it is coming back fast because we have abundant resources in this country, in Alberta and British Columbia. We should be bullish with our nuclear policy. I hope the scientists will unlock the mysteries of solar energy and those of human and animal waste. These are the alternatives we have, and I think the people of this country have made up their minds that we are not going to be caught off base again, we are not going to be so vulnerable again and submit to the blackmail of oil politics. We have the resources and we use them for our enlightened self-interest.

I spoke to the Centre for InterAmerican Studies in New York last week and tried to explain the Canadian views on these resources as I saw them and as I am expressing them here tonight. Nobody thought this was silly. As a matter of fact, they thought we were silly for not doing it sooner. It simply requires the consensus that we have in this House and across the country. Mr. Speaker, I think with this spirit that I see exemplified here tonight we can go on to much bigger and much better things, and a richer life using our resources intelligently and controlling them in our own best interests; and I think in that we will have the support of all Canadians.

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, there is great concern about the energy crisis in Canada and nowhere is this more evident than in eastern Canada. The irony of the Canadian energy crisis is that it does not stem solely from the problems of supply and demand. Canada has the unique distinction of being one of the only industrialized nations in the world which can claim to be

totally self-sufficient in terms of oil and gas. Although western Canada has enough oil reserves to supply eastern Canada, there is at this point no way to transport an adequate volume to the east. Therefore, eastern Canada must import most of its oil from elsewhere. Approximately 25 per cent of Canada's total oil imports which are directed primarily to eastern Canada come from Arab oil producers; about 60 per cent comes from Venezuela.

The restricted flow of Arabian oil and the sharp increase in price of both Arabian and Venezuelan oil raises serious questions about the increase in price of gasoline, home heating oil and oil products and the security of supply of these products. The 56 per cent increase in crude oil tax by the Venezuelan government, coupled with the increases in cost already announced by Arabian countries, causes widespread speculation that gas prices will go up. Some estimates indicate it could go to $1 per gallon by the end of this year. I hope this is unduly pessimistic.

Amid that speculation one fact comes home clearly: Canada has in the Athabasca tar sands in Alberta the largest single deposit of oil in the world. A crash program of scientific engineering and exploration as the means of realizing the immense potential of the tar sands by the most feasible economic method is a matter of urgent national necessity. If these can be developed, Canada will control half of the world supply. We have here a vast potential that has been untapped for decades.

Mr. Speaker, I shall resist the temptation to point to the obvious lack of planning and protection in our national energy "non-policies". Instead, let us be constructive, using the benefit of hindsight, and let us do it now. Another thing that can be done now to alleviate the price increase in motor fuels in Canada is to decrease the 12 per cent tax at the manufacturer's level which is passed on to the consumer. The minister should also act now to stockpile oil reserves for eastern Canada against heating fuel shortage in midwinter.

Another thing that the minister should reconsider is the Bay of Fundy tidal power study and the tremendous potential of the 4,000 megawatts of power that are untapped in the Bay of Fundy. He should look again at our underdeveloped coalfields. I need not remind the government that if the corridor road were built, a direct highway to central Canada would exist and oil transports could carry at least critical supplementary supplies to the Maritimes. I call on the government to expedite their contingency plan to protect Canadians living in eastern Canada from the effects of an oil shortage. I call on the government to expedite the development of the Athabasca tar sands and the vast power potential that exists in the tides of the Bay of Fundy.

In short, Mr. Speaker, I ask the government to give leadership.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, there are only a few minutes left in the debate so I will have to be brief. I feel that the key to any successful campaign to conserve gas and fuel oil in Canada has to obtain the full support of all Canadians in this impending crisis. They must be given all the facts of the situation. I have no doubt that they will respond in the manner in which Canadians have always met a national crisis.

• (2250)

How can full Canadian participation and support be achieved? The people must first be given the facts. Second, there is the need for some detailed organization which can quickly and effectively be set up with the co-operation of the provinces and municipalities throughout our nation. I feel that an immediate meeting of our provincial premiers and ministers is required. This could be followed by meetings in the provinces with municipal governments, which will put the program into effect and, to a large degree, police it. There is no time to lose. Action in this direction must be taken at once.

This crisis should teach us all the real need for energy conservation and the absolute necessity of doing something about it. There must be a public campaign for the conservation of our gas and oil supplies. Car pools can be set up. The one-man, one-car means of transportation should be discouraged. Public transportation should be used by more Canadians. With provincial co-operation, lower speed limits could be enforced. The field of rapid transport in our cities is a longer term proposition, but it should be pushed vigorously by all levels of government. There is also the need for public awareness. People ought to have their vehicles tuned more often in order to save fuel. Last, but not least, we must prepare for the rationing of gas and fuel, unpleasant as that may be.

Other hon. members have pointed out things which could be done, such as the lowering of thermostats, the improvement of home insulation, the wise use of humidifiers, etc. I will not repeat all that. I should like, however, to raise again several key points which have already been raised by other hon. members. First, there is need for a Canadian petroleum corporation. This is of prime importance, particularly in view of the need to secure reasonably safe offshore supplies of oil.

Venezuela has already suggested that we set up a national corporation to deal with its state-owned oil corporation. There is no time to lose, for every country in the world requiring oil will soon be hammering on Venezuela's door for her limited oil supplies. I understand that the minister has already talked with the government of that country. It has suggested that Canada should set up a national petroleum corporation in order to make an oil deal. The government of Venezuela is anxious to sell oil to us through a national corporation and we in Canada are missing the boat if we do not take this opportunity to enter the field and ensure at least a reasonably secure supply of offshore oil which is needed for our eastern markets.

Another point raised in the debate concerns the reversible pipeline from Sarnia to Montreal and Quebec City. My party has been urging the building of this pipeline for several years. Again, I urge the minister to get his department going on this project right away. Surveys must be made. We must make certain that never again will any part of our country be subjected to the possibility of oil shortages, especially as this country is the only industrial country in the world with sufficient supplies of oil for its needs. Actually, we are a net exporter of oil to the tune of some 300,000 barrels per day.

Another point raised by the hon. member for Calgary South (Mr. Bawden) concerned the development of the tar

sands of Alberta and Saskatchewan. I do not take the same position taken by the hon. member for Calgary South. I am convinced that the development of these oil sands, which form one of the greatest deposits of oil remaining in the world, must be carried out under public ownership. That is why my party welcomes the imposition of the $1.90 export tax on oil. The government imposed this tax on oil going to the United States from Canada. It ensures that Canadian oil will be sold for the same price on the Chicago market that other oil is now sold for. The hundreds of millions of dollars that will accrue to the government from this tax source will go back to the provinces to recompense them for any royalties they may lose, inasmuch as there was no increase in price at the wellhead, and the balance could go toward the public development of the tar sands.

Some hon. Members: Hear, hear!

Mr. Harding: These tar sands should be developed under public ownership and with public support. That is what we of the NDP would like to see. We will press for that. We urge the government to adopt that type of policy and to ensure that multinational corporations do not dictate the oil policy of this country and do not dictate our policy with respect to oil reserves or the direction in which Canada must go in the future in the whole field of oil development.

Mr. Prud'homme: The hon. member is a good listener.

Mr. Speaker: Order, please. It being eleven o'clock, pursuant to the order made earlier this day the motion to adjourn the House is deemed to have been adopted. The House stands adjourned until two o'clock tomorrow.

At 11 p.m. the House adjourned, without question put, pursuant to special order made this day.

HOUSE OF COMMONS

Tuesday, November 6, 1973

The House met at 2 p.m.

[*Translation*]

ROUTINE PROCEEDINGS

COMMITTEES OF THE HOUSE

MISCELLANEOUS ESTIMATES

Fifth report of Standing Committee on Miscellaneous Estimates—Mr. Leblanc (Laurier).

HEALTH, WELFARE AND SOCIAL AFFAIRS

Sixth report of Standing Committee on Health, Welfare and Social Affairs—Mr. Isabelle.

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

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HEALTH

TABLING OF FIRST REPORT OF INQUIRY BY NUTRITION CANADA

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, pursuant to Standing Order 41(2), I should like to table, in both official languages, the first report of Nutrition Canada national survey.

* * *

[*English*]

GRAIN

TABLING OF AUDITED STATEMENT OF WHEAT ON HAND AND DETAILS OF FINAL PAYMENTS ON WHEAT, OATS AND BARLEY FOR 1972-73 CROP YEAR

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I wish to table two items under Standing Order 41(2). The first is an audited statement for July 31, 1973, of wheat on hand as defined by the Temporary Wheat Reserves Act. The second is details of final payments on wheat, oats and barley to western grain producers for the 1972-73 crop year.

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ENVIRONMENTAL AFFAIRS

STATEMENT BY MINISTER ON RESULTS OF INTERNATIONAL CONFERENCE ON CONTROL OF POLLUTION FROM SHIPS

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, on October 16 last I outlined in this House the position which Canada was taking at the recent international conference on the elimination of pollution from ships. Now that this large, international gathering in London, England, has completed its work, I would like to report progress. I would like to describe the results of this conference of flag states and coastal states, the main objective of which was to prevent the further deterioration of the world's oceans, seas and shipping lanes.

Oil was the only pollutant mentioned in the 1954 and 1969 conventions. The latest convention, that of 1973, includes toxic and suffocating substances other than oil. It includes white oils as well as black oils. It includes refined petroleum products as well as crude oil and bunker oil.

The new convention also contains important stipulations with regard to vessel construction. Segregated ballast will be required on all new tankers of more than 70,000 tons. The size of individual tanks in oil tankers is also limited so as to reduce the loss of oil from collisions and groundings in the future.

The right of coastal states to take action against a ship in trouble which also posed the threat of pollution to their shores has been expanded. Not only does it now cover dangerous substances other than oil, but it also extends this right to any distance which might reasonably be said to involve a threat or hazard to the territory of the coastal state.

With respect to other jurisdictional aspects of the convention an attempt was made at the conference to limit the right of enforcement of a coastal state to its territorial sea. This attempt was resisted successfully by Canada. The new convention adopts the compromise approach along the lines of the one negotiated at the London Dumping Conference in 1972 and allows a coastal state to enforce the convention "within its jurisdiction" without attempting to define how far that jurisdiction may extend. The convention thus recognizes that the nature and extent of coastal state jurisdiction as well as flag state jurisdiction may be changed as a result of the Law of the Sea Conference. Meanwhile it is open to a state to interpret the convention as permitting it to enforce its provisions in waters under its jurisdiction which, like fisheries closing lines, extend beyond its territorial sea.

The new convention declares that the Mediterranean Sea, Black Sea, Baltic Sea, Red Sea and the gulfs area, including the Sea of Oman, are designated as special areas in which oil discharge is completely prohibited with the exception of very small ships. This is an indication of the world-wide concern about the preservation of water quality in landlocked areas or inland seas where the exchange of water with the outside ocean is restricted by narrow straits.

Pollution from Ships

• (1410)

Mr. Speaker, we won some and lost some. We failed, for example, to get approval of special preventative measures in special areas. The special areas we had in mind were those of exceptional ecological sensitivity whether they be inside, or outside the jurisdiction of the coastal state. We had our Arctic problem in mind. We were encouraged by the fact that a number of important flag states supported us. But the Canadian resolution failed to get the necessary two-thirds majority in the final plenary session of the conference. Needless to say, we will try again, but our next opportunity to deal with special areas is, at least, a few years away.

We also put forward the "port state enforcement concept" for the first time. In this we were strongly supported by the United States. Had it been accepted, violators of the convention could have been prosecuted in the ports of any contracting party regardless of where the offence took place and for up to three years after it occurred.

One of the defects of the 1954 convention is that violations which occur outside of the waters of the coastal state can only be dealt with by the flag state in which the ship is registered. The new convention beefs up the penalties but that is all. As a coastal state, Canada must continue to oppose this flag state regime and will, therefore, continue to press for "port state enforcement" at the Law of the Sea Conference in 1974.

Canada supported a United States proposal for the building of double bottoms in new oil tankers. This requirement was rejected by the conference as was the "sheen" concept which would have made it easier to prosecute ships trailing a thin sheen of oil. Instead of accepting the word of an officer of a coastal state, quantitative measures of loss of oil will still be needed in order to prosecute the ship which is responsible for pollution on the high seas.

In summary, Mr. Speaker, I can say that the standards adopted by the latest IMCO conference are good, not excellent. In concept, they apply all around the world. But the conference did not adopt all of the measures which are necessary if they are to be enforced effectively by flag states and coastal states alike. We did not manage to deal with our special Arctic problem either.

In conclusion, Mr. Speaker, I would like to compliment our delegation to the IMCO conference and especially its deputy head, Mr. E. G. Lee. It was very active. Anyone who was there will agree that it was one of the most influential delegations which we have sent abroad in recent years.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, in replying to the minister I think I should remind the House that in answer to the minister's statement on October 16 it was brought to the attention of the House that certain things which we should have been pursuing at this conference were neglected or omitted. This, of course, may have been because it was impossible to get them on the agenda. I refer to the fact that no matter what arrangements we make with respect to other nations we do need co-operation on international navigation standards. All the safeguards in the world are of no account if vessels are

[Mr. Davis.]

operating under navigational standards that allow collisions.

There has been no mention by the minister today, nor was there on October 16, of international arrangements for co-operation in the clean-up of oil. Again I stress that compensation is no comfort to those on shores that are befouled by oil.

I again remind the government that, in order to achieve the other objectives the minister has stated still remain to be achieved, our own moral position must be first rate. I refer to the fact that we have had an inconsistent policy of complaining about oil tankers on the west coast and taking almost no action on the east coast.

On page two of the statement which the minister kindly delivered to me just before the House met he says:

> The right of coastal states to take action against a ship in trouble which also posed the threat of pollution to its shores has been expanded. Not only does it now cover dangerous substances other than oil, but it also extends this right to any distance which might reasonably be said to involve a threat or hazard to the territory of the coastal state.

This is all very well but, as has been demonstrated by recent spills on the west coast, in this country we do not have the equipment nor the trained men to deal adequately with minor spills that are taking place in our own harbours. Acquiring the right to contain spills farther out to sea does us little good if we do not have the men and material to do so. The minister is aware of this problem as he comes from a riding bordering the very harbour that has recently been the subject of two spills. I would ask the minister and other members of the government to take this into account.

The hon. member for Skeena (Mr. Howard) referred to this matter on October 16. He said that we must be prepared to take unilateral action in cases where a convention or agreement is lacking. This party endorses the position taken by the hon. member for Skeena on October 16. We have already taken such action, as he pointed out, with respect to the Arctic Waters Pollution Prevention Act, an area that is very special to us. The fact that we may not be able to get agreement at this time should not in any way detract from our determination to act unilaterally when our self-interest is at stake.

I notice with a great deal of gratification that the minister said in his statement:

> The new convention declares that the Mediterranean Sea, Black Sea, Baltic Sea, Red Sea and the gulfs area including the Sea of Oman are designated as special areas—

Speaking as one who not many months ago had occasion to be swimming in the Mediterranean at Tel Aviv, I can assure hon. members that this prohibition of oil spills was long overdue. Anyone who swims in those waters will testify to the fact that as you swim you move globules of oil out of the way. That is no exaggeration.

We shall face these problems along our coasts unless we are prepared to take unilateral action if required and to see to it that our efforts in years to come to obtain international co-operation are made with the necessary thrust. I might add that I would have been pleased, as I know other members from the west coast would have been, if the Strait of Juan de Fuca and Puget Sound had

been included along with the Mediterranean Sea, the Black Sea and the other waters mentioned.

Some hon. Members: Hear, hear!

Mr. Fraser: That area is most important to us as a very special area. We are gratified, of course, when we are reminded that some months ago the government only began to fight to have this area designated as some kind of special area.

Lastly, may I say that the delegates, the government and the committee that worked on this convention deserve credit. They departed with our support and they return with our thanks. Having said that, I would say this to the government, and I do so most seriously. As the minister said, it will be some years before we can achieve, if we can, all that we are aiming at by way of world agreement. However, there are areas on both our coasts where, with the help of our American friends, we can achieve much of what the delegation set out to achieve on a world-wide basis. It will take sharp diplomacy—

Some hon. Members: Oh, oh!

Mr. Bell: We want Macdonald.

Mr. Fraser: It will require great effort on the part of the minister whose name was inadvertently mentioned. He must get out there and continue the fight he started some months ago.

Mr. Frank Howard (Skeena): Mr. Speaker, a practice has been followed fairly carefully by most ministers with respect to the presentation of statements on motions. That practice has been to make copies of such statements available to members of the opposition parties one hour or thereabouts before the House meets so that there may be an opportunity to examine what has been prepared carefully and respond to it. The difficulty in this instance arises from the fact that this statement came to my attention as I entered the chamber. It was delivered upstairs to the office of my leader some five minutes before the House met. I do not think that is an adequate way to deal with important matters.

Some hon. Members: Hear, hear!

Mr. Howard: Even though I have been able to give the statement only cursory examination, I do not think the minister should be very proud of it, because it does not accomplish a great deal in terms of pollution control or with regard to the environmental concerns of the people of this land.

• (1420)

I want to say at the outset that I certainly welcome the position taken by the hon. member for Vancouver South (Mr. Fraser) in endorsing the concept of unilateral action which we have advocated as being most necessary for a long period of time. I would like to hear the leader of his party make that declaration so we would know where the party stands as well as the member for Vancouver South.

What we sought to do at the IMCO conference and what this statement indicates we did do was to subject the position of Canada to the decision of 90 other nations. By participating in this conference and giving up our position and rights we are in effect letting the other nations of the world decide what Canada is going to do to preserve its integrity and its environment and to control pollution. In the whole course of relationships between nations, changes have been made in international law by unilateral decision of one or a number of countries pushing and forcing an issue. Canada has moved away from that course and is willing to go along with what the flag states want to see accomplished, not what is of value to Canada.

In his statement the minister said Canada failed to get approval of special preventative measures in special areas. To clarify that, he said he was talking about the Arctic area of this nation. This means that when the Arctic Waters Pollution Prevention Act was presented to the House four or five years ago the government was just engaging in a windowdressing program and the act is nothing more than a bunch of words on paper. As the minister said, it means nothing. We attempted to get some consideration of the question of Arctic waters when we have laws on the statute books to deal with it and we failed. The minister went on to say that another opportunity to raise this matter is a few years away. I consider this to be another indication of a sellout of the interests of Canada by this government, especially with regard to the question of oil pollution.

It is regrettable that there was no reference in the statement to special waters of concern to us in British Columbia such as the Strait of Juan de Fuca and the Gulf of Georgia. There is no indication of the government's intention with regard to the critical situation that has developed in one instance and may well develop again in connection with the Cherry Point refinery in the state of Washington. This omission indicates that the government does not have any measures to deal with that. The minister said in his statement:

> Canada supported a United States proposal for the building of double bottoms in new oil tankers.

I was surprised to hear that. A week before the minister went to the IMCO conference in London he raked me over the coals because I said Canada was taking a neutral position by not saying anything about double hull vessels, and I draw a distinction between double hull and double bottom vessels. At that time the minister said in no way would he or the government have anything to do with supporting the concept of double hulls for tankers because that would only have value if the tanker ran aground on a soft and not a rocky bottom. A week before the conference the minister was arguing against the necessity of seeing that oil tankers plying the waters of the world were built with double hulls. Now he turns around and says he supported a United States proposal for the building of double bottoms in new oil tankers, indicating that it is probably not double bottoms he is concerned about but double talk.

It seems to me that, in conjunction with the paper which has been referred to the Committee on External Affairs and National Defence with respect to the territorial sea, offshore rights and the continental shelf, we should also refer the minister's statement and the convention which arose out of the IMCO conference recently concluded to that same committee which is currently considering one

related aspect of this continuing question, so that it may, hopefully, come up with recommendations that will make sense and be of some value to us, which is more than I can say for the statement we have just heard.

[*Translation*]

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, that we should always be provided with copies of ministers' statements only some four minutes before two o'clock is regrettable. This is readily understandable. We must complete a thorough review or study of the last arguments within seconds if we want to make relevant observations on these statements.

However, the minister's statement shows one thing: we have tried mainly to be good diplomats instead of being statesmen who are able to represent truly the attitude of Canada towards other countries and to make suggestions which may be nationalistic but which would really protect the Canadian coastline.

On page 3, it is stated that seas like the Mediterranean, the Black Sea, the Baltic, the Red Sea and the areas around gulfs, including the Oman Sea, are special areas. And, the ridiculous thing is that the large ships are not allowed to dump or spill oil, but the small ships are allowed to do it. But the damage caused by two or three small ships to equivalent to that caused by one large ship. We then beat about the bush without taking any specific position. I suspect that there may be somewhat acrid discussions between the government of Quebec and that of Ottawa concerning the pollution possibility of the St. Lawrence, for example, especially when no clear position is taken on pollution and that any coastal state has merely the possibility of taking such positions and perhaps prosecuting a boat which will have damaged its coasts.

On the whole, we can surely congratulate those who have shown satisfactory diplomacy, but we cannot congratulate the government for a realistic national attitude about the protection of the environment as well as that of the Canadian coasts.

* * *

[*English*]

NATIONAL HARBOURS BOARD

ALLEGED CONFLICT OF INTEREST ON PART OF MEMBER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, in view of the statement made by the Minister of Transport that a conflict of interest does exist between the private holdings of Mr. Bill Rathie and his position as a member of the National Harbours Board, I move, under the terms of Standing Order 43, seconded by the hon. member for Vancouver South (Mr. Fraser):

That the Minister of Transport immediately remove Mr. Rathie from his position as a member of the National Harbours Board in view of the conflict of interest between that office and his private holdings, namely, Vancouver Cold Storage Limited.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Howard.]

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

* * *

ENVIRONMENTAL AFFAIRS

POLLUTION FROM SHIPS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise pursuant to Standing Order 43 to move a motion on an urgent matter related to the statement made today by the Minister of the Environment with respect to the IMCO conference. I move, seconded by the hon. member for Comox-Alberni (Mr. Barnett):

That the convention of 1973 relating to the international control of pollution from ships, together with the statement made this day by the Minister of the Environment be referred to the Standing Committee on External Affairs and National Defence for concurrent consideration along with the subject matter of the projected Law of the Sea Conference.

● (1430)

If the motion is accepted, I think there should be no debate.

Mr. Speaker: Order. The motion proposed by the hon. member for Skeena is also submitted under the terms of Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There does not appear to be unanimous consent.

* * *

UNEMPLOYMENT INSURANCE

REFUSAL OF BENEFITS TO CERTAIN RAILWAY WORKERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, pursuant to the provisions of Standing Order 43 I rise to propose a motion on a matter of urgent and pressing necessity. In view of the fact that many shopcraft employees of the CPR and CNR across Canada who did not participate in the railroad strike were laid off by the railways in July and did not resume employment until the strike ended in early September, in view of the fact that these shopcraft workers were refused benefits under the Unemployment Insurance Act and as a result were without income for a period of time, which resulted in great hardship to themselves and their families, and in view of the fact that some two months have elapsed—

Mr. Speaker: Order, please. I have to bring to the attention of hon. members that a motion proposed under the terms of Standing Order 43 should not be supported by argument. I do not think it is an answer to the difficulty to include the argument in the motion itself. I respectfully suggest to the hon. member that he should submit the

motion for the attention of the House so that I may inquire whether there is unanimous consent.

Mr. Neil (Moose Jaw): Thank you, Mr. Speaker. I move, seconded by the hon. member for Churchill (Mr. Taylor):

That this House instruct the officials of the Unemployment Insurance Commission to take immediate steps to deal with the appeals of the workers who have suffered as a result of the inaction of the Unemployment Insurance Commission.

Mr. Speaker: The hon. member's motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion cannot be put.

ORAL QUESTION PERIOD

[*English*]

ENERGY

PROPOSED OIL PIPELINE EXTENSION TO MONTREAL—AVAILABILITY OF SUPPLY—APPROVAL BY QUEBEC

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the fact the National Energy Board has received certain alternative proposals—not applications but proposals—relating to construction of an oil pipeline to Montreal and that any further action on these proposals by Interprovincial is contingent upon a clear statement of policy from the minister on the need for such pipeline as well as a statement of intent to assure an oil supply for the pipeline, would the minister inform the House whether he has made a clear statement as to the need for the pipeline and a clear statement of assurance regarding oil supply for such a pipeline, and if so, for what size of pipeline?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, with regard to the basic question of whether or not there should be a pipeline, that was indeed determined in principle by the government in September. The critical questions at this point are the financial circumstances under which the pipeline would be constructed by Interprovincial Pipe Line Company, the extent to which for security purposes additional capacity would be built into the line and, therefore, who should bear the cost, and how the line would fit in with the special plans the province of Quebec has in this regard.

My understanding from the board and from my officials is that there have been discussions on these points with the Interprovincial Pipe Line Company, as indeed there have been discussions with the Quebec authorities. I regret that I cannot announce anything more definitive regarding these terms, but my understanding is that negotiations are advancing.

Mr. Stanfield: As one condition for consideration of a pipeline under the National Energy Board Act is availability of oil or gas for the pipeline, has the minister had a report from the National Energy Board regarding availability of oil for such a pipeline and, if so, as to what size, and is the minister prepared to give an assurance of a supply of oil?

Mr. Macdonald (Rosedale): Mr. Speaker, under the National Energy Board Act the board has responsibility with regard to gas and with regard to oil to make certain that no exports shall take place unless they are surplus to Canadian requirements. Obviously the decision with regard to construction of a pipeline into Montreal would add the Montreal market to Canadian requirements, and under those circumstances this would be at the expense of any exports that we might have under way. It is anticipated that over a period of time stretching up to ten years there would be a reduction in the export component, and this would be one of the aspects that would be involved in that consideration. The time span of approximately two years that would precede the actual operation of the pipeline would be notice to United States users that they should make other arrangements for supply once the decision is made to go ahead.

Mr. Stanfield: The minister indicated that one of the outstanding matters was the approval of such a pipeline by the government of Quebec. Can the minister indicate whether approval, not in principle but approval in fact, of this pipeline proceeding is contingent upon the approval of the government of the province of Quebec?

Mr. Macdonald (Rosedale): Mr. Speaker, we certainly wish to meet the objectives of the government of Quebec in this regard. There have been official discussions held, but in light of recent electoral events in the province I have not yet had an opportunity to have further discussions with my Quebec counterpart. I look forward to doing so in the near future because I think this is a matter which should be pushed forward with dispatch.

Mr. Stanfield: A further supplementary question, Mr. Speaker. I apologize for asking a further supplementary, but I do so in view of the importance of this subject. What is the policy of the government? Is it the policy of the government to proceed with the construction of the pipeline, or is it the policy of the government to proceed with the construction of the pipeline only if the province of Quebec approves?

Mr. Macdonald (Rosedale): Mr. Speaker, of course the ultimate responsibility for security of supply rests with the government of Canada. Very clearly, if it is necessary for the security of supply to any part of the eastern Canadian market, then ultimately the government of Canada will have to take the decision. But, of course, we would attempt to do so in a fashion that is consistent with the wishes of the Quebec government.

Oral Questions

POSITION OF VOLUNTARY RESTRAINT PROGRAM RESPECTING USE—CONSULTATION WITH PROVINCES—HOME HEATING OIL SUPPLIES PURCHASED BY GOVERNMENT

Mr. David Lewis (York South): Mr. Speaker, I have some supplementary questions for the minister arising out of his statement last night. In view of the fact that a voluntary restraint program for the use of energy requires the co-operation of the general public as well as provincial and municipal authorities, and in view of the fact that the implementation of such a program would necessarily take some time, I should like to ask the minister whether he is taking steps to initiate the program now so there will be time to educate the public and to prepare organizational needs instead of waiting until an interruption occurs, at which time it may be too late?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Planning in that direction is going ahead, Mr. Speaker.

Mr. Lewis: Mr. Speaker, would the minister indicate exactly what steps are being taken to promote this program of voluntary restraint in energy use?

● (1440)

Mr. Macdonald (Rosedale): Mr. Speaker, aside from the remarks I made last night, at the moment there is no publicity program in this regard, but we anticipate that in the relatively early future we will be making recommendations along this line for guidance in respect of energy use in general.

Mr. Lewis: Mr. Speaker, I have another question for the minister along the same line. Has he raised the issue with all the provinces of Canada or does he plan to deal with it at the energy ministers' conference on November 23? May I also ask him what supplies of home heating oil have already been purchased on government account, where such oil is now being stored, and what plans does the minister have for the distribution of this heating oil purchased on government account?

Mr. Macdonald (Rosedale): Mr. Speaker, I cannot refer to any specific contracts at the moment, but my officials and those of the Canadian Commercial Corporation are now involved in this process. I think most of the storage involved will be handled by the Department of National Defence. I regret that I did not catch the first part of the hon. gentleman's question.

Mr. Lewis: Mr. Speaker, I asked whether the provincial premiers are being consulted.

Mr. Macdonald (Rosedale): Mr. Speaker, I have had conversations with some of them and I hope to have conversations with the remainder in eastern Canada. I propose to write to the ministers responsible who will be participating in the November 23 meeting to suggest that this item be added to the agenda for that meeting.

[*Translation*]

Mr. Speaker: The hon. member for Charlevoix on a supplementary question.

[Mr. Macdonald (Rosedale).]

Mr. Gilles Caouette (Charlevoix): It is not a supplementary question, Mr. Speaker.

Mr. Speaker: It would perhaps be advisable to allow the hon. member for Charlevoix to ask his question, thus completing the first series and then we will come to the questions relating to the first one asked by the Leader of the Opposition. The hon. member for Charlevoix.

* * *

ENVIRONMENT AFFAIRS

APPLICATION OF INTERNATIONAL CONVENTION ON POLLUTION FROM SHIPS TO IMPLEMENTATION OF INTERNATIONAL CONVENTION ON GREAT LAKES AND OTHER WATERS

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I should like to put a question to the Minister of the Environment related to his statement made today.

The new convention gives the list of the seas where oil spills are absolutely prohibited. Does this convention also provide for the Great Lakes area, or the area referred to a minute ago by the western representatives?

[*English*]

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, this convention essentially applies to foreign owned ships operating outside areas within the jurisdiction of coastal states. Certainly it does not include foreign ships operating in inland waters such as the Great Lakes where Canada, the United States or the two by agreement have absolute authority.

[*Translation*]

Mr. Caouette (Charlevoix): Mr. Speaker, may I ask a supplementary question?

Is the minister in a position to assure the House that the same provisions for ensuring better protection will be applied to internal waters of Canada?

[*English*]

Mr. Davis: Yes, Mr. Speaker, we already have higher standards in respect of waters inside our jurisdiction, and certainly ships operating within those waters are subject to any laws we wish to pass.

* * *

ENERGY

PROPOSED OIL PIPELINE EXTENSION TO MONTREAL—AVAILABILITY OF PIPE—POTENTIAL COST

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources and arises from his answers regarding the pipeline extension. Has the minister's department made any examination of the supply of steel or pipe in view of the present steel shortage and the rapidly accelerating price, and what would be the potential cost of such a pipeline extension, if the government even knows where it is to start, at Toronto or some point farther west?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, on the latter point I think it is the view of Interprovincial, concurred in by my officials, that it should start at Sarnia at the end of the major pipeline from western Canada. As to the availability of steel and the question of the current and anticipated cost, these are questions of detail of which I should like to take notice. I will be glad to report to the hon. member in that regard.

[*Translation*]

PROPOSED OIL PIPELINE EXTENSION TO MONTREAL—DISCUSSION BY PRIME MINISTER WITH QUEBEC PREMIER

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I would like to put a question to the right hon. Prime Minister.

In view of his recent meeting with the Quebec premier, could the right hon. Prime Minister inform the House about the present state of the discussions on the extension of the pipeline to Montreal?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. It is not customary to disclose the content of those bilateral talks I have periodically with the provincial premiers. It is certainly not my intention to refer to those talks today.

Mr. Grafftey: Mr. Speaker, I would like to ask a supplementary of the right hon. Prime Minister.

Because of oil shortage in the world, has the Quebec premier indicated the need to go on with federal-provincial consultations regarding the building of a superport in Quebec?

Mr. Trudeau: Mr. Speaker, I think it would be more proper to put this question to the Quebec premier.

I repeat, the federal policy is outlined each day by the federal ministers, but with regard to the Quebec policy, it is better to inquire from the Quebec premier.

[*English*]

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the Prime Minister. The hon. member for Brome-Missisquoi asked part of the question. Without asking the Prime Minister about the contents of the discussions he had with the premier of the province of Quebec, would he indicate to the House whether the pipeline to Montreal was discussed and whether an understanding was reached between himself and the premier in respect of the construction of that pipeline?

Mr. Trudeau: Mr. Speaker, it seems to me that this is a repetition of the question asked by the hon. member for Brome-Missisquoi in French.

Mr. Nielsen: Perhaps the Prime Minister did not understand my question. I heard the question put by the hon. member for Brome-Missisquoi in French and I understood it.

An hon. Member: You are lucky.

Mr. Nielsen: I am asking the Prime Minister whether without going into the contents of the discussion between himself and the premier of Quebec, the pipeline extension was discussed and, if so, was there an understanding reached between himself and the premier?

Mr. Trudeau: Mr. Speaker, it appears obvious to me that without going into the contents of this conversation I cannot reply to the question.

Some hon. Members: Oh, oh!

[*Translation*]

OIL SUPPLY PROBLEM—PRIOR CONSULTATION WITH QUEBEC BEFORE DECISIONS TAKEN

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a supplementary question to the Prime Minister.

In view of the fact that concerning these oil problems the government of Canada will soon have to make important decisions, could the Prime Minister assure us at least that any decision taken by the federal government will be preceded by consultations with the Quebec government?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. Exactly as in the case of Alberta, as the hon. member points out—and I repeat that for the umpteenth time, Mr. Speaker—during the western provinces conference held in July 1973, the federal government requested that the problem of energy be put on the agenda and it was the western provinces that turned down the suggestion.

[*English*]

ALLEGED INCREASE IN HOME HEATING OIL PRICE IN BRITISH COLUMBIA—ASSURANCE OF SUPPLY

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I should like to take the Minister of Energy, Mines and Resources back to the problems of British Columbia.

An hon. Member: Just take him.

Mr. Oberle: In his statement last night he did not make reference to the apparent problem there. I should like to ask him now whether he is aware of any recent price increase in home heating oil resulting from his statement last week and his invitation to price increases?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have not been advised of any increase so far, but I would point out to the hon. member and the companies concerned that any increases are subject to proof on their part that additional costs are necessary in order to secure supplies and thus be passed on to the consumer. So far as I know we have had no application from any British Columbia company.

Mr. Oberle: Mr. Speaker, does the minister consider that an increase in price will assure continuation of supply of these commodities from offshore sources, or does the minister contemplate any bilateral negotiations with the United States to assure the continuation of a supply of home heating oil to British Columbia?

Mr. Macdonald (Rosedale): One thing is clear, Mr. Speaker, that unless any increased cost can be passed on the independent companies particularly will not buy offshore supplies. As to whether bilateral negotiations will be necessary, I do not think we have reached that point yet but I would be prepared to consider that possibility.

● (1450)

PROPOSED OIL PIPELINE EXTENSION TO MONTREAL—REVISION OF INTERPROVINCIAL EXPANSION PLANS

Mr. Max Saltsman (Waterloo): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. It concerns the recent permission granted by the cabinet for the extension by Interprovincial Pipe Line. Since there has been a change in government policy regarding the building of a pipeline to Montreal and the expansion that was authorized before will not make any sense if in fact there will be cutbacks in exports to the United States, can the minister say whether he is considering a revision of the decision regarding the expansion of Interprovincial in the United States or whether he intends to hold discussions with Interprovincial and ask them to modify their plans accordingly?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No, Sir. The throughput would be the same. Whether or not increased exports to the United States were being shipped all the way through to Montreal they would have to pass by the same route and the same volume would be available. So it is not a question of either, or; it would be necessary in either case.

Mr. Saltsman: Looking at the approval, it seems that the increase in the pipeline has been at the entrance to the pipeline rather than at its exist at Sarnia, although there has been an increase there as well. What I am asking is whether the government is reviewing that particular decision to make sure there will not be wastage or insufficient use of the capacity of the Interprovincial pipeline?

Mr. Macdonald (Rosedale): My understanding is that the increased capacity would be needed in any event.

PROPOSED OIL PIPELINE EXTENSION TO MONTREAL—DATE OF GOVERNMENT DECISION AND ACCEPTANCE BY ENERGY BOARD OF APPLICATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. In view of the tough and determined attitude the Prime Minister has demonstrated this afternoon with regard to discharging his responsibilities in this connection—

Some hon. Members: Oh, oh!

Mr. Stanfield: —can the minister tell us when we may expect a decision with regard to the pipeline, when we may expect that the National Energy Board will be in a position to accept an application?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Just as soon as negotiations on the financial aspects of the project are completed.

[Mr. Oberle.]

[*Translation*]

OIL—ENCOURAGEMENT BY GOVERNMENT OF EXPLORATION AND DEVELOPMENT OF KNOWN RESOURCES

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to direct my supplementary question to the right hon. Prime Minister, in view of the rather general scope of the question.

Regarding the oil crisis, will the government encourage exploration of oil sources or the development of known oil resources in eastern Canada?

Right Hon. P. E. Trudeau (Prime Minister): In a general way, I will answer yes, Mr. Speaker. Some programs proposed by the Minister of Energy, Mines and Resources can be applied as well in eastern as in western Canada.

Mr. Laprise: Mr. Speaker, I wish to ask a supplementary question.

Can the right hon. Prime Minister specify, if not today, in the following days, the projects which offer good chances of success whether in exploration of these resources or in their development?

Mr. Trudeau: Certainly, Mr. Speaker. If the hon. member will specify if he is talking of energy in general or of hydrocarbon sources. There are many areas related to this question where we co-operate with the provinces.

* * *

[*English*]

FEDERAL-PROVINCIAL AFFAIRS

INQUIRY AS TO CHANGE IN ATTITUDE OF PREMIER BOURASSA REGARDING AMENDMENTS TO CONSTITUTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I would ask the Prime Minister whether in his discussions with Premier Bourassa the latter had changed his views regarding the Victoria charter. I believe, and have said, that Mr. Bourassa was right in the stand that he took. I ask the Prime Minister whether or not there has been any change in the attitude of the premier of Quebec in this regard.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, at these bilateral meetings with the premiers of various provinces which I hold periodically we generally agree before their conclusion whether or not we will discuss the content of our conversations publicly. In this particular case we agreed that we would not discuss the content, as is usually the case after my meetings with provincial premiers. In view of the fact the right hon. gentleman supports the Quebec position on the constitution, if he will ask Premier Bourassa the question directly he will probably receive a very satisfactory answer.

Mr. Diefenbaker: May I suggest to the Prime Minister that in his highly emotional state today smelling salts ought to be made available to him.

HEALTH

DISTRIBUTION OF SPORT PATCHES COPYRIGHTED BY DEPARTMENT BY KELLOGG COMPANY—ALLEGED DECEPTION OF PUBLIC

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the fact the Department of National Health and Welfare has teamed up with the Kellogg Company of Canada Limited in the promotion of a product that has little or no nutritional value, will the minister tell the House why his department is allowing its name to be used to deceive the public in this way?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am told that the milk you have with your corn flakes has great nutritional value.

Mrs. MacInnis (Vancouver Kingsway): By what authority is the Kellogg Company, in the name of the Department of National Health and Welfare—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Vancouver Kingsway knows the rules and there are no special dispensations for her. Hon. members know that this is not a court of law and that they are not entitled to bring in exhibits in support of their arguments. I hope the hon. member will heed the advice I am giving to her at present and remember the well established rule in this regard.

Mrs. MacInnis (Vancouver Kingsway): I thought the rule had been relaxed a little because an apple was brought in here the other day.

Some hon. Members: Oh, oh!

Mrs. MacInnis (Vancouver Kingsway): I should like to ask the minister what authority Kellogg's has in the name of the Department of National Health and Welfare to distribute these Grunion sport patches which are copyrighted by the minister's department?

Mr. Lalonde: An agreement has been reached between Sports Canada and the Kellogg Company—

Some hon. Members: Oh, oh!

Mr. Lalonde: —with regard to the distribution of these particular items. If they can entice Canadian youth and the Canadian public in general to exercise more, I will be all the more happy.

* * *

PUBLIC SERVICE

POSSIBILITY OF REOPENING NEGOTIATIONS WITH NURSES RESPECTING SALARIES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the President of the Treasury Board. May I ask the hon. gentleman whether or not in light of recent conversations he has had with representatives of federal government nurses and in an attempt to prevent what could develop into a fairly serious situation at some point in the not too distant future, he is not now prepared, under the authority given him within the existing statute, to reopen negotiations between the federal government nurses and the Treasury Board?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think the hon. member is aware that I met with representatives of the association last week following meetings with a number of my colleagues, including my deskmate. We did point out to the representatives of the nurses that the award of the arbitration tribunal was final and binding under the terms of the collective bargaining legislation.

Mr. Fairweather: And grossly unfair.

Mr. Drury: I did indicate to the nurses, however, that the government would be prepared to undertake a study to be conducted jointly by the departments employing nurses, namely, the Department of Veterans Affairs, the Department of National Defence, the Department of National Health and Welfare and the Canadian Penitentiary Service. This study will, in recognition of the evolution of the nursing profession, review the utilization and professional development of nurses, examine the work environment and relationships between employees and management and other features and characteristics of the nursing group in the public service. The president of the association has expressed satisfaction.

Some hon. Members: Order!

Mr. Speaker: Order, please. Will the minister kindly resume his seat. Is the hon. member rising on a point of order?

Mr. Forrestall: Yes, Mr. Speaker. I hesitate to remind the Chair of the rules of the House—

Some hon. Members: Oh, oh.

Mr. Forrestall: —but we have had here an example of a minister making a statement that should be made on motions on a serious matter without an opportunity to the opposition to reply.

Mr. Speaker: The hon. member for Greenwood.

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● (1500)

EXTERNAL AFFAIRS

POSSIBLE SALE OF MILITARY EQUIPMENT TO SOUTH AFRICA—GOVERNMENT POSITION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. In view of the fact the Ontario government is financing a trade mission to expand sales of Canadian products in South Africa, in view of the fact that three out of the eight companies represented on the mission deal in military products, and in view of the fact that Canada's policy in accordance with the United Nations resolution prohibits the sale of military products to South Africa,

will the minister make the necessary inquiries from the Ontario government into this situation and use his good offices to ensure that Canada's policy is observed and, if it is not, see to it that the necessary export licences are refused?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, this is the first news I have heard of the proposed sale of military equipment to South Africa from Canada. I do not know whether it is true, but I can certainly assure the hon. member that even if they sold it they could not deliver it because all armaments to South Africa are under strict export control and all are prohibited.

Some hon. Members: Hear, hear!

* * *

ENERGY

OIL—EFFECT OF EXPORT TAX ON PRODUCTION IN FOSTERTON-DOLLARD FIELD AS WELL AS OTHER AREAS PRODUCING HIGH SULPHUR CRUDE

Mr. Jim Balfour (Regina East): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. Is the minister aware of the cutback in production at the Fosterton-Dollard oil fields in southwestern Saskatchewan, exceeding 10,000 barrels of high sulphur crude oil per day? Is it correct that the reason for the cutback is that the increased export tax has priced this oil out of the market?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would have to examine a detailed question like that.

Mr. Balfour: Will the minister also investigate the possibility of other western Canadian production cutbacks of high sulphur crude whose access to market is particularly price sensitive, and advise the House what steps he contemplates to correct the situation?

Mr. Macdonald (Rosedale): Mr. Speaker, I would remind the hon. gentleman that we feel Canadian oil should get the best possible price in the American market, and under the circumstances the National Energy Board obviously felt that the price stipulated for the month of November was the best price.

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HEALTH

POSSIBLE TOXICITY OF BLOOD IMPORTED FROM UNITED STATES

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. Is the minister aware that imports of blood from the United States, used in Canada for experimental purposes, may carry toxic bacteria leading to hepatitis in technicians and other personnel who handle this element?

[Mr. Brewin.]

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, my department has taken cognizance of this news and an investigation is being carried out to ascertain whether contaminated blood has been imported. No definite conclusion has been made as yet but research is continuing.

* * *

[*English*]

HOUSING

TREFANN COURT—BASIS OF ALLEGED REFUSAL OF LOAN BY CENTRAL MORTGAGE AND HOUSING CORPORATION

Mr. Ron Atkey (St. Paul's): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. It concerns the abrupt turndown of the $500,000 Trefann Court homes project in Toronto yesterday by CMHC president, William Teron. In view of Mr. Teron's comments that any CMHC commitment to this project would have to be conditional on the mortgage being guaranteed by the city of Toronto, a condition which the minister knows the city does not have the power to fulfil, would the minister indicate why CMHC has turned down the project and whether he suspects any pricing irregularities or staffing problems on the part of the Trefann group or city officials?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I do not believe the premise of the question is correct.

Mr. Atkey: Would the minister indicate whether he has now reversed his prior approval in principle of the Trefann Court homes project, particularly the mortgage approval in principle which he gave last July, and can he say whether his decision was based on the alleged departmental investigation into the financing of housing co-operatives in Ontario, which was started last February and the report on which was promised some time ago but is still being kept under wraps?

Mr. Basford: No, Mr. Speaker. In answer to the substantive part of the question, there were discussions between the corporation and the mayor of Toronto yesterday, and continuing today, with regard to the approval of a loan for this project. I have not been advised as to the outcome of those negotiations, nor has the corporation made a decision on that application.

Mr. Speaker: Order, please. I think we have reached the point where I should remind hon. members that we will soon be running out of time and we should try to limit the number of supplementaries.

CO-OPERATIVE HOUSING PROJECTS, TORONTO—DATE OF PRESENTATION OF REPORT ON INQUIRY

Mr. Ron Atkey (St. Paul's): Very briefly, Mr. Speaker, when can we expect the internal departmental report into co-operative housing in the Toronto area, which the minister promised some time ago?

Hon. Ron Basford (Minister of State for Urban Affairs): That inquiry has reported to me and the report is being examined.

Mr. Speaker: The hon. member for Peel South.

Mr. Blenkarn: My question is—

Mr. Hellyer: As a supplementary question—

Mr. Speaker: Order. I have recognized the hon. member for Peel South who has already started asking his question.

* * *

ROYAL CANADIAN MOUNTED POLICE

CHARGES AGAINST MEMBERS WORKING AT MALTON AIRPORT—REQUEST FOR INVESTIGATION

Mr. Don Blenkarn (Peel South): Mr. Speaker, my question is directed to the Solicitor General. Is he aware that perhaps some 90 charges have been made by private individuals against members of the RCMP in connection with their work at Malton Airport, charging members of the force with assault, assault occasioning bodily harm, and grievous bodily harm, and will he investigate the matter?

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker, I was not aware of those charges but I will be pleased to investigate them.

Mr. Blenkarn: Mr. Speaker, I direct a supplementary question to the Minister of Transport. Is the Minister of Transport aware that the charges mentioned arise as a result of the impossible situation in which the RCMP is placed in trying to enforce the regulations concerning taxis, parking rights, and the soliciting of taxi fares at Toronto International Airport, and will the minister revise those regulations so that the enforcement of regulations can be carried out without giving rise to the problems that have occurred?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think the Solicitor General should answer that part of the question relating to the RCMP. So far as the other part is concerned, I am going to investigate it.

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HOUSING

CO-OPERATIVE HOUSING PROJECTS, TORONTO—POSITION OF MINISTER ON PUBLICATION OF REPORT AND POSSIBLE CRIMINAL CHARGES

Hon. Paul Hellyer (Trinity): Mr. Speaker, my supplementary is directed to the Minister of State for Urban Affairs. Will he undertake to table at the earliest possible opportunity the report to which he just referred?

Hon. Ron Basford (Minister of State for Urban Affairs): No, Mr. Speaker. It was an internal report—

Some hon. Members: Oh, oh!

Mr. Basford: —something which I have made clear, and it was written as such. It would be grossly unfair to the people involved to publish a report not based on cross-examinable evidence. The report, however, has been referred to the appropriate authorities, including the law enforcement officers of this country, for whatever action they think is appropriate.

Mr. Hellyer: Does the minister mean to inform this House that he did in fact find irregularities, and that it is possible criminal prosecutions will be based on the report?

Mr. Basford: I think it would be improper and unfair for me to answer that in the positive. The report has been received. It has been referred to the law officers of the Crown for whatever action is deemed appropriate by them.

Mr. Speaker: Is the hon. member for Calgary North rising on a point of order?

Mr. Woolliams: Mr. Speaker, I would like to file a caveat so as to be able to raise a point of privilege at the end of the question period in reference to the answer the minister has just given.

Mr. Speaker: The rules require that a question of privilege be brought up immediately if there is substance for a question of privilege. Perhaps the hon. member for Calgary North might place the matter before the House and I will take that into account before determining the end of the question period.

Mr. Woolliams: My question of privilege is that the minister has now said the report from the internal inquiry is confidential. For months members on this side of the House pressed the minister for a judicial inquiry. His excuse for not granting a judicial inquiry was that he had already set up an internal inquiry into the matter. Now, he is misleading the House today by saying he has had an internal inquiry, the report on which is confidential. He is contradicting everything he said in reference to this project during the last two months.

Some hon. Members: Hear, hear!

Mr. Woolliams: Further, Mr. Speaker, that kind of answer and that kind of minister is the reason the question period sometimes gets out of hand. If we could get honest, straightforward answers, we would not need so many supplementaries.

Mr. Speaker: Order, please. I have to make a ruling on the matter raised by the hon. member for Calgary North. The hon. member may have a grievance or perhaps a point of order. Perhaps he does not agree with the reply given by the minister, but as is well established that cannot be the foundation for a question of privilege. I think this is a matter of debate. The hon. member may be right, the hon. minister may be right, but I do not think we should engage in debate on a question of privilege at this time.

● (1510)

Mr. Basford: On a question of privilege, Mr. Speaker, I think I am entitled to react to the statement by the hon. member that I have been misleading the House. This is not

correct and the record will show it. I have made it clear from February that I have asked for a report relating to five loans by the corporation. That was an internal report which was submitted to me and to members of the government in order that we might determine the appropriate course of action. That report has been received and the appropriate course of action has been followed, namely, it has been referred to the law officers of the Crown.

Mr. Hellyer: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member seeks to speak on the question of privilege. I have already ruled that there is no question of privilege. If the hon. member has another question of privilege, the Chair has to hear him, but I would hope that hon. members would try to limit these points of order and questions of privilege which really do not help very much in the conduct of the business of the House.

Some hon. Members: Hear, hear!

Mr. Hellyer: My comment, Mr. Speaker, is that perhaps either the minister or the Prime Minister could now clear up this matter to the satisfaction of all members of the House if they would agree to a public inquiry so that the House and the country would know the exact facts rather than being kept in the dark.

Some hon. Members: Hear, hear!

[*Later*]

Mr. Atkey: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The hon. member rises on a point of order.

Mr. Atkey: With regard to a matter that was raised earlier, I should draw to Your Honour's attention a statement made by the Prime Minister on this issue on July 12 last when he said, as reported at page 5539 of *Hansard*:

> The responsible minister asked as early as last February for a thorough inquiry into this matter. . . . He has reported progress to the House. The position of the government is that if, following this inquiry, there is any reason for there to be a public inquiry, we will hold one. However, for the time being there is nothing of a nature which would incline me to believe we should order a public inquiry at this time.

That statement was made on July 12.

Mr. Speaker: Order, please. I do not know what this has to do with either a point of order or a question of privilege. I would point out to hon. members that an attempt should be made to give other hon. members who have questions to ask an opportunity to do so. I really do not think that debates over the accuracy of statements should take place during the question period. I would hope hon. members would keep that in mind.

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GRAIN

OILSEED AND GRAIN DEVELOPMENT CENTRE—STATUS OF PROJECT—REQUEST FOR ASSURANCE SITE WILL REMAIN IN SASKATOON

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is addressed to the minister in charge of the Canadian Wheat Board and concerns a statement by the minister at the Western Economic Opportunities Conference in Calgary last July. Can the minister advise what the target date is for the opening of the Oilseed and Grain Product Development Centre?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, plans are going forward for the development of the centre. The government offer of $3.6 million and financing for part or all of the operating costs for the first five years was contingent upon the contribution of support by various segments of the industry. This is being sought and obtained, and the development of the centre looks very promising.

Mr. Neil (Moose Jaw): Can the minister advise if discussions have taken place with a view to perhaps changing the site of the centre to eastern Canada, and will he assure the people of Saskatchewan that no change will be made in the location of the centre and that in fact it will be located in Saskatoon?

Mr. Lang: Mr. Speaker, that certainly is the intention of the government. The offer was made in a firm way to the province of Saskatchewan for siting in Saskatoon if the necessary financing from the industry could be obtained. The initial reaction of the government of Saskatchewan was not totally enthusiastic but that has now changed and I believe there is co-operation. Certainly, I believe that the site will remain in Saskatoon.

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PENSIONS

ALLEGED INADEQUACY OF RAILWAY PENSIONS—REQUEST FOR INQUIRY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Labour. In view of the minister's recognition during the debate on the bill that sent railway employees back to work that the railway pension issue is much broader than the one question that was referred to Dr. Deutsch, is the minister now prepared either to enlarge the terms of reference given to Dr. Deutsch or to appoint another commissioner to go into the whole question of the inadequacy of railway pensions?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I do not believe the appointment of another commissioner to be necessary or perhaps even desirable. I did indicate that the broader question in terms of setting the benefits, as opposed to the costing that Dr. Deutsch is looking into, might better come about as a result of management and labour coming together to discuss the matter. I have discussed that with my colleague, the Minister of Transport, and I hope to have more to announce later. I might say that this might be dependent upon, or at least related to the findings of Dr. Deutsch on the costing side, and I expect them very shortly.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to direct a question to the hon. Minister of Energy, Mines and Resources.

I am sorry, Mr. Speaker, but the minister is so busy nowadays that I am prepared to accept the fact that he is absent from the House today. With your leave, Mr. Speaker, I shall ask him my question tomorrow.

* * *

[*English*]

ABORTION

SUGGESTED AMENDMENT TO CRIMINAL CODE TO TIGHTEN LAW—GOVERNMENT POSITION

Mr. Ralph Stewart (Cochrane): Mr. Speaker, my question is directed to the Minister of Justice. In consideration of the concern of many Canadians about the blatant abuse of the Criminal Code by many medical committees on the question of abortion, and in response to the extraordinary representation of the large numbers who came to Parliament Hill from all parts of Canada on the weekend, would the minister advise what the government contemplates doing to see that the interpretation of the law is tightened in order to lessen the inordinate killing of the unborn that has been taking place?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the matter of the enforcement of the criminal law is of serious concern to this parliament, even though the actual handling of law enforcement in the criminal field is for the Attorneys General of the provinces. In the case of the northern areas, where I have responsibility as Attorney General, I have taken steps to ensure that hospital committees are aware of the serious responsibility that parliament imposed upon them in the enactment of the specific provisions of the Criminal Code. I have drawn my approach in this matter to the attention of the provincial Attorneys General in the hope that they will take similar action to ensure that hospital committees undertake with a proper sense of responsibility the obligation imposed upon them by this parliament.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I have a supplementary question for the Minister of Justice. I am sure he is aware, as is everyone else, that the legislation is not very clearcut on what the regulations are and where the responsibility lies. I wonder if the minister would take it upon himself to introduce in the House amendments to the Criminal Code which would make it clear and specific rather than putting the burden on the medical profession to interpret a very hazy law?

Mr. Lang: Mr. Speaker, this problem was the subject of debate at the time parliament enacted the specific law that we now have. The problem is really one of finding adequate legal definitions that do not rely on a certain responsibility on the part of the hon. member and reasonable medical men. The law we now have places the reliance there. As I read the debate, I think the interpretation of the words in the Criminal Code is clear. The question now is really one of sense of responsibility on the part of medical committees to ensure that they do not rely simply on social or economic factors but only approve abortions where there is serious danger to the life or health of the mother.

Mr. Speaker: Order, please. A number of hon. members are seeking supplementaries on this subject. Perhaps the Chair might be allowed to recognize the hon. member for Burnaby-Richmond-Delta and then call orders of the day.

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NATIONAL HARBOURS BOARD

ALLEGED CONFLICT OF INTEREST IN CASE OF MR. RATHIE—SUGGESTED RESIGNATION—REQUEST FOR INQUIRY

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of Transport. In view of the fact the minister has admitted there is a conflict of interest between the private holdings of Mr. Bill Rathie and his position as a member of the National Harbours Board, will the minister demand that Mr. Rathie give up his position in his private company in order to assure fair representation from him as a member of the National Harbours Board?

● (1520)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think the newspaperman who interviewed me yesterday on this is not responsible for the title which appeared in the newspaper. I said exactly the contrary.

Mr. Reynolds: In view of the minister's statement, will the minister conduct an inquiry into the number of applications presented to the National Harbours Board which have been rejected since Mr. Rathie became a member of the board?

Mr. Marchand (Langelier): Mr. Speaker, I think everybody in Vancouver—the National Harbours Board and Vancouver authorities—knew about Mr. Rathie owing these storage facilities in the harbour. If a decision were taken involving allocation to Mr. Rathie, it would have to be ratified by the National Harbours Board, by the Minister of Transport, by Treasury Board and by cabinet.

Mr. Reynolds: On a point of order, Mr. Speaker, the minister said that everybody knew about Mr. Rathie's position before he was appointed. The minister did not know when he was asked about it by the press; yet he is the one who appointed him.

Mr. Speaker: Orders of the day.

Mr. Lundrigan: Mr. Speaker, I rise on a point of order. I think this is the appropriate time of the year, being the late part of this session, to wonder what happened to the recommendations we made respecting the question period. I know that work is being done and the committee is meeting. Yet today we saw that four members had to stand in their places and raise questions of privilege or points of order in an attempt to remind ministers of their responsibility to impart to the House information being sought by members of the opposition. I notice that the Minister of Finance smiles as I make that point. There have been cases in British parliamentary history where ministers have actually been forced to resign because they refused to give information to the House of Commons.

Ministers sit back and do not reply. The Prime Minister is a clear example of this. They are operating a closed shop. The attitude that ministers manifest in the question period is such that you have to dig, and unless you really dig at something frequently you will not get any information.

May I remind hon. members that today there were in excess of 30 members standing at the end of the 40-minute question period with questions on their minds. This is partly owing to the fact that the government is not willing to respond to the questions that are raised. I think this is a very serious matter as this is the only avenue by which we can hold the government accountable to the Canadian people. It is a very serious responsibility, and I think ministers should be reminded of that.

Some hon. Members: Hear, hear!

Mr. Lundrigan: Second, I do not think it is necessary for us to indulge in months or even years of discussion in order to bring some minor changes to the question period. We must extend the time allocated to the question period; this can be done on a daily basis, once a week, or in some other way by which a small amount of time could be added to the question period per day. It is obvious that either the length of the question period will have to change or the attitude of ministers toward the question period.

Mr. Speaker: Orders of the day.

Mr. Bawden: On a point of order, Mr. Speaker, as I approached the Parliament Buildings before lunch today I noticed that the centennial flame which has burned for many years was not burning. I was going to ask the Minister of Energy, Mines and Resources or the Prime Minister or perhaps the Minister of Public Works, whether this is the result of the immediate reaction to the government's program to conserve energy, or the result of a breakdown with regard to gas supplies, and prices, from western Canada.

Mr. Dubé: Mr. Speaker, so far as I know it was just owing to the change in the weather.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

FOREIGN INVESTMENT REVIEW BILL

PROVISIONS RESPECTING ACQUISITIONS OF CONTROL OF CANADIAN BUSINESS ENTERPRISES AND ESTABLISHMENT OF NEW BUSINESSES

The House resumed, from Monday, November 5, consideration of Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and Motions Nos. 2, 3, 4, 5, and 6.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, according to my recollection, the issues agitating the voters during the last election, in my riding at any rate, were law and order, pollution controls, and foreign investment policy. These are all important issues and the voters were right to have them in the forefront of their minds.

The present government chose to disregard prevailing public opinion with respect to law and order when it introduced Bill C-2. It has done little to take effective measures with regard to pollution control, particularly with respect to tanker routes. Now, we have a foreign take-over bill, as it is called, which is an attempt to control and regulate certain aspects of foreign investment in Canada. What does this offer, Mr. Speaker? Further, in what manner should we accept this offer?

It has been clear to me for a long time that we, in Canada, must do something to secure for Canadians a greater share in the making of decisions which affect the economic activities of this country. Much has been made of the need to obtain a greater share of the equity capital of enterprises operating in this country. Like many other Canadians, it has been my policy to direct my investments along these lines. I have done what little I could, with the excess capital I had for investment, to make sure that what I had was going into the development of Canada through the development of Canadian business and enterprise. If you like, you can call me a nut for insisting on taking this sort of course and not investing in a way that would bring the best economic return. Perhaps I have not been seeking the best economic return. By the same token, you could call several hundred thousand fellow Canadians nuts because we did not calculate in terms of dollars and cents when we put on uniforms some 34 years ago.

By insisting on my investment policy, I have not always gained the maximum return; however, I have always felt, and I still feel, that my return was not really to be calculated in those terms, but, rather, in terms of my helping to promote Canadianism, whether economic or in our political life. The bill before us does nothing to encourage Canadians to follow this practice. Unfortunately, there are some who feel that we must convert economic patriotism, if you like, into a profitable attitude. This aspect of foreign investment deserves much more attention than it is now getting.

The Minister of Finance (Mr. Turner), for example, ought to provide financial inducements to Canadian investors, individual and corporate, by which they will invest more frequently and more heavily in Canadian enterprises. The bill before us makes no attempt to deal with this aspect of investment in Canadian enterprise, and I maintain that therein lies one of its major defects.

Having said that and judging from my own experience, I say that assurance of Canadian equity capital, particularly by individuals, in Canadian companies is not an absolute guarantee of effective Canadian control of those companies. How many of those, in this House owning voting shares in Canadian companies, exercise their voting privileges regularly? Let's be honest now. How many exercise

them regularly? And how many have ever exercised them? Is it not more often your experience that you proceed by proxy or perhaps even by default?

In saying this I do not belittle the value of the incentives for encouraging Canadians to invest in Canadian enterprise. The operations are Canadian; the proceeds come back to Canadians by way of dividends, share options and so on. It becomes more fully a Canadian operation to the extent that this process is carried on with the involvement of and to the benefit of Canadians.

I suggest, therefore, that one of the things Canadians are looking for at this moment is something this bill does not really provide. We are looking for something which, if my knowledge of parliamentary practice is correct, the opposition cannot supply when the government fails to do so, namely, changes in the income tax law which would encourage Canadians to invest in Canadian enterprises and to make it profitable for them to do so. This is a governmental prerogative. I would say, however, that if my party has any hand in the preparation of the next budget, and I have a sneaking hunch we may very well have, you can bet your bottom dollar that I will be arguing this course on my Minister of Finance. I have some reason to believe he will heed that sort of advice.

• (1530)

Some hon. Members: Hear, hear!

Mr. Munro (Esquimalt-Saanich): This bill is defective in a lot of other ways. We have a number of amendments on the order paper, many of them directed toward ensuring greater federal-provincial consultation. The present government, I am sure, will protest violently when I come to my next sentence, but in anticipation of that protest I would just like to say that to organize meetings and enter into dialogue is not to be confused with consultation. It is my contention that, and here it comes, the present government has failed abominably in the area of federal-provincial consultation. It held a Western Economic Opportunities Conference, but what was achieved beyond the fact that federal and provincial ministers met face to face? How much provincial concern was absorbed by the federal government? How much of it was stored up for use when the need arose? What assessments were made of the areas of provincial requirements and the need, on occasion, to get on the phone and talk to the minister involved when crises blow up?

We saw an instance last week of a blatant disregard of a legitimate and understandable concern of a provincial government. This was to be found in the statement made here last Thursday on the energy question by the Minister of Energy, Mines and Resources (Mr. Macdonald). The Alberta ministers directly responsible in the Alberta government for the provinces' resources, including supplies of energy-producing products, gas and oil, were in Ottawa on the Monday and spent nearly all day with the federal minister. I do not know what they talked about at that day long meeting. I was not there. These discussions were private. However, I would be greatly surprised if the federal minister did not get the following message communicated to him in one form or another, either directly which I think most likely, or indirectly. The message must have been put across. Why else, I feel bound to ask, did the Alberta ministers bother to come to Ottawa?

The message that must have been put across would probably read as follows: "Look, we are heading for trouble as a result of the Middle East oil crisis. For Pete's sake, if you have to do anything on the spur of the moment to deal with that situation as it affects Canada, give one or the other of us a call, talk to us; let us know what it is you have in mind to say or do. Let us consult about it. We have had some experience, after all, in producing and seeing to the distribution of hydrocarbons in the energy field, so don't do anything, we implore you, without first getting a reading from us. We have quite substantial supplies. Maybe between us we can get things worked out with the minimum of dislocation all around." That, I firmly believe, is one of the messages the federal minister ought to have received from the Albertans when they were here on Monday of last week. They may not have put it in those terms, but being reasonable men and staunch upholders of Canadianism, they are certain to have left an impression of that sort.

That meeting, let us remember, was on Monday, October 29. Ten days earlier, in the House, in reply to a question put to him by the hon. Leader of the Opposition (Mr. Stanfield) and others relating to a federal pricing policy for oil, the Minister of Energy, Mines and Resources had us all believing that his department was thinking in terms of letting the price of crude oil in Canada be determined on the basis of a formula having, as its principal ingredient, the price of offshore oil arriving in Montreal. That formula, we were given to understand, while not the best price available to Albertan oil producers, would meet their requirements and would satisfy Alberta and formed part of the government's energy policy. Within those limits it seemed possible that the Canadian product would be suitably priced, not to everyone's satisfaction, but as a result of the best option open.

This element, we might have thought, would have figured rather prominently in the statement on energy the minister felt obliged to make last Thursday. And what did we find? We had a bombshell dropped on us in the House in the form of an almost 400 per cent increase in the export tax on oil, without any attempt on the minister's part to mention domestic price levels and still less to have any real consultations with Alberta when the crunch came. Little surprise, then, that the Alberta government is aggrieved.

This is what I mean when I say this government refuses to consult the provinces on matters affecting provincial responsibilities. No one can have confidence in the undertakings which have been given during recent debates that the government would consult the province; those undertakings have to be written into the law. It is for this reason that this particular defect in the bill must be remedied by the passage of one of the various amendments put forward by my colleague, the hon. member for Central Nova (Mr. MacKay).

This government cannot be trusted to administer Bill C-132, as it now stands, should it be passed into law. We have cause for concern because of past experience, and I have gone to great lengths to explain that experience and our misgivings. This government seems determined to

antagonize the provinces rather than consult with them on matters over which they have a dominating interest and, in some instances, jurisdiction.

There is another grave defect in this bill. It deals with only two aspects of the investment of foreign capital, the take-over of an existing enterprise, which will be refused by the agency unless it can be shown that the take-over would be likely to result in a substantial benefit to Canada. The determination of "substantial benefit to Canada" is going to be difficult enough to define as the bill was originally drafted. Even taking into account the industrial and economic policies enunciated by the province in which the enterprise is to be carried on, and enlisting provincial collaboration in doing so as suggested in the amendment submitted by my colleague from Central Nova, there will still be no easy way to define "substantial benefit" to everyone's satisfaction, that is as far as take-overs and new investments are concerned.

The second feature of this bill is the attempt to subject new capital to controls like those imposed on take-over bids. Again, we have the problem of defining with any assurance of success "substantial benefit of Canada". There is, however, an additional area which the bill does not touch. It is the one which I think caused a great deal of concern, heartburn and misgiving during the past election. This is one which caused a great deal of heartburn and misgiving during the last election. It is a great oversight and a dangerous loophole which must be plugged, if not by this bill then by some other legislation. It relates to expansion or diversification of existing foreign-financed enterprises. These should be considered very carefully.

● (1540)

A foreign-financed enterprise which is already operating in Canada or which manages to get itself accepted as a new enterprise here may set its sights on a Canadian-owned and operated enterprise already in being. No names, no pack-drill, Mr. Speaker, but one can think of plenty of illustrations. The initial entry into Canada may, indeed, have been obtained for the express purpose of getting into a position to increase the power base in Canada, and not necessarily in the same field of activity; perhaps it is merely to diversify holdings, spread risks—oil into publishing, manufacturing into resource development or even into running a chain of retail stores.

The legislation before us makes no attempt to regulate or control such a form of activity. It is not, therefore, entirely satisfactory. It fails to respond to the increasingly vocal demands one hears in favour of regaining control of our own affairs. It is a start, and that is all—at least it is a start provided some of the defects to which I have referred can be remedied. Otherwise, it is not likely to be a very effective instrument. In fact, even with our amendments, it would be a clumsy one. I commend those amendments to all hon. members none the less, because without them we shall see another bureaucratic monster in our midst.

Some hon. Members: Hear, hear!

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to address the House briefly today on the particular subject before us and on the needs of the Canadian people. I would like to put the matter in the context of our present

[Mr. Munro (Esquimalt-Saanich).]

situation and the challenges which currently face us. Too often, perhaps, we look at these issues in terms of ideology; we consider legislation in terms of situations which existed a decade or even longer ago.

One of the starting points one might take is that of determining our position with respect to the control of energy in this country, more particularly in the field of oil products. One might ask oneself, what is the basic function of government in this area. Surely, the first charge upon any government of a community, whether it be a municipality, a province or a nation, is to see that the basic needs of the people who live in that community are served—to see that the people have shelter, food and a workable social relationship with each other so that they can live together. These are minimum requirements. A government must conduct its affairs so that this responsibility is discharged.

The energy question is one of the real challenges which face us today. We have left this field to foreign-owned concerns to the extent that some 90 per cent of our resources are controlled by people other than Canadians. The companies concerned are not charged with serving the needs of Canadians. It is true that a National Energy Board has been set up, and that it is charged with ensuring that certain guidelines are observed. But they are minimum guidelines. Other than this, we have left the field to private corporations—multinational corporations for the most part—in the assumption that Canada would be well served.

One watershed was reached, in my opinion, when we decided to build a trans-Canada pipeline. That was the occasion for one of the great debates in this chamber. It was so important that a book was written about it setting out what happened at the time of the debate—the position taken by various parties and individuals and the final outcome. The book set out the roles played. It dealt with the activities of the Murchisons, the great Texas promoters and other oil operators. It also included the role of the late C.D. Howe who was quite properly dubbed minister of everything in the Liberal government of the day. I say this was a watershed, a point of decision in the affairs of this country. Canada decided at that time to leave the oil component of its energy resources in the hands of independent ownership, or private enterprise. It was assumed that by so doing the community would be well served and that consumers would be comfortable and secure. Mr. Speaker, if there is any assumption which has been proven wrong, that one has been proven wrong and it has taken less than 25 years to do so.

The government across the way comes now to the House timidly and hesitantly with a bill which seeks to limit the free rein enjoyed by private enterprise and multinational corporations. It seeks timidly and hesitantly to ensure that the country may be able to protect its own interests and that some government, not necessarily this one but any Canadian government, may be able to take sufficient legislative action as to enable it to control effectively the affairs of the nation and protect the interests of its citizens. The bill before us will not do that. It will not enable the government to control the affairs of the nation effectively. We have reached a point at which we do not exercise effective control, a point at which we find our-

selves entirely without a policy which will meet the needs of the times. We are in a position where one level of government quarrels with another over what to do about the resources which are necessary to provide the heat and power this country needs. The tragedy of it all is that neither we nor the province of Alberta any longer owns the essential resources. These resources have been alienated from our control, and this has happened with our consent. If this measure before the House proposes to do anything, its first objective should be no longer to tolerate the alienation of our resources and our power. Although this may be necessary at times in manufacturing, we should not tolerate the basic resources of this country being wrenched from the control of the Canadian people.

● (1550)

Let me give another example. A few years ago we wanted to ship some grain to the People's Republic of China, which since that time we have recognized. However, at the time the People's Republic of China was one of the bad boys of the world as far as the United States was concerned, so the United States declared that none of the United States companies would be allowed to ship Canadian grain to China. I recall that we needed certain equipment to unload the grain boats when they reached Chinese Ports and the U.S. government even sought to prevent us from using that equipment. But the reason we were able to proceed to export the grain we wanted to export was that the Canadian co-operatives happened to own the most important grain forwarding and grain storage company in Canada.

I suspect that the only reason we owned and controlled at that time, as we still do, 75 per cent to 90 per cent of the grain handling facilities in the prairie regions is that they were co-operative facilities. Had they been privately owned, the chances are they would have belonged to the United States corporations or some other foreign country. In this instance the people, through the co-operatives, owned the facilities. The Canadian Wheat Board, which was and is a Crown corporation, was then in operation. This grain was our product; we had the physical facilities to move and market the grain, and we did so. Had we not been in that position we would not have been able to decide our own destiny at that time.

If any member of this House wants to read a very interesting chapter in the history of grain, then I suggest he read about the U.S.S.R. buying over 400 million bushels of U.S. wheat, about one-third of the crop, from private corporations in the United States. This was a purchase subsidized by the U.S. government with the full complicity of the private grain companies in the U.S., a deal that cost the U.S. taxpayers some millions of dollars. The companies involved included Carghill, Dreyfus, Bunge; it reads like a list of the mighty corporations and makes for fascinating reading.

To complete each deal, the company or corporation concerned would contact the U.S. department of agriculture and ask whether the subsidy and guarantees were still in force. When they received confirmation that they were, they proceeded with the sale, committing the U.S. government and people to millions of dollars, to the benefit of a foreign government. If anyone wants an example of the operation, let them read the story of the amber fields of grain, a record of the consciences of the multinational corporations and the consciences of the rich.

This is a mighty nation that I refer to, Mr. Speaker. It is not Canada, a country of some 20 million people; this is the mightiest nation in the world with over 200 million people, sovereign in its own right; a country whose mighty navy roams the seas and whose army calls the shots. The U.S.S.R., with the help of the multinational corporations moved in and took that country to the cleaners. The result was an increase in the price of food and feed grain, and an increase in the cost of production and of food from which this whole continent still suffers. The principal reason for this was that the United States of America had no real control over the movement and sale of its primary foodstuffs; it had no co-ordinated surveillance over its primary sources of food.

In this country we have. Through the co-operative grain companies that we have built, and through the Canadian Wheat Board, we do have a very large measure of control. What I am saying is that the multinational companies which handle grain did the same thing to the United States food supply that they are now doing to our petroleum supply, and to the supply of heating oil that we in this country are going to need this coming winter. There are two developed countries in our world that have adequate supplies of energy. One is the U.S.S.R.; the other is Canada. The minister in charge of energy in this country stood in the House last night and told Canadian citizens they may be cold in the coming winter. He told them to turn down their thermostats and to switch off their lights. Is this a reflection of an organized community? I suggest it is a shame and disgrace to the Canadian people, and is a reflection on those who have controlled the destiny of this nation up to the present time.

● (1600)

What have we in the way of an agency that could go to sources of energy, even outside our own country, perhaps the Middle East or Venezuela, with the authority to say that we are ready to purchase "X" number of barrels of oil, asking for a firm contract? I suggest that we have no such agency. All we have is a joker associated with the refinery at Come By Chance who appears on television, and he did so last night, suggesting that the Canadian government wants us to sell the refinery products to the United States. That individual does nothing more than make suggestions, while men like Shaheen spend $400,000 chartering the *Queen Elizabeth* to move from a port in the United States to Canada for the purpose of putting on a big party. I should like to know at whose expense that party was thrown. I suggest that, eventually, the expense will be borne by the Canadian taxpayer. I suppose we will be asked to switch off a few lights in order to save energy.

I fully expected the minister across the aisle to rise in his place to say that we have a program which will assure supplies to meet the needs of Canadians. Certainly, we could expect the minister to say that if this program could not be put into effect within three months the government had positive plans to put it into effect within six months or a year. Surely, we should have some indication that the government plans to institute a program under the authority of those responsible for resources in Canada. These resources should be put at the disposal of a Crown

corporation or some agency in order to meet the needs of the Canadian people, but that is not the case. We stand in this Chamber debating this bill and talking about whether we will actually have control of our natural resources. We have talked for some time about the establishment of a Canadian policy which would ensure the future destiny and welfare of Canada.

It is time that we abandoned this wavering position, as illustrated by this bill, and got down to fundamentals. I suggest we must do so before it is too late. We must make a move in the direction of Canadian ownership of Canadian resources. We must do so very quickly in order that we obtain the confidence of Canadian people that we will be able to meet the needs of Canadians in the future.

Mr. J. Robert Howie (York-Sunbury): I am mindful of the problem of foreign domination of Canadian industry and the problem of achieving economic independence for Canada. These problems deserve serious consideration and a wise and effective legislative response. Canada's economic growth and development has depended greatly on foreign investment and it is an essential element in the future growth of many parts of our country. A national policy defining and clarifying the role of foreign investment in Canada is needed if many important decisions relating to this country's economic life are not to be made outside of Canada by non-Canadians and, if in fact, such decisions are to be in our best interests. Fundamental to any such approach is a clearly stated national policy setting out a long-term economic development strategy designed to preserve the economic and political independence of Canada and which will have adequate regard for our very serious problems of regional disparity.

There is no question that Canadians look forward to playing a growing role in Canadian development and economic management. It is no wonder that Canadians view with concern the fact that over one-half of the corporations operating in our country are non-resident owned, and the extremely high percentage of foreign ownership reflected in manufacturing industries concerned with rubber products, petroleum, chemicals and chemical products, primary metals and electrical products. Of equal concern to Canadians is the fact that foreign investors receive a large portion of the grants under special and incentive programs and continue to use Canadian money to expand foreign ownership in the Canadian economy.

Bill C-132, the foreign investment review bill, now before us, seeking to rectify these problems, is essentially a negative document concerned with control of foreign investment in existing and new industries without at the same time dealing with positive measures to ensure the survival and expansion of Canadian companies. It fails to increase Canadian presence in existing subsidiaries within this country or to provide measures for making Canadian capital available to those individuals and enterprises willing and able to make constructive use of Canadian resources and manpower. Canadian risk capital has not been encouraged to match Canadian opportunities and entrepreneurial talent. It is unfortunate that the government has been unable to grasp this concept.

The bill also fails to establish clear standards of good corporate behaviour for the foreign-owned or controlled enterprise.

[Mr. Gleave.]

The government should act in co-operation with the provinces to establish and define key categories of business, and strategic sectors of the economy, which are to be considered reserved for Canadian ownership, for controlled minor foreign participation, or for Canadian development. Clearly, it is imperative that our federal and provincial governments should meet and discover areas in the structure of our natural resources that should be reserved for development in Canada by Canadians and for Canadians. The amount and degree of foreign investment, if any, in these areas should be determined.

There is, I believe, an area in which provincial governments might be encouraged to protect recreational lands around lakes and streams by holding them in the public domain for the use of all our people.

The government must move positively to provide incentives through the tax system to encourage increased investment by Canadians in Canadian firms. The government should move positively, and in concert with the provinces, to encourage and assist businessmen and schools of business administration to provide more extensive and appropriate programs in order to enlarge the pool of entrepreneurial and managerial talent in Canada. In developing the financial institutions required to match Canadian capital with Canadian opportunity and entrepreneurial talent the government should take positive measures to divert financial assistance to new firms in key sectors of the economy to help them import technology and management contracts.

The province of New Brunswick is still in need of external capital in large amounts to provide jobs and opportunities for Canadians living in that province. Indeed, Canadians in New Brunswick are entitled to the assurance that their capital needs will be met, and will not be unduly delayed or hindered by the operation of the foreign investment review agency set up by this bill. New Brunswick is dependent to a great degree on investment from outside to develop new projects and assist in the expansion of existing firms. New Brunswick agencies have tried to attract investment capital to New Brunswick and, since 1970, of 76 projects producing employment for 3,382 persons, about 50 per cent of the capital invested and 40 per cent of the total jobs created were a direct result of investment from outside the province.

In my opinion, this bill must be improved to ensure that provincial points of view will be adequately protected. Without adequate provincial input, the ponderous considerations of the bureaucrats in the foreign investment review agency may result in costly delays, uncertainty and a diminution in the badly needed investment in New Brunswick. There is little in this bill, or indeed in the government's total program, to illustrate positive programs that are put forward to assure that Canadians will be encouraged to save and invest, and that vehicles will be developed to divert adequate savings to the needs of New Brunswick and other slow growth areas, in a manner that will not be contradictory to the national interest.

In short, the government's foreign investment proposals contribute little to increased Canadian participation and/or Canadian ownership in the Canadian economy. We are faced with a relatively negative bill that has the

potential of aggravating the already serious disparities that exist between regions of this country.

• (1610)

Despite the factors set out in the bill which the foreign investment review agency must consider in determining what is in the national interest, the lack of a properly evaluated criterion leaves the agency with outrageously large areas of personal judgment. Some of my colleagues have indicated amendments to strengthen and correct these guidelines, and I am inclined to favour them.

In the administration of this measure, it is imperative that the government recognize that this is essentially a nation of five regions; that our national policies must be flexible enough to give maximum protection to one or two segments without exploiting the others. New Brunswick's bitter experience in monetary, fiscal, energy, transportation and tariff policies is a cause for concern. We in New Brunswick need a comprehensive program to increase Canadian participation in our economy, revisions to the Bank Act and the development of measures to encourage investment of risk capital. This bill alone, without amendments, will not do the job. Even the Canada Development Corporation, if given an expanded role with regional guidelines, can do much to make a positive contribution to the situation, and so too can a requirement that foreign firms make voting shares available to Canadians.

As for New Brunswick, I believe that massive investment is absolutely necessary if we are to progress. I believe that foreign investors should be sought and, provided they become good corporate citizens, be welcomed to our midst as Canadians. A comprehensive approach to national development indicating the acceptable role foreign capital can play is an essential element in the orderly development and growth of Canada. It is in search of this goal that I have attempted to set out some factors to be considered if we are to evoke an effective and comprehensive legislative response.

I have attempted to emphasize the benefits that can accrue to the slower growth regions of Canada with such a positive approach to the problems of economic and political independence while also indicating the hardship that will surely follow from the strictly administered negative approach which now exists in this bill, and which I hope will be expanded and improved by amendments contemplated by my colleagues. The minister can commence the positive approach by giving his assurance that New Brunswick in particular, and all slow growth regions of Canada, will not suffer for want of risk capital because of the provisions of this bill.

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, I should like to speak briefly on the amendments proposed to this bill. It is a matter of record that for a long time our party has been concerned about the growing influence of foreign investment in Canada. It is equally a matter of record that the Canadian people are deeply concerned about the effect of that growing influence on their daily problems, such as the cost of living and problems of this nature. People are worried about where we are heading as a nation. It is the purpose of this bill to provide a screening agency to review, assess and control the extent and influence of foreign investment in Canada. In the words of the bill itself:

> ... the ability of Canadians to maintain effective control over their economic environment is a matter of national concern,

I stress the phrase "a matter of national concern". So far as the extent of foreign investment is concerned, that is a matter of record and I will not expend a great amount of time quoting statistics to indicate the extent of that foreign investment. What I would like to comment upon is the nature of the influence of foreign investment on our country, because it seems to me that an understanding of that influence is basic in considering the amendments that are before us today, and indeed for an understanding of the need for the control of foreign investment in Canada as is laid out in the bill.

The growing influence of multinational corporations is twofold in that it is both economic and political in its effect. It would be a grievous error to conclude that the over extension of foreign investment in Canada endangers our economy only because it deprives Canadians of the ownership of their own industries. It has this effect, of course, with the result that there is a steady drain of Canadian dollars to foreign countries, and in particular to the United States.

Some people are fond of extolling the benefits of foreign investment in our country. They say it brings us jobs, it brings us industries. But the figures tell us that between 1960 and 1969 we lost $2 billion more than we gained through foreign investment, and I cannot for the life of me see how this can be construed to be an advantage. Only last year, dividend interest in foreign owned businesses was exported to the tune of $2.35 billion. In nearly every paper you pick up, there is growing evidence of more and more take-overs of our industries. As early as 1969, which is not too long ago, the *Financial Post* began an editorial in this fashion:

> Clearly, time is running out as far as Canada's independence is concerned. The sweep of foreign (particularly U.S.) control of industry and resources in Canada is not matched in any other industrial country.

But we cannot separate the economic influence from the inevitable political influence of such corporate giants on the affairs of the nations which they invade. Corporate giants such as ITT are multinational only in the sense that they exist in various nations, but as Professor Papandreou pointed out in a recent article in the Canadian Forum, the term "multinational" obscures the fact that such corporations are basically ethnocentric, that is that they operate essentially from their country of origin and that their influence emanates essentially from their country of origin. An American corporation does not become Canadian by the mere device of tacking "Canadian" in front of its name, as in the case, for example, of Canadian General Electric.

Corporate systems, when they become large enough, become instruments of foreign policy of their base country just as in reverse, the base country uses its influence abroad to further the interests of the corporate system. The activities of ITT in Chile are an example of this mutual co-operation between corporation and state. We are concerned in Canada at this moment with a threatened

fuel shortage, and whether we freeze or not this winter lies largely in the hands of foreign-based oil corporations.

The point that I am trying to make, therefore, is that our consideration of the amendments before us should be directed toward strengthening the control of Canadians over the development of their economic resources and to strengthen at the same time their political independence which must, of necessity, be eroded as foreign domination of our economy increases. Make no mistake about it, political influence is the bed partner of economic influence.

The problem of politico-economic domination of our country is of national concern, and that national concern should override regional differences. For this reason, I would oppose any amendment that has the effect of hamstringing the work of the proposed foreign investment review agency. I am thinking in particular of an amendment such as amendment No. 5 in the name of the hon. member for Central Nova (Mr. MacKay) which reads:

In any case where a review or assessment of a proposed or actual investment is likely to affect significantly a province or provinces, a recommendation to the minister thereon shall be submitted by a panel of officers of whom a majority shall be representative of such province or provinces.

● (1620)

If we accept the threat of foreign control, political or economic, of huge multinational corporations then we must rise above consideration of regional differences, and thing together as Canadians in order to regain this country for Canadians. Amendments such as the one I have just quoted place the concern of a particular area over the national concern. Such an amendment places a stumbling block in the way of effective action toward the end visualized by the bill itself, because every measure taken will be subject to agreement, in an area where history shows agreement is the exception rather than the rule.

If Bill C-132 is effectively legislated and administered, it may help protect the interests of the Canadian people as a whole. It is a responsibility of this parliament as a whole to ensure that the government does take effective action to give Canadians some measure of control over their own destinies.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, on rising to take part in this debate, I must first mention the title of the bill, which is an act to establish an agency for the control of foreign investment. Very few pieces of legislation come before this House that are more acceptable in concept. Today, everybody in Canada wants to do something about controlling foreign investment, and the power that foreign investment may have over Canadian lives.

I well remember the former bagman for the Liberal party in Alberta, now a member of the other place, Senator Hays, who also became a minister of agriculture, in a speech in Calgary saying that what we should have was economic union with the United States. I abhorred the thought. I wondered what kind of reasoning it was, but somehow it is the reasoning of some very wealthy people in Canada. They want economic union with the United States. I have never been one of them, but after looking at this bill I have some questions to put to the minister. The Minister of Industry, Trade and Commerce (Mr. Gillespie)

[Mr. Nelson.]

is an obliging person. He is always willing to help. But sometimes in his eagerness to help he may harm, and I am a little worried about that in the present case. There may be harmful parts in this legislation. I can support the over-all concept but, as I say, the remarks of the Alberta senator in Calgary were very much against my general train of thought.

The hon. member for Burnaby-Seymour (Mr. Nelson) said we must put aside our regional beliefs, and rise above that plateau. Those are strange remarks for one coming from British Columbia. I always thought that the mountains created a natural barrier. Whenever I crossed that barrier I found that the people behind it engaged in individualistic thinking. I think the hon. member's dream is a little pious, a little bit hopeful. All of us are not perfect. All of us have been sent to Ottawa to represent our constituencies and regions. We want to make certain that our constituencies and regions develop, believing that, as they develop, so grows Canada.

I well remember during the last election the Minister of Justice (Mr. Lang), who is in charge of the Canadian Wheat Board, saying the government would do something about Vancouver, that it would spend some money there to develop the port. I only point this out to show how we are all determined to help our own regions. Those in power have a record which shows they help their own regions rather than others. I will go on to prove that record, Mr. Speaker. That is why I support the amendment before us calling for regional representation when hearing the various applications.

I had placed a question on the order paper asking how much money had been spent by the government on the various ports throughout Canada during the last five years. I selected the period of five years because that covers the time since the government took office. In 1967, the federal government spent something like $17 million on the port of Vancouver. Each year from 1967 to 1972 this amount dropped off, until it reached $6 million or $7 million in 1972. I might add that Vancouver is the largest port in Canada. It handles 27 per cent of all tonnage entering and leaving Canada.

I thought it strange that the Minister of Justice should come out to Calgary during the election campaign and say the government would spend more money on the port of Vancouver. But on looking at the answer to my question I found a reason. The next largest port in Canada happens to be Montreal. It handles 17 per cent of the total tonnage entering and leaving Canada. Five years ago $19 million was spent on it, and in 1972 $20 million, showing that expenditures there held level. This indicated that some regional preference was shown.

One can point to different regional pressures that have been brought to bear on the government. Walter Stewart in his book "Divide and Con" has pointed out the regional pressures that develop. In case somebody has not read it, I would quote from page 160 as follows:

A $10.3 million park at Mont Sainte Anne, twenty-five miles north of Quebec City, in Liberal Montmorency riding.

A $16 million national historical park in the heart of Jean Marchand's Quebec City riding . . .

A $30 million eighty-six acre park on the Toronto lakefront . . .

Those are example of regional pressure. I think the Secretary of State for External Affairs (Mr. Sharp) exercised some regional pressure with respect to the Toronto project.

A senior citizens' home for Port Hawkesbury, also in Allan MacEachen's riding . . . .

A $30 million dock for Mulgrave, Nova Scotia, which also just happens to be in Allan MacEachen's riding.

There was a little regional pressure there.

The author of this book is not a political person. In fact, I think he says in other books that he is a believer in the NDP philosophy. On page 61 he writes:

. . . my vote goes to Jean Marchand, the Minister, as he then was, of Regional Economic Expansion. Who else would put out a colour brochure listing the $270 million in federal grants pumped into his own area since 1967? Who else would put up a billboard to proclaim the coming of the "Jean Marchand Dam"?

I do not know if that dam has been built yet or not. I just point to these regional pressures that exert themselves in politics. We are all human. I suspect that if the government stays in power those same regional pressures will exert themselves with respect to the application of this bill.

What does the bill really do? Basically, it does three things. It gives the power to block or curtail new foreign money coming into Canada. It gives the power to limit the change of direction of foreign investment already in Canada. For example, I suppose Imperial Oil of Canada would be able to continue to operate in the oil industry here but would not get approval to go into any other line of business. Worst of all, the bill has the power to direct investment within Canada. Perhaps my suspicious mind is at work, but I think it might be said that if this agency is to deal with regional situations an application might be made to start a new factory in Alberta with German or Japanese or any foreign money and the agency might just say "Sorry, we cannot allow any more foreign investment in Alberta. It has too much already and we think it will significantly harm Canada, but you can invest it in some other area." That is where the regional pressures may be exerted.

● (1630)

I think the amendment offered by the hon. member for Central Nova (Mr. MacKay), which states that a majority of the panel hearing the application must come from the region to which the application is applied is a sound one. I remember when DREE was established the minister told this House in good faith that he knew of the political pressures and of all the porkbarrelling accusations that could be made, but he said he would try his best to administer the act in a non-partisan way for the good of the country. He tried his best and as Walter Stewart has said, he was able to publish a colourful brochure listing the $270 million in federal grants that had been pumped into his own area since 1967. So, I do not believe his best is good enough, but it was human. I believe that the agency to be set up by this bill would be just as human and as subject to as many pressures. That is why I think the amendment should be supported.

Another area of the bill which gives me concern is the section containing the words "significant benefit to a part of Canada". What particular part, Mr. Speaker? In other words, if the agency questions an application, the applicant must prove that his investment is likely to create significant benefits for Canada. It might well be said that Michelin was a tremendous benefit to the province of Nova Scotia, but it could be argued, too, by another region of Canada that it destroyed the Dunlop Tire Company in the city of Toronto. The words "significant to the benefit of Canada" are not good enough unless there is some regional representation when hearing the application. The wording would make some sense then. There is no doubt in my mind that Michelin would be of significant benefit to the province of Nova Scotia, but they must know that they have to compete with the other industries in Canada. If they want to move into the markets in central Canada, they know that they have to compete. I believe that term denotes that the part of Canada affected will be all right if it has political clout. If it does not have political clout, however, it will have to go begging and it may be heard or it may not. I do not believe, Mr. Speaker, that as a member of parliament I should assist the passage of legislation that forces people to go begging. Some criteria should be established for equal treatment and a fair hearing. As the representative of my constituents I can ask no more, but I do ask that and I am sure it is no more than any other member of the House asks.

I would like to go into the question of cost, Mr. Speaker. We are told that the whole purpose of this bill was to stop the sale of Home Oil to Ashland in the United States. If that is so, why play around with the figure of $250,000? I think Home Oil sold for something in the neighbourhood of $30 million, so if the object was to stop the sale of Home Oil it is not necessary to also stop all the little enterprises that may come into this country. By that I mean little, individual investments.

Back in 1909 many of my constituents came to this country as American or Japanese citizens. Indeed, many Japanese citizens were forced to move from Vancouver to my area during the last war. But if they came from the United States or Japan or Holland or Germany, they all became first class Canadian citizens.

Some hon. Members: Hear, hear!

Mr. Horner (Crowfoot): They made an investment here. I think the purpose of the foreign investment bill should be to give a board or an agency the right to examine large corporate investments in Canada, not individual investments. A lot of good automotive agencies would not be sold for less than $250,000. There are even a few farms in some of the choice areas of Alberta that could not be bought for $250,000. In my own area, where it is pretty dry, one might be able to get a toe hold for less than that.

Mr. Breau: I do not think so.

Mr. Horner (Crowfoot): The hon. member says he does not think so. Let us suppose for a moment that he is right. Who are we saving the land for, and if it is the sale of land that we are trying to block, are we not being unconstitutional? The hon. member shakes his head in a negative manner. I say that the federal government has no right to interfere with the sale of property within a province. Property belongs to the province. In no way would this

government interfere with the sale of property within the province of Quebec. Let us not fool ourselves about that.

Mr. Breau: It says "business enterprise".

Mr. Horner (Crowfoot): Well, Mr. Speaker, I keep telling my sons that the ranch I am attempting to run is a business enterprise. I sometimes refer to it as a blotter because it soaks up all the money I make. In any case, it is a business enterprise and many farms are business enterprises. If the bill excludes agricultural lands, then the minister should introduce an amendment to this effect or should say that this bill will not interfere with agricultural land in any way, shape or form. The minister steadfastly examines his papers and does not indicate yea or nay to that because he does not want to reach that conclusion. The minister wants this agency to have the power available if it wishes to use it.

I do not believe in the attitude of the province of Saskatchewan with regard to land, Mr. Speaker. I think it is a curse on the agriculture industry of that province. The idea that the government should be the only purchaser and that all lands would revert to the province means that the farmers and ranchers will become like the serfs of the feudal days—they will be serving the government master; the buildings will decay and the land will become non-productive. I do not believe in that. If the minister is headed in that direction, I think we should be told about it before the bill is passed. If he is, he has bought the NDP's concept of socialism, hook, line and sinker. I would not believe it of him, but we certainly have not been told otherwise.

• (1640)

I read the speech of the hon. member for Yorkton-Melville (Mr. Nystrom). He said that his party was not all that fussy about this bill, as it is not strong enough. He went on to say that the screening agency ought to be more powerful, but as the legislation did not say that it had to be more powerful, he rejected the legislation.

An hon. Member: That's the point.

Mr. Horner (Crowfoot): Yes, that is the point. Now, you can see why so many people have been moving out of Saskatchewan and into Alberta. When I go back to my homeland, I am very disheartened. I see the potential there; but developing it takes capital. Considering the attitude of the government of the province, raising such capital will be difficult.

If this agency is set up, will it be instrumental in blocking deals such as the sale of Home Oil to Ashland in the United States? Or, would it block, for instance, the sale of Denison Mines to interests of the Hudson's Bay Company in the United States. Must it play around with every deal that is worth over $200,000?

An hon. Member: Sure it must.

Mr. Horner (Crowfoot): An hon. member to my left says, "Sure it must."

An hon. Member: What about Saskatchewan?

Mr. Horner (Crowfoot): Let me tell hon. members that Saskatchewan contains more mineral wealth than Alberta. We do not have as much petroleum wealth but, certainly, we have more mineral wealth. You will not find copper, potash or uranium in Alberta. Those metals are not there, but they are in Saskatchewan. The province has great potential wealth, yet remains on the list of "have-not" areas of this country. Why? Because governments have not encouraged Canadians to invest a nickel in the development of that area. Actually, Canadians leave Saskatchewan and come to Alberta if they want to invest any money, because they enjoy living in the freer atmosphere of that province.

For the reasons I have outlined, I ask the House to accept the amendment standing in my name, which has been put forward in good faith and which asks the amount of $250,000 as provided for in the bill, be changed to $500,000. Surely, if inflation continues at present rates, $500,000 will not be worth much in a few years.

An hon. Member: It will be enough to buy a garden.

An hon. Member: Soon, that will be the price of a house.

Mr. Horner (Crowfoot): One hon. member suggests that soon that amount will just about buy a garden and another hon. member suggests that it will only buy a house. According to some predictions, by the year 2000 a house in Toronto will cost $250,000, if present inflation rates continue. For that reason I submit that the amendment standing in my name ought to be accepted.

As well, the minister ought to consider a number of suggestions contained in the five motions to amend the bill which the House is now considering. The bill could operate very successfully for the whole of Canada if it took into account regional needs. As well as considering the amount of money which might be involved in any transaction, the government should say that the bill will not apply to agricultural property. I suppose the government will say that only businesses are to be affected. I suppose some members of the government think that the family farm is not a business. Well, if they do not consider it as a business, not many farms will survive under the present Liberal administration.

A financier went on television in Toronto and said that Canadians have all kinds of money to invest in Canada. Well, Torontonians have not been too generous in investing money north of Highway 401. They have not been too generous with northern Ontario, with the area west of the Lakehead in Ontario or, for that matter, with any area outside the province of Ontario. So, that financier, that Torontonian, who suggested that the people of Toronto and of Canada have lots of money to invest in this country, perhaps is thinking as the hon. member for Yorkton-Melville is thinking. That hon. member suggested that Canadians have lots of money for the development of Canada. That being so, how is it that so much money is leaving Canada? Too much Canadian money is being invested elsewhere. I see the hon. member nodding affirmatively. I would not wish to misrepresent his position. Why is so much money leaving Canada?

Mr. Nystrom: It is foreign owned.

Mr. Horner (Crowfoot): If we tax Canadian companies more heavily than we tax internationally set up companies, will we not encourage Canadians to invest in international companies, or in internationally set up companies which operate in Canada? Look at the food industries; very few are not internationally set up. Why? They were forced into that arrangement because of our tax measures. Are they better able to operate that way?

Consider our farm machinery companies. Massey-Fergusson, once a Canadian firm, is now an international firm. A whole host of companies which started out as Canadian companies have now become international companies. During the last seven or eight years Massey-Fergusson periodically threatened to move its plants entirely out of Canada, down to Detroit. Why? The company blamed the tax laws of Canada. Last spring the company threatened to move its combine plant from Brantford, Ontario, to Detroit. Why? The reason, again has to do with the tax laws of Canada.

In considering foreign investment within Canada, we must not forget that we must also encourage Canadians to invest in Canada. Consider, as well, what has happened to the oil industry. What has happened in the past will continue to happen under the tyranny of the present Minister of Energy, Mines and Resources (Mr. Macdonald). He is not interested so much in the long-term well being of Canada, and the encouragement of investment in the oil industry, as in dominating that significant industry.

Many have commented about wealthy Alberta and about how Alberta sold out its oil resources to the extent that it is now almost wholly foreign controlled. Alberta did not sell out. The federal government in Ottawa forced the Canadian-owned oil industry to leave the province. Why was Home Oil forced to sell out to Consumers Gas of Toronto. What were the considerations respecting the Ashland deal? I submit that the oil company was forced to sell out because of the operation of our Canadian tax laws. It had undertaken exploration for oil around the world and in Canada, and was in financial trouble. The company was badly in the hole. It was necessary to find a buyer who would bail the company out of its deficit position. If our tax laws had been adjusted, it would not have been in that deficit position. If our tax laws had not been designed to be of benefit, as they are, to international oil companies, it is possible that Home Oil would not have been forced to seek a buyer. Putting it simply, moral suasion on the part of the government—I say that because the government had not legal power in the matter—forced Home Oil to sell out to Consumers Gas of Toronto, that company being preferred to an American oil company.

One could argue, of course, as I have heard people from western Canada and other regions argue, that the profits of the Home Oil operation will be reaped in Toronto. They will not be readily reinvested in the oil industry, but will be reinvested in the construction industry of Toronto and southern Ontario. One could argue that if Home Oil had been sold to Ashland of Canada, Ashland of Canada would have ploughed some of its profits back into the oil industry of Alberta. Perhaps we might not be as short of oil as we are today. I do not know. It seems to me that there may be some merit in giving the government some power to control the sales of corporations. Earlier today someone mentioned Canadian General Electric, General Motors, Ford and the other big automotive manufacturers. Maybe we could include Home Oil and Denison Mines. Perhaps the government does need an agency to screen foreign take-overs of large concerns like that.

● (1650)

There are all kinds of small towns in my constituency that would love to have some investment in industry. I have put a few thousand dollars into small industries in my constituency over the past 25 years. I lost money on two of them. Invariably, the trouble was getting finances to cover the value of inventory the industry built up and was not able to sell readily. If the products could have been sold as fast as they were made, the company would have stayed in business. Anyone who knows anything about industry knows it is necessary to build up an inventory. If you make a product that sells in the summer, you must build up an inventory of that product in the winter. The value of inventory will eventually kill a small corporation if it does not receive some capital. The industries in the town to which I am referring went begging to the United States to try to get a little foreign investment. They were not able to and, as a result, the two companies went broke.

I have another concern. Recently one of the biggest industries in my constituency was purchased with Japanese money. The owner went hither and yon looking for Canadian money. He spent months in Toronto and Montreal. He visited the head offices of every major chartered bank in Canada. He came away with a sad reflection. I find it sad because it is becoming a more and more accepted reflection in Canada. The owner told me he was going to sell the controlling interest in his plant to the Japanese. I said that was bad. He told me that, in addition to spending months in Toronto and Montreal, he had received a DREE grant. It took a year or two, but he finally got the money. He had reached the conclusion that eastern Canada was not interested in western Canada. I found that terribly sad. I am not referring to the oil industry, but to what might be called an industrial side of the agricultural complex. He said he had to go to Japan to get the money because eastern Canada was not interested in the west.

Mr. La Salle: That is not true.

Mr. Horner (Crowfoot): Thank you very much. I would rather have heard that from the minister, but I appreciate hearing it from my friend and former colleague, the hon. member for Joliette (Mr. La Salle). In any event, that is a widely held belief in western Canada today. I think it is a shame. That is why I urge the minister to accept the concept of some kind of regional representation on the panel hearing the application.

I read the briefs that came before the committee. The province of Saskatchewan, because of the NDP philosophy which originates in Toronto with the major unions, does whatever the NDP here wants them to do. That is obvious from their stand on the oil question and on this particular piece of legislation. When representatives of the province of Saskatchewan appeared before the committee, what did

they say? They said that this legislation needs a little more provincial input. They said they completely buy the concept of some agency controlling foreign investment, but would like to have a little more regional or provincial input. What did the premier of New Brunswick say? Speaking for the four Atlantic provinces, he said they, too, want some consideration.

This bill will probably pass, maybe tonight; I do not know. However, if it does pass, in spite of the extremities of Canada complaining and asking for a little regional representation, if the minister rides roughshod over them, he is not doing Canada a service. He is being arrogant, like the Minister of Energy, Mines and Resources (Mr. Macdonald), and is not paying attention. We are a confederation of regions, a federation of provinces. A few years ago in this House the common expression among all parties was federal co-operative.

An hon. Member: Co-operative federalism.

Mr. Horner (Crowfoot): That is another way of saying exactly what I said. I am pleased to hear the hon. member express it. I wish he were a member of the cabinet. I wish some minister would use that expression every other day or at least once a week. It would be very pleasing to the regions of Canada that do not have a political clout if they could get a little more attention.

An hon. Member: Does Lougheed believe in that?

Mr. Horner (Crowfoot): The premier of Alberta has said time and again that Canada will not go short of oil if he has anything to do about it. He said Canada will not have to pay a price higher than the world price for oil. He said that Canadians will not necessarily have to pay what Americans will have to pay as a result of their foreign policy. Alberta wants fair and equal treatment with regard to its resources, just as New Brunswick wants for its resources and as Toronto wants for its resources and, I might say, has received.

The oil companies have no control over oil in the province of Alberta. The Alberta government controls the oil. It determines how much comes out of the ground, who takes it out and where it goes, whether it crosses provincial boundaries or stays within Alberta. That is the sole prerogative of the Alberta government. That is a point that must be considered when talking about the oil industry.

While speaking about the oil industry, I wonder what political clout the 17 per cent of the Canadian people had who voted for the party on my left and socialism.

An hon. Member: 20 per cent.

Mr. Horner (Crowfoot): I think it was 17.8 per cent, if my memory is correct. I did not look at the hon. member's figures. He can examine mine. Only 17.8 per cent voted for socialism, yet we are getting it in great gobs.

An hon. Member: Not enough.

Mr. Horner (Crowfoot): After reading the speech of the hon. member for Yorkton-Melville, I wondered how much money he has ever tried to raise. I wondered how much money he has invested in some of the small companies around Yorkton. I do not know whether or not he has graduated from university. The last time I asked him, he was still going.

• (1700)

An hon. Member: He pays his taxes.

Mr. Horner (Crowfoot): He pays his taxes.

An hon. Member: Yes, and you give them away.

Mr. Horner (Crowfoot): I don't. Le us look at the Syncrude project. Let us look at the tar sands. The tar sands of northern Alberta were known 200 years ago, around 1775. The first government study of those tar sands was done in 1875. We are now getting close to 1975, and we are barely getting some of the oil out. The Premier of Alberta has gone to great lengths to encourage the development of this resource. Time and time again he has said the only thing which will bring the Arabs to the negotiating table in a proper frame of mind with regard to the price of oil is the presence of alternative oil resources. Well, there are 15,000 square miles of tar sands in northern Alberta.

The Syncrude project, which involves four oil companies, is to cover eight square miles. It will take them 25 years to complete their operations in this area, and to this end it will be necessary for them to raise $1,200 million in capital. We need another company alongside Syncrude. But taking into account the frame of mind of the present government, dominated as it is by that small block to my left, people who say they want socialism up there to develop the tar sands—

Some hon. Members: Right on!

The Acting Speaker (Mr. Laniel): Order. I regret having to interrupt the hon. member but the time allotted to him has expired.

Some hon. Members: Continue.

Mr. Horner (Crowfoot): Might I continue?

The Acting Speaker (Mr. Laniel): That can only be done by unanimous consent. Does the House agree?

Some hon. Members: Agreed.

Mr. Horner (Crowfoot): Thank you. I appreciate the generosity of the House.

An hon. Member: Socialist generosity.

Mr. Horner (Crowfoot): I have learned over the years that the only thing socialists are generous with is their time. They like to talk. They are very poor at producing anything, but they certainly like to talk. And it seems that at times they do not mind listening.

I was referring to the gigantic size of the tar sands—15,000 square miles—and the huge capital investment needed to develop a mere eight square miles in 25 years. In developing this eight square miles, the companies hope to produce 125,000 barrels a day. Now, the Montreal market alone needs 500,000 barrels a day, so if we want to become self-sufficient in Canada more Canadian production is needed. Geologists who have studied the tar sands suggest

there is enough oil there to supply Canada's needs for some 600 years. Production is only now getting started. In the absence of regional representation on the panel hearing an application, and allowing for the frame of mind of the present Prime Minister (Mr. Trudeau), following the socialists and adhering to the socialist concept which they advance, I can easily envisage a confrontation taking place in the years ahead.

The premier of Alberta might go to Japan and say to businessmen there: We want another Syncrude development, another project. We will give you a lease on a further eight square miles. Come over with your millions; don't go into Siberia and develop oil for the Russians there, but help us develop our oil in the tar sands. This may well be the line taken. Of course, I do not know whether or not he is thinking along those lines. I am suggesting one situation which may be created by this agency. In the absence of regional representation on the board, the answer to the applicant might be "No", and then the Arabs would have things all their own way for another ten years when it comes to the pricing of world crude. The only thing that will bring the Arabs to the negotiating table in a sensible frame of mind with regard to the price of crude oil is the development of an alternate source of supply. If the co-operation of the federal government is forthcoming, the Province of Alberta has the ability to develop such a source. It is sad to reflect that we have not received such co-operation to date. However, we in Alberta believe in the future. We hope and believe that the Lord will hear, and that Macdonald will hear along with him. We hope, too, that other cabinet ministers will be a little more attentive, and a little more appreciative of regional considerations.

I shall end on this note. The government would be doing a terrible disservice to unity, a terrible disservice to co-operative federalism if it refused to pay heed to the wishes of the provinces on the eastern and western extremities of Canada. In western Canada, the government of Saskatchewan, in spite of the dominance exercised by people to my left, has asked that provision be made for more provincial input. The premiers of the four Atlantic Provinces have asked for regional consideration. The hon. member for Central Nova (Mr. MacKay) has placed an amendment before the House, and I ask all hon. members to give it most careful consideration. There is nothing in it which the government could find offensive. If the minister cannot accept the word "majority" let him put in the word "equal". Let him endorse the concept that the provinces have a view to express, and allow them a means of expressing it.

I shall deal briefly with another part of the amendment, which asks that as soon as an application is made it shall be the duty of the minister who speaks for the agency to notify forthwith the region or the province in which the applicant wishes to invest. This is only sensible. This is only courteous. But we know it has not happened under DREE. All kinds of industries have made application to DREE. Sometimes they have been told: Yes, we can give you so much money, but we are really not anxious to see it invested over there, because the unemployment rate is not high enough; if you invest it somewhere else, we can give you a little more. Pressure, as between regions and provinces, has been exerted under DREE. Under one of the amendments we are debating, the provinces concerned would be notified right away and would know what was happening. Provinces would know when a company was likely to leave their jurisdiction. They might say, as the people of Saskatchewan would say: "Good riddance". But they might, on the other hand, say, as Albertans would say: "Stick here with your investment".

I propose to end by returning to the subject of my own amendment, as seems only reasonable. I know that a large number of companies began with an investment of less than $200,000. Take the Claresholm Airport as an example. Little companies got started, with the help of United States money in two instances, and today the operation is completely owned by Canadians. There was no harm in these small companies getting started in this way. One of them, a huge company now, is completely owned by Canadians. This is an example of an enterprise capable of being started in a small way. I do not think the agency should concern itself with anything less than a million dollars. But I was modest when framing my amendment because I like the government to accept my ideas—and the government has accepted a good many of them. This government has accepted many of my ideas, but the minister has not accepted one. I should like him to accept the proposition that the sum of $250,000, with the terrible inflation that his colleague the Minister of Finance (Mr. Turner) has allowed to arise in Canada, is not a large amount and that it should be increased to at least $500,000.

• (1710)

Having abused the House with this lengthy speech, the House having been generous in allowing me to speak at length, I might advise hon. members that I shall speak again on the other set of amendments. But I wish that the minister would answer the agriculture question, the enlargement question and the regional representation question. It might facilitate passage of the bill.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Veterans Affairs—Discontinuance of Veterans Land Act benefits—Request for Extension—Reason for action; the hon. member for Northwest Territories (Mr. Firth)—Public Service—Possibility of increase in wage offer to Northwest Territories nurses because of working conditions and cost of living—Danger pay; the hon. member for Wetaskiwin (Mr. Schellenberger)—Agriculture—Suggested increase in research into protein production—government position.

GOVERNMENT ORDERS

[*English*]

FOREIGN INVESTMENT REVIEW BILL

PROVISIONS RESPECTING ACQUISITIONS OF CONTROL OF CANADIAN BUSINESS ENTERPRISES AND ESTABLISHMENT OF NEW BUSINESSES

The House resumed consideration of Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new business in Canada by certain persons, as reported (with amendments), from the Standing Committee on Finance, Trade and Economic Affairs and motions Nos. 2, 3, 4, 5 and 6.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am pleased to say a few words on Bill C-132.

A lot has been written and a lot has been said in recent days on Parliament Hill about this bill. We have all known for quite some time, Mr. Speaker, that we are faced with great problems and those problems are complex.

We know also, Mr. Speaker, that there are ways of solving those problems, particularly in respect of foreign exports, foreign takeovers of our industries and natural resources.

If foreigners own 50 per cent or perhaps 80 per cent of industries and businesses in Canada they are not to blame; we should censure those Canadian leaders who failed to foresee it, who failed to pass the needed regulations and who failed to adjust the economy to facts and reality so all Canadians could own their own, and own and develop their natural resources.

Our resources, Mr. Speaker, are developed by foreigners and we must ask ourselves why. Do we lack technology in Canada? Do we lack labour?

If we do not lack technology, if we do not lack labour, what do we lack, Mr. Speaker? Surely if we lack technology we could import it. That is what one could call foreign capital. After using that technology and acquiring the required knowledge for the developments we want to bring about, then it would be up to us Canadians to either continue using it, keep it or reject it.

Mr. Speaker, we cannot even develop our technology without financing and if foreigners now own the major part of our resources, our developments, our industries, it is because they made the necessary capital available to those who wanted to develop them.

Here in Canada there was a failure to understand what capital is; there was a lack of readiness to use the organizations available that could create the required capital for developments we have to bring into being.

Foreigners availed themselves of that right and created capital on those same assets, those assets we owned, those assets to be developed. They created capital as the developments became possible. That is what we failed to do.

This is what even now few members tell the House; in this way they would find the mean to develop our natural resources and help our future industries. Mr. Speaker, the government has devised a system to promote industrial development.

We find, Mr. Speaker, that a large number of industries are going bankrupt, in spite of the help they received from governments. Then, where is the problem? Capital is placed at the disposal of industries but they cannot operate; it only extends their lives by a few years and eventually they go under. Why? Because the means placed at the disposal of industries by governments are only a restraint, a way to deprive them even more.

Mr. Speaker, a small enterprise has to go deeper into debt in order to benefit from the advantages placed at its disposal. All members know that: a company that wants to receive a $20,000 government subsidy must invest itself $100,000 which amount it does not have because it has been overtaxed in every possible way by governments. The company does not have the capital required for the developments it would like to achieve. Then the Industrial Development Bank was created to loan money to businesses. In order to grant them a $20,000 subsidy we loan $100,000 at the present usurious interest rate of 10 or 12 per cent.

Mr. Speaker, this is not logical. This is taking an unfair advantage because interest rates are too high. So, a small manufacturer who owes $100,000, $200,000 or $1 million, according to the importance of his business, has to repay enormous amounts which are taxed at 40, 50 and even 60 per cent. The small manufacturers cannot afford those exhorbitant interest rates and the enormous taxes they have to pay. This is why nothing can be developped. Almost everything we try to develop is a failure. Such operation gives rise to the accumulation of enormous debts and those who succeed have to work perhaps 10 to 15 hours a day and through hard work they make profits, they increase prices. A few sometimes succeed in this system but at the expense of others. If one succeeds, it is because others have failed. Indeed, they are prevented from succeeding.

Mr. Speaker, we are seeking solutions to that problem. We blame foreigners because they invest here and control our resources. Now I am convinced that we will never regain the ownership of our resources and our institutions if we do not alter our financing procedure which is outmoded, obsolete and leads any industry or enterprise to ruin.

As long as we won't come to grips with this evil, we will get the same results. And the further we go, even if we pass legislation and regulations to side-step foreign investments, or if we tax part of these investments, the more we will paralyze the economy, the greater will be our disappointments. We will experience an increase in the level of unemployment, privations and strikes. But, where can we find a solution? Solutions are right there at hand. If we want to launch a new enterprise in a logical fashion, it will have to be financed through new credits free of interest. We could launch new enterprises in this manner. We will never achieve anything in a 100 years if we continue to pile up debts, otherwise we will continue to keep Canadians under the yoke, to increase taxes and the number of civil servants, thus bringing about an increase in the cost of living, as it happens at present.

• (1720)

Where are we going with all these gimmicks, all these outmoded wild dreams, Mr. Speaker? Where does it all lead us to? It leads us directly to ruin. We are on the brinkmanship of bankruptcy, we are nearing a revolution.

Mr. Speaker, if foreigners can find capital by coining money, we can do the same. If the United States find that developments are inadequate and they require them, and if these developments are obvious and profitable, they will create new capital and thus enable industry to operate. They will allow access to capital at a much more reasonable interest rate than that charged by the Industrial Development Bank which exploits industries to the extreme.

Mr. Speaker, we must think about this and stop moaning and blaming foreigners. We must confess our own sins because we are the ones who have jeopardized our own development. If development is not progressing as it should, again we are the culprits, not foreigners.

In fact, foreigners cannot benefit from the resources made available by our financial institutions. We are the ones who, within our government, can ask our organizations to issue such or such credit at a small rate of interest or at none whatsoever. No foreigners will come here to do it for us. And failing to do it, we will go on having the disappointments we are now suffering and realizing that we are no longer our masters at home, that everything belongs to foreigners. And if this is so, Mr. Speaker, it would be time to find a solution to such a problem.

This bill will not solve the problem. In spite of our intentions to restrict foreign investments, will we find Canadian capital to fill the gap?

Those are the problems the bill should solve, but it offers no serious remedy. According to the bill, some foreign investments must be controlled and reported. But how will it help the provinces in developing our country?

If there were fewer taxes, if we had a balanced economy, in accordance with facts, Canadians would have more purchasing power and make the industry work appropriately. It would not even need the Industrial Development Bank, nor the chartered banks.

If industry could sell its products to Canadians, we would not need all the agencies we have now. Industries could develop if governments would not saddle them with taxes, if they were not saddled with them all. We are driving all businesses and all industries into bankruptcy because of taxes, heavy taxes, and we will let the taxpayers pay for everything.

We are told that private industry has gone bankrupt. No wonder since it is cut off at source. If we do everything to keep people from getting what they want, it is hard for them to do anything.

We are building all sorts of barriers to stop the Canadians who would like to go further and do something. We shut them in and use all possible means to prevent them from going ahead. We find it sad that all our capital and institutions are in foreign hands.

Once again, we are to blame, Mr. Speaker, and we shall never be able to develop our country, our resources and our institutions if the required capital is not made available to Canadians at reasonable interest rates and if we do not lower taxes. There is no other way that we can own something in Canada. We are now losing more and more ground, businesses and industries, and we are becoming less and less able to develop our natural resources because we do not have the required capital. The government is not trying to make this capital available to Canadian citizens. This is why we are in the hands of foreigners; the situation will worsen until they have a large enough share of Canadian business to take over the entire country. That time is perhaps not too far away.

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I welcome the opportunity to take part in the debate at this time. I welcome the fact that the House is now dealing with the amendments and the report stage of this serious measure, and I hope we are close to a final bill which will facilitate the enactment of a foreign investment review act. I waited to speak until those who wished to propose amendments on behalf of their party had spoken—

An hon. Member: They have not all spoken yet.

Mr. Gillespie: I waited until representatives of all parties had the opportunity to speak, Mr. Speaker. The amendments before us refer to two specific areas, to which I intend to address myself this afternoon, namely provincial or regional concerns and thresholds.

Having regard to the amendments now before us, I should like to say a word or two about two other specific points, and I might indicate that we will have an opportunity on third reading to go into these matters in more detail. There were two specific points raised by speakers opposite, one raised specifically by Conservative members. It was suggested that this bill represented a negative approach to the whole matter of foreign ownership, foreign investment and foreign control in Canada. I would say to those hon. members that they should look at the safeguard, look at it clearly, and ask themselves: Is a safeguard a negative instrument or is it a positive instrument? I am talking about a safeguard to the health of and for the future significant benefit of Canada. I ask all hon. members: Is that a negative issue? Is a safeguard negative or is it positive? I think that a moment's reflection might persuade some hon. members that a safeguard—and this bill is a safeguard—is a positive measure.

• (1730)

The other argument that was raised by some of the speakers from the NDP was that the scope of the bill does not go far enough. This particular argument was reflected in an amendment which was ruled out of order—amendment No. 1. But it seems to me that it might be worth noting that the amendment itself clearly shows the difficulties when you come to this area of trying to screen the expansion of an investment or of a business which is already controlled and operating in Canada in a related area.

The reason I raise this matter is that the hon. member for Yorkton-Melville (Mr. Nystrom) referred in his remarks to this particular amendment. He has tried to suggest that in some way equity should be offered to the

Canadian public as a business expands. But clearly it is not easy to define what an expansion of a business is. I think the hon. member had this difficulty and I think his amendment clearly shows his difficulty, because on the one hand he chose sales and on the other hand he chose assets—but it was not clear as to which of these criterion should be followed.

That is only one of the difficulties when you come to the whole question of screening the expansion of existing businesses in Canada which are foreign-controlled. I have not yet seen, heard or received a proposal which would stand up when it comes to that particular question. I asked on a number of occasions before the committee whether an hon. member would suggest an expansion of a business with the addition of a second shift and, if he was not prepared to accept that as clearly an expansion of a business, why would he not? It might well involve the doubling of the operations of that particular firm. Clearly, at this time, if this country, with the most rapidly growing labour force in the world, were to start interposing itself into the day to day business decisions which involve such things as putting on a second shift, increasing the floor space or replacing a machine with a more productive one because that would help the viability of the firm, it would be counterproductive in terms of the objectives of the people and of their representatives in the House to provide job opportunities for the fastest growing work force in the world.

I mentioned those matters only to indicate the difficulty behind the concept. The difficulty is enormous; and in my view, as I said before the committee, these are not suggestions which have really been thought out by those who identify with that particular way of thinking.

With regard to the specific areas with which we are dealing in these amendments, first is the question of regional interests. Some of the arguments of Progressive Conservative spokesmen sounded as if the provinces had no say at all. It seemed to me, as I listened to one or two, that they had not even read the bill and had not addressed themselves to the fact that when this bill was brought forward it carried a number of important changes from its predecessor. One of those important changes is to be found on page 2 under the criteria for determining significant benefits to Canada.

Mr. Hellyer: As the minister understands it, not as the provinces understand it.

Mr. Gillespie: I should like to read part of this clause because it is a new clause and clearly anticipates the interests, the importance and the concern of the provinces in this process. It provides:

> (e) the compatibility of the acquisition or establishment with national industrial and economic policies, taking into consideration industrial and economic policy objectives enunciated by the government or legislature of any province likely to be significantly affected by the acquisition or establishment.

Clearly, the bill before us recognizes the provincial interest in this area and provides that those objectives must be taken into consideration when judging the significant benefit of the proposal. It would seem to me that we have clearly built in a voice for the provinces—but we have not built in a veto.

[Mr. Gillespie.]

Some hon. Members: Hear, hear!

Mr. Hellyer: Not even a voice.

Mr. Gillespie: If we were to accept the amendments, particularly amendments Nos. 2, 5 and 6, each concerned with regions or provinces—and in some instances it is not entirely clear which it is that the proposer has in mind—the effect would be to seriously weaken the bill and to undermine and undercut its effectiveness in the application of the bill.

Mr. Blenkarn: In what way?

Mr. Gillespie: This bill is concerned with a national policy, national objectives, but it also provides for the protection of the provincial interests, and particularly—I should like to underline this—for the weaker provinces. The weaker the province, the more that province is exposed.

Some hon. Members: Hear, hear!

Mr. Gillespie: I think that perhaps Progressive Conservative members opposite have not yet understood or recognized the importance of that point.

The hon. member for Crowfoot (Mr. Horner) referred to regional pressures. He seemed to be suggesting that somehow or other the minister would reflect, whoever that minister might be at any particular time, his own perspective. I should like to assure him and all hon. members opposite that the process of the allowance or disallowance of a proposed takeover or the establishment of a new business is clearly laid out; that the minister will be advised by the officials in the foreign investment review agency, that he will make recommendations, and that the cabinet will decide. So, clearly, if there is concern that the regional interests of Canada will not be reflected at the decision-making point, I hope the hon. member will recognize that the cabinet is the ultimate decision-making body which reflects the regional interests of this great nation.

• (1740)

There was one other point that the hon. member for Crowfoot made. As I listened to him, he seemed to suggest that this bill would in some way provide the government, through the foreign investment review agency, with an instrument for directing investment within Canada. He suggested that this would be a bad thing. Let me assure him that this is simply not true, that the bill itself does not provide, nor does it give to the minister the power to direct investment within Canada. It gives the minister the power to recommend the allowance or disallowance of an investment. It gives the minister and the government the power to bargain for benefits if those benefits are not present in the proposal itself.

Mr. Speaker, I would like now to deal specifically with each of the three amending motions dealing in particular with the question of the provincial interest. I will start with motion No. 2. On first reading it sounds plausible because it restates, or appears to restate, the particular clause I quoted a moment ago, clause 2 (2)(e), with respect to the criterion of significant benefit to Canada. It appears to divide that clause into two paragraphs; in fact,

one has to look rather more carefully at it because it does more than that.

It is not just a question of form. It is very certainly an amendment with respect to substance, because this particular amendment talks about "the compatability of the acquisition or establishment with industrial and economic policies enunciated by the government or legislature of a province in which the enterprise is carried on or the new business is proposed to be carried on." That is new language; it is different language from that which appears in the bill itself. The bill now provides for the government to take into account "industrial and economic policy objectives . . . of any province likely to be significantly affected by the acquisition or establishment."

The amendment focuses only on the province in which the enterprise is carried on or in which the new business is proposed to be carried on. Secondly, the amendment would make it appear that provincial industrial and economic policies would have slightly higher priority than they are accorded in the current bill. I would point out that in the current bill provincial policies are referred to in the same paragraph as national policies. In the amendment they are referred to in a separate paragraph, but the distinction here is not great.

In speaking to this proposed amendment, the following points might be made: by abandoning the words "by . . . any province likely to be significantly affected" the amendment can have a perverse effect in two distinct ways. Let us suppose a firm to be acquired has five plants, in five separate provinces in Canada, but has a substantial plant in only one of them and very small ones in the other four. The amendment would not, on the face of it, give government the authority to attach relatively greater weight to the policy of the province in which the large plant is located.

Conversely, it is quite conceivable that a province may be affected in a very substantial way by a takeover or a new investment, even if the firm to be acquired or the investment which is to be made is not within that province. The province may have a very large interest in a takeover or investment because of its position as a consuming province or because there are plants in the province which are competitive with the firm to be taken over or established. Thus, doing away with the words "by . . . any province likely to be significantly affected" is a step backward. It would remove an essential flexibility from the bill, and that would have the effect of seriously undercutting its effectiveness.

I would now like to turn to motions Nos. 5 and 6. Motion No. 5, also in this general area of provincial or regional interests, was moved by the hon. member for Central Nova (Mr. MacKay). I would like to read it in order to put it in context. It is to delete subclause 7(3), lines 23 to 28, page 18, and substitute therefor the following:

> The minister shall make available to the agency the services of officers who are representative of each region of Canada, including such officers from within the department of the Government of Canada over which he presides as he may designate for the purpose.
>
> In any case where a review or assessment of a proposed or actual investment is likely to affect significantly a province or provinces, a recommendation to the minister thereon shall be submitted by a panel of officers of whom a majority shall be representative of such province or provinces.

The proposal has two parts. The first is that the minister should supply the agency with the services of officers who are "representative of each region of Canada". This may include officers from within his own department. Secondly, whenever the agency makes a recommendation to the minister concerning a foreign investment, the recommendation shall be made "by a panel of officers of whom a majority shall be representative of such province or provinces" likely to be significantly affected.

The proposed amendment can be criticized from two points of view. It is technically weak, and the policy implications conflict with the intention of the bill. Let me deal first with the technical points. It is not clear what is meant by "region." This is a new concept. It does not enter into the bill, nor is it defined anywhere in the bill itself. So one wonders whether the drafter intended "region" or "province." It is not clear. Nor is it clear what a "representative" would be. This is clearly a new concept not to be found elsewhere in the bill. And the drafter does not suggest any definition of the term "representative" because neither "region" nor "representative" are defined. Similarly, it is not clear what would constitute a "panel of officers." In any event, a federal agency cannot be administered by "representatives" of provinces or regions. This, I suggest, is a naïve concept when considered carefully. It can only be administered by people who are unequivocally employed by the federal government.

This is to be an act of parliament. The governor in council is responsible for the decisions, not some ill-defined group of officers who are employees, who are there to analyse and advise but not to decide. Those are technical points. Now I would like to deal with the policy points. The implication of the proposed amendment is that the legislation should be administered in a way which would reflect regional views almost exclusively. Such a view conflicts with a central purpose of the bill, which is to establish and apply a national foreign investment policy. When provinces compete to attract the investor, this has the effect of reducing the benefits which are potentially available to Canada and to the provinces.

● (1750)

Secondly, the interests of the provinces are already well protected. I have reference to the inclusion of two other areas in the bill, one dealing with the transference of information which provides the essential authority for forwarding information to the provinces. But, Mr. Speaker, we must surely avoid amendments which would balkanize the bill. Provincial interests are safeguarded by several provisions, particularly the requirement to take into account stated provincial policies in clause 2(2)(e), page 2; the requirement for the minister to take into account provincial representations in clause 9(d), page 21; and the fact that the minister has explicit authority in clause 14(2)(b), page 26, to make available to a minister or official of a provincial government information relating to a proposed takeover or new investment which has been submitted by the potential investor.

It cannot be stressed too often that the bill will not block foreign investment which is needed by any particu-

lar region. The purpose of the bill is to improve the net benefit to Canada, and the provisions of the bill will provide the government with the authority to negotiate with investors to obtain increased benefits for Canadians. For these reasons I would reject the amendment on both technical and policy grounds.

Let me turn to the other two amendments in this general area proposed by the hon. member for Central Nova. In one, amendment No. 6, he moves that clause 9 be amended by deleting line 32, at page 20, and substituting the following:

"a copy of the notice shall be sent by the agency forthwith by registered mail to the province or provinces likely to be significantly affected by the proposed or actual investment to which the notice relates and"

Mr. Speaker, the effect of accepting this amendment would be to quite drastically change the administration of this bill. I recall that the hon. member said he was concerned about the bureaucratic process involved in administering the bill. I am concerned about it too, Mr. Speaker, because it is a technical and sensitive area. However, the effect of this particular amendment would be to increase enormously the degree of bureaucratic input. It would require the agency to provide all the information with respect to any proposed transaction, and all the information with respect to any takeover or establishment of any new business in all provinces. I think it would be helpful if I were to indicate why I think that might happen. Under the bill, notice under clause 8(1), 8(2) or 8(3) is provided for as follows:

. . . notice in writing to the agency of such proposal in such form and manner and containing such information as is prescribed by the regulations.

It is not simply an indication in writing that a takeover or an investment has taken place. It is, in effect, all the information which the applicant provides. The amendment proposes that the notice and all the information which is part of it, much of which will be confidential to the business, be sent not only to the proposed province of location but it makes mandatory that it be sent to all provinces which are likely to be significantly affected. This could involve virtually all provinces; it would not be clear who would determine whether a province was significantly affected or not. For example, a new tire plant might be considered for an area of the Maritimes. The argument might be that the only other province to be affected would be Nova Scotia—if we think of the Michelin situation—but clearly several provinces might be significantly benefited or affected by such an investment.

Mr. Broadbent: Explain.

Mr. Gillespie: I am sure the hon. member for Oshawa-Whitby (Mr. Broadbent) would agree that, in order to avoid being placed on the defensive, the agency would have to provide the information to virtually all provinces in virtually all cases. This would have a serious effect upon the speed with which applications are handled, and I think it would also have a serious effect upon the confidentiality of the whole process. Clearly, Mr. Speaker, the chance of leaks would be greater. It should be remembered that the federal government has the responsibility for this bill, not the provinces. I would say that there would be the problem of confidentiality and the problem of delay. I think that particular amendment, plausible as it may seem at first glance, would seriously weaken the bill and retard its application in the public interest.

In the time remaining to me, Mr. Speaker, I should like to deal with the other two amendments dealing with thresholds, but perhaps in view of the hour I might call it six o'clock.

The Acting Speaker (Mr. Laniel): Order, please. It being six o'clock, I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Gillespie: Mr. Speaker, before we recessed for the dinner hour we had been dealing with a set of amendments. Three motions, in particular Nos. 2, 5 and 6, deal with an area of provincial or regional concern, although the purport of those amendments is not altogether clear.

I said that after the dinner-hour recess I would be dealing with the other set of amendments which have to do with thresholds with respect to the takeover of Canadian companies. In this regard we should consider two amendments, one of which has been brought forward by the hon. member for Crowfoot, and the other by the hon. member for Yorkton-Melville (Mr. Nystrom). They show that there is not any one magic figure which ought to apply to thresholds; that is to say, there is no magic figure at which the screening process should become operative.

On the one hand, the hon. member for Crowfoot feels that the thresholds in the bill are too low and should be raised. His amendment suggests that the threshold concerning the gross assets of a corporation should be raised from $250,000 to $500,000. On the other hand, the hon. member for Yorkton-Melville feels that perhaps thresholds are too high and should be lowered. He suggests that in view of the second test—and there are two with respect to thresholds, one having to do with gross assets and the other with respect to revenues and sales—the figure should be lowered.

The hon. member for Crowfoot says that we should raise the threshold, that we should double the amount of assets which must be considered in connection with the threshold. The hon. member for Yorkton-Melville says that we should cut in half the threshold which applies to revenues and sales and in that regard we should reduce it from $3 million to $1.5 million.

The issue we face is clearly this: Is there any right figure? I suggest to hon. members that the threshold, by its very nature, represents an arbitrary figure. It will never satisfy everybody. It will never satisfy all interests. However, we hope that it can be a practical working figure which will satisfy the great bulk of Canadian opinion. On the one hand there is an amendment suggesting that we should raise one of the tests, that we should double the figure, and on the other hand there is an amendment suggesting that we should cut one of the tests in half. The

bill clearly stakes out the middle ground which is acceptable to most Canadians.

The hon. member for Crowfoot felt that the threshold was too low, that perhaps too many smaller corporations might be considered under it. He felt that those smaller corporations, in the very nature of things, might not be important. I suggest to him that one of the important aspects of this bill is that it concerns itself with the "comers", the growth industries, the high-technology industries and those small companies that are of concern to the cultural development of Canada. Clearly, if we were to raise to $500,000 the threshold with respect to gross assets, we would remove from the screening process a large number of firms. In my view, and in the government's view, that would not be in the Canadian public interest.

Too often in our history Canadians have developed new and important technology only to find that it slips from our grasp and that other countries obtain the commercial advantages which flow from it. The amendment of the hon. member for Crowfoot is, in my view, such an invitation; it will allow more of this technology to slide across the border—

Mr. Blenkarn: That is pure nonsense, and you know it.

Mr. Gillespie: —or elsewhere. It is apparent that Canadians are upset and anxious because a very high proportion of Canadian book publishing and similar culturally-oriented industries are owned by non-Canadians. We cannot afford to have further takeovers in these areas which are so vital to the development of a Canadian culture and Canadian identity. While the threshold in the bill is admittedly not a high one, there would be serious risks in going to the $500,000 proposal. Therefore, that amendment, in my view, should be defeated.

Turning to the amendment of the hon. member for Yorkton-Melville, I wish to deal with the two tests. One test concerns gross revenue. The bill speaks of $3 million; the hon. member wishes to reduce that figure to $1.5 million. The other test clearly concerns gross assets. I suggest to him and to his party that the gross assets test will pick up many of the smaller companies about which he is concerned if we leave the figure at the $250,000 level. After all, it is the gross assets that are important, that is to say, the addition of all the figures on the left-hand side of the balance sheet, not the net assets. Anyone who is familiar with balance sheets will know that although the figures on the left-hand side of the balance sheet may total $250,000, the shareholders' equity in the corporation may not be more than $20,000 or $25,000.

Admittedly, we are considering an arbitrary level. I suggest that the level in the bill is a balanced one which meets the test of practicality. It is important from the point of view of the operation of the bill; that is to say, it will assist those who are concerned with the administration of this legislation to administer the test in a sensible and operative way.

Clearly, you must consider many concerns when dealing with thresholds. There is the whole question of multi-products—not just one, but many. We have to balance many things here. I suggest to hon. members that the numbers in the bill are as good as we can get at the moment. They are a balance between the views of the Progressive Conservative Party and those of the New Democratic Party. We should give them a fair test. We should put them to the test. If in the future we find they need to be amended, that will be the task of another parliament.

• (2010)

In conclusion, I think that amendments Nos. 3 and 4 which deal with the question of thresholds should be rejected. For the reasons I gave before the adjournment, the amendments dealing with the weakening of the bill—and that is what it would be if we were to extend the power and jurisdiction to the provinces; in some cases almost providing for administrative complexity, a veto power for the provinces—should be rejected as well.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, Bill C-132 sets up a mechanism for the control and operation of foreign investment in Canada. We are entering a new phase and a new direction in our investment policy. I hope the minister will see fit to increase the input of the provinces to this investment tribunal. This is the only way there can be some input from the periphery of the country. In his attempt to throw out the amendments, the minister stated that provincial input is not needed, that this is only a tribunal of investment people and bureaucrats who will make recommendations to cabinet, which in turn will decide fairly and honestly whether the investments should be permitted.

The present experience with the Wheat Board is a good example. The Wheat Board is acting contrary to the interests of many provinces. The pricing of feed grains is considerably less per bushel for barley, wheat and oats than on the markets of the world. In other words, instead of an export tax on oil to the United States, the Wheat Board has instituted a selling policy that is a discounting of grain to feeders and a subsidy to the consumer. If the government wants to subsidize the consumer, this should be done in some other way.

I remind the minister that the Manitoba minister of Agriculture is prepared to seek an injunction in the Court of Queen's Bench because the Wheat Board is not selling grain at the maximum price. A feature story in the *Gazette* states as follows:

> Mr. Uskiw hopes his lawyers will tell him that Manitoba can make a case that the Wheat Board Act instructs the board at all times to sell for a maximum price for the farmer . . .
>
> If Mr. Uskiw cannot make his case stick in Court of Queen's Bench, he may go to the Supreme Court of Canada. On the other hand, if he is given advice not to proceed along these lines at all, he will try another tack that, again, involves constitutional questions covering trade and commerce.

The Canadian Wheat Board was established to pursue a course of action in the interest of the western farmer. I suggest this investment tribunal will be in the same category. After all, the Wheat Board is a selling mechanism for 200,000 permit holders or 800,000 men, women and children. If cabinet can order the Wheat Board to institute policies that are not in the interest of western farmers, they can certainly order any tribunal and direct any investment in a manner that is not conducive to the region affected. I suggest that the Wheat Board would not oper-

ate in the same way if it were dealing with the citizens of Ontario and Quebec because those provinces are large enough to have an effect on the actions of this government body.

Canadians, obviously, have ambivalent feelings about foreign investment. Many people now think it fashionable to regard foreign investment as a bad thing even though by any stretch of the imagination internal Canadian savings would not have been nearly enough to have generated the capital necessary to develop our resources to the stage they are now and give our people the high standard of living that we want and to which we are accustomed. It is fashionable to say that if we had not allowed foreign capital to be invested in our country, we would be better off. I remind those people that the standard of living attained in decades gone by would not have been possible without foreign investment. A classic example is the western oil industry. Until the advent of Leduc in 1954, Canada was totally dependent on offshore and American oil. With the discovery of oil in Alberta, the Canadian industrial capacity markedly increased.

Did Canadian money flow into the development of the western Canadian oil fields? Of course not. What money was available was concentrated in Montreal and Toronto in their own investment needs. They did not invest in western oil. One cannot blame them for that. In fact, most of the drilling for western oil was financed by people south of our border. This was not done by large companies but by individuals, the type of people who like to gamble in high-risk investments. I am referring to those people who like to put in $3,000, $4,000 or $5,000 on an investment. If they lost, fine. If they won, the rewards were big. The American tax department favoured these people for losses incurred anywhere in the world. American taxpayers could deduct this from income. The result was that American individuals contributed a great deal to the finding of oil in western Canada, plus a limited amount as a result of the investment of western Canadian money.

At the present time, most of the drilling by Americans in Alberta is being carried out by independent drillers and is financed in much the same way. We in Canada have followed another tack. In the late forties, many people in western Canada invested in western oil. However, the government changed the tax regulations. The investment could not be deducted unless there was a find. The money dried up immediately. Those who would have contributed to the finding of oil in western Canada were pretty well left out. It took 20 years to have this changed whereby there would be some redress or incentive for those who wanted to invest in this high-risk venture.

It is fashionable to blame our oil prices on American companies. The export tax is justified on the basis that it is only taking from American companies, and that is just and honest. However, without American investment in oil it does not seem likely that the western Canadian industry, even at this stage, would be big enough to supply all of western Canada. Perhaps it should be this way, but it would have added immeasurably to our present problems.

● (2020)

Then again, in the October issue of the *Labour Gazette*, on page 643, we find a small news item stating that Oakville, Ontario, was the city with the highest average income of any Canadian city in 1971. The report adds that Oakville is the site of the Ford Motor Company, a company with a substantial component of U.S. investment. Questions which have been raised in this House suggest that the auto pact is showing signs of not working in Canada's favour, and one gathers from a point made by the hon. member for Oshawa-Whitby (Mr. Broadbent) that these corporations are not investing enough money in new plant expansion in Canada.

The government of Manitoba made a great effort to entice a Japanese bicycle factory to establish in Rivers, offering it all sorts of grants and encouragement. I draw attention to the fact that this was an NDP government. Incidentally, the new review board which this bill proposes would likely have torpedoed that venture because it would have conflicted with the interests of bicycle manufacturers in the east.

Canadians have complained bitterly about DISC programs adopted by the United States, but DISC was designed to do the very thing this bill would do, that is, to keep American investment at home. The threat of DISC programs was sufficient to cause the government to allow hasty tax concessions to corporations and companies engaged in manufacturing and processing. This gave the central Canadian heartland a great advantage over the peripheral regions where there is little manufacturing and processing. The cut in corporation tax is a foretaste of what is likely to happen under the measure we are now considering; the central heartland of the country will be favoured by this agency to the detriment of the periphery.

Now, Mr. Speaker, foreign investment is necessary only to the extent that Canadians fail to generate enough capital to meet their own needs. There seems to be ample evidence that from the point of view of savings we are generating sufficient capital domestically to meet our requirements, though, of course, there is a good deal of imbalance in the situation. Canadians have obviously quit saving as individuals; they tend to put their money into large pools and there is considerable evidence that they now own a substantial portion of many large Canadian concerns.

The picture has changed considerably in a decade. It may be somewhat doubtful that Canadians will continue to save, since there is much less reason for them to save as individuals than in the past. The effect of old age security legislation, the Canada Pension Plan and the provision of health and welfare care for citizens over 65 means that people can live in reasonable comfort on relatively lower personal savings. The passage of savings from one generation to the next is very effectively discouraged by the capital gains tax and provincial estate taxes. These two taxes combined, especially when the capital gains tax matures, will effectively absorb a good percentage of personal savings. To the self-employed, savings are becoming progressively less valuable even when capital is required as a basis for a working income. So whether or not Canadian savings maintain their present level remains to be seen.

In any case, assuming that Canadian savings are, indeed, sufficient for capital formation requirements, the very size of this country and its regional divisions means

that certain areas have access to a high volume of savings, and others to too little. Nor is it easy to move capital from one area to another even if it should be desirable to do so. As our economy matures, I believe we will find it desirable to invest capital around the world, while capital other than Canadian is invested here. Unless we want to build a little Canada with a wall around it, we shall have to follow a policy of this kind. For example, a western Canadian farmer would not, likely, wish to invest in an iron mine in Labrador; but he might well wish to invest in a grain combine, starting his operations in Texas in midsummer and working north right through until the fall, harvesting crops in Canada. This would have obvious advantages as compared with an investment in a project of which he knows nothing and about which he could probably not care less.

The legislation before us has a further flaw inasmuch as it is almost certain to lead to the creation of a czar-like organization of bureaucrats in Ottawa directing the economy of the nation. The hon. member for Yorkton-Melville (Mr. Nystrom) has pointed out that depending on the attitude of the minister or of the officials, the suggested board could become an extremely severe instrument with monopolistic powers or, alternatively, one which exercised scarcely any authority. My own feeling is that, like the tax department, this body will have a profound effect on Canadian business operations.

Mr. Speaker, there is always a danger attached to an Ottawa-based institution. Like imperial Rome, it tends to regard the distant parts of the country as its own preserve to be saved from the misguided ventures in which those who live out in the periphery will indulge in if left to themselves. Under the new policies, the whole executive level of the federal civil service will be drawn from within the Ottawa Valley and we can expect increasing misunderstanding and disinterest in the affairs of those parts of the country farthest removed from Ottawa.

Equally important, in my view, is the fact that pools of capital are now concentrated in very few hands. Perhaps not more than 50 people are really involved in the investment of these huge sums. The rise in the importance of corporate pension funds, mutual funds, insurance funds and registered retirement funds means that the pools of capital available for investment are very large and very concentrated and that their managers exercise enormous control. A brief presented by the Toronto stock exchange indicated that in 1970 corporate pension funds formed one of the largest pools of investment in Canada, totalling over $10 billion in that year; they ranked only behind life insurance as a pool of capital. Personally, I am concerned lest this grouping of capital in very large pools should in the end work to the detriment of Canadians.

The reason I urge the adoption of these amendments, Mr. Speaker, is that action along the lines they suggest would allow for provincial input into decisions affecting foreign takeover applications. The existence of a bureaucratic group in Ottawa, coupled with the concentration of the investment pools in the financial capitals of Montreal and Toronto, would mean, in effect, that people with little knowledge of conditions in the periphery, and indeed little concern for them, could control investment in those areas removed from the centre.

Many of the situations with which the proposed board would be dealing are likely to concern small Canadian companies, perhaps family-owned, faced with succession duties and the imposition of capital gains taxes. Others will involve rundown plants for which a Canadian buyer cannot be found. I do not see that the foreign investment tribunal will affect the provinces of Quebec and Ontario one iota. The tribunal is not likely to act against the interests of either of these provinces because they are too big and too powerful in their own right. But it would certainly be open season as far as the provinces in the west and in the Maritimes are concerned.

Indeed, the federal government has already declared war on the province of Alberta and is carrying on a feud with Manitoba and Saskatchewan in connection with feed grains and wheat. And it could easily become involved in the B.C. lumber question. The amendments go some way toward encouraging citizens who live in western Canada and in the Maritimes to feel that their views will have some effect on the action of the tribunal.

We might also remember that in the western provinces and the Maritimes are situated a great many of the resources whose development and ownership have aroused more controversy than has arisen in connection with developments elsewhere. Indeed, some Canadians seem to be of the opinion that they should not be developed at all, at least not until some time in the future. Ottawa might well take such a view.

I should like to support the hon. member for Crowfoot (Mr. Horner) in his endeavour to have the level raised from $250,000 to $500,000. In this age of inflation we shall hardly have time to turn around before this figure of $250,000 is obviously inapplicable. If, as is estimated, it is costing between $50,000 and $100,000 to provide employment for one worker, then this figure of $250,000 means we are looking at a firm with three or four employees. I think this is one area, if the bill is to find any acceptance in the country, that we should look at very carefully.

● (2030)

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I sat here this afternoon not intending to speak until I listened to several members on my right—and I say "right" in more ways than one—getting to their feet to attack this measure as a proposal that, if it were not going to take us completely down the road to socialism, in a few years at least would move us much more substantially in the direction of Canadian control over our own future than they personally desired.

Mr. Blenkarn: Now, now.

Mr. Broadbent: I hear a few "Now, nows". The hon. member for Dauphin (Mr. Ritchie), who has just taken his seat, said that this bill went too far. The hon. member for Crowfoot (Mr. Horner) spoke earlier this afternoon and he said the bill went too far. It seems to me to make sense for a party like our own to contend that the bill is a pittance, a small move in the right direction, so therefore we will support it although it does not go far enough. But what do you say, Mr. Speaker, of a political party that says it will vote for a bill that goes too far? The logic of that boggles

the mind; however, I am sure a lot of Conservative members do not have that problem.

Mr. Nystrom: They do not have any mind.

Mr. Broadbent: I am sure, Mr. Speaker, you are in a totally impartial position in this debate. I should like to deal specifically with two questions raised by the hon. member for Crowfoot.

An hon. Member: Are you going to talk about the bill at all?

Mr. Broadbent: Yes, I am coming to that. We have just heard another interesting aside from the wit of the Conservative Party, and I hope that he will be joining in the debate later. I want to deal with two matters which I think are of substance and which arise from the comments this afternoon of the hon. member for Crowfoot. In speaking of his own amendment and of other amendments presented by members of that Neanderthal party on my right, having said the bill goes too far but that they will support it he then introduced some amendments that, if anything, could completely vitiate any power that the federal government has to deal with foreign ownership. These amendments want to give the provinces much more control, and my guess is that such control would amount to a veto power over this legislation.

I ask the members of the Conservative Party to think very seriously about the problems particularly of the poorer provinces in this country. Those are among the problems that the federal government has to face in this legislation; not the problems of the big provinces, God forbid. Look at the record of the Tories in Ontario; they have a terrible record but I shall not dwell upon it. The big provinces do not face the same problem of foreign ownership in terms of their own economy, but the small provinces do. The reason is that they are economically weaker and have to generate economic growth and employment, which makes them dependent to a considerable extent on foreign capital. As a result, they tend to outbid each other in their attempts to lure the money of private investors in order to create jobs, and this does permanent harm to the country.

I see some Tories to my right shaking their heads, so let me provide them with a few facts, though I realize that normally facts do not cloud their judgment. Let me begin with the province of which the Leader of the Opposition (Mr. Stanfield) was once premier. What kind of deal did the people of that province get when the province entered into a deal to build a heavy water plant? That has to be one of the worst deals ever made in Canadian history in terms of benefit to the people of that province. A lot of pressure was put upon the premier at that time. I do not say this because he was a Conservative premier, but because he was premier of a province in this country which had economic problems. He entered into a bad deal that cost the taxpayers of his province a lot of money.

Let me move to another province—Manitoba. Again, the Conservative Party probably will not like this example, but the administration that preceded that of Premier Schreyer, a Conservative administration, entered into a deal with Churchill Forest Industries, a deal that should be an utter disgrace to politicians of any party. The deal was cancelled within a matter of weeks or months after Premier Schreyer took office, yet it cost the province of Manitoba over $100 million.

An hon. Member: What did Polymer cost?

Mr. Broadbent: It was a bad deal made by that province which was under economic pressure to create jobs and went to foreign money markets to wheel and deal.

An hon. Member: Move to Polymer, now.

Mr. Broadbent: The hon. member will have his chance. The people of Manitoba got a bad deal.

Some hon. Members: Oh, oh!

Mr. Broadbent: Perhaps, Mr. Speaker, you would contain the members to my right.

Mr. Deputy Speaker: Order, please. The hon. member is making a request which I think should be heeded. He is entitled to the consideration of the House.

Mr. Broadbent: Thank you, Mr. Speaker. The point I am making is that provinces with problems of growth and economic development have to face that issue, and one of the unfortunate facts of Canadian history is that the poorer provinces have had to outbid each other in their attempts to lure foreign investment. This sort of bill will go some way toward dealing with this question. But if too much authority is given to the provinces, as would be the case if the amendments proposed by the Conservative Party are accepted, we will be doing a serious disservice to the whole issue of foreign ownership in this country.

Mr. Deputy Speaker: Order. The hon. member for Athabasca (Mr. Yewchuk) is asking, I think, whether he may put a question to the hon. member for Oshawa-Whitby (Mr. Broadbent). Is that agreed?

Mr. Broadbent: Certainly.

Mr. Yewchuk: If Conservative governments are so terrible, would the hon. member explain why it is that the "have" provinces are the ones that have had philosophical Conservative governments for a long time?

Mr. Broadbent: That is a sad state of affairs which would take a fair bit of time to deal with, and on another occasion I would be glad to comply with the hon. member's request for an explanation. I want to go on to cite a couple of other illustrations in the hope that I might convince my friends in the Conservative Party to withdraw their amendments.

An hon. Member: What about Saskatchewan?

Mr. Broadbent: I hear a member ask about Saskatchewan. I will give the House a nice example from Saskatchewan. There was a company by the name of Parsons and Whitmore from south of our border in the State of New York which had reached an agreement with a former premier of Saskatchewan, Mr. Thatcher, in respect of the building of a pulp mill in that province. That project was to be overwhelmingly financed by the people of Saskatchewan. I ask, wo was to be in control of that project and

who was to get the profit? At the same time I ask, who was to take the risk? Let me assure hon. members that the profits and the equity in the company were to remain with the foreign concern and the risk was to be taken by the people of Saskatchewan. It has become recent Saskatchewan history, particularly as the result of an election campaign, that it was seen that this deal would not work to the advantage of the people of that province, and after Premier Blakeney formed an NDP government in that province the whole arrangement was cancelled.

● (2040)

I might add that not all the people of Saskatchewan were too happy about the situation because, like other citizens of this country, they like jobs, and at the time of this proposed deal they did not think this was a wise decision. However, since then they have been pleased.

An hon. Member: Tell us about the box factory.

Mr. Broadbent: In answer to that hon. member and those people who come from that province, let me give one final example which occurred just a few weeks ago in Newfoundland. I refer to the Shaheen development in that province which has often been described as one of our economically poorer provinces. There has been an attempt by a misguided federal government to assist that province in economic development. This particular project was directed toward a federal-provincial port service development which would be to the benefit of one privately owned foreign corporation. I should like to ask, who was to receive the benefits of this development, and who was to provide the risk? I suggest the answer to that question is that the taxpayers of Canada and Newfoundland would put up the money. We do not know as yet who would benefit in the long run, but in terms of profits they will all go to the company.

Let me conclude this series of examples by pointing out one essential and logical point. It is important for the federal government to assume a national responsibility in respect of foreign ownership so that we do not leave the provinces of Canada, particularly the poorest, in a position where they have to go out in competition with each other for badly needed jobs, at the taxpayers' expense and to the benefit of private investors.

The conclusion, I would draw from the amendments proposed by those of the Conservative Party, particularly the hon. members from the Atlantic provinces and the west, that they have given very little thought to amendments Nos. 2, 5 and 6. Two of those proposed amendments in particular are bad because they would take away from the federal government the kind of authority required to deal with national interests. As the minister said just before the supper hour, there is ample provision in the proposed regulation for the federal government to consult with those provinces which are to be directly involved, and I suggest to those hon. members that they should read the proposed act.

An hon. Member: You should read it.

Mr. Broadbent: Under the proposed measure, the government must give consideration to provincial concerns which are directly affected by any proposed takeover. I suggest that any further regulation would totally hamstring this legislation, and amendments along this line would lead one to the suspicion that the Conservative Party is not really interested in the passage of this measure. It seems hon. members of that party want merely to give the impression of getting on the nationalist bandwagon, but we will watch how members of that party vote at the appropriate time.

Let me now, in the second part of my remarks, deal with this question of public ownership. I should like to deal with this matter explicitly as it was raised by the hon. member for Crowfoot He accused the federal government of taking over the ideas expressed by members of the NDP. Those were not his exact words, but those certainly were the ideas he expressed and I hope that someone will correct me if I am wrong.

The hon. member for Crowfoot suggested, in respect of oil policy, that the federal Liberal Party was really being guided or influenced by the NDP and that this was something that everyone should consider seriously. I wish this suggestion was entirely true. I wish that the federal Liberal Party was moving in the direction of a socialist party. Had that been the case in the past few years, perhaps there would never have been reason for our party coming into existence. The suggestion was that in some socialistic way we have taken over and that in important areas of the petroleum policy, NDP programs had been adopted by this government. My suggestion is that there is no doubt that this government has followed some suggestions put forward by members of this party, but to say that this party has taken over is ridiculous.

I have listened to hon. members from both sides of the House, and it seems to me that the argument involves the whole issue of the role played by private foreign investors in the development of oil reserves in the province of Alberta. The hon. member for Crowfoot outdid his colleague, the hon. member for Edmonton West (Mr. Lambert), in his defence of the oil industry and the provincial government. That hon. member seemed to advance the suggestion, if I understood his argument correctly—

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. I should like the opportunity to hear the contribution of the hon. member for Oshawa-Whitby (Mr. Broadbent).

Mr. Broadbent: The essential point made by the hon. member for Crowfoot in respect of the problem of foreign ownership was that private development is providing fantastic benefits, and I hope that someone will correct me if I am wrong. His argument suggested that future development of our tar sands under the control of foreign international corporations would result in great benefits to the people of the province of Alberta and the people of Canada generally. He suggested that the present government's position in respect of the imposition of export taxes was an iniquitous decision of the worst kind. I think that is what he said. Let me reply briefly to that argument.

It seems to me that the hon. member could not have picked a worse industry in the history of this country to use as an example of one that was providing benefits to the people as the result of private investment. I would ask

him what we actually have as a result of private investment in the petroleum industry. The answer is obvious—we have an industry that is 99 per cent foreign-owned. Hundreds of millions of dollars in profits are taken abroad every year as a result of this foreign ownership, and many jobs are not retained in this country for Canadians.

Some hon. Members: Oh, oh!

Mr. Broadbent: Those who do not agree with my argument will have the opportunity to reply. Foreign ownership in this industry results in the loss of hundreds of millions of dollars in profits and the loss of many hundreds of thousands of jobs. Much of our petroleum industry has been owned for many years by investors in the United States, in England and in The Netherlands. Let me point out to hon. members that Supertest, which was one of the few Canadian-owned companies, was taken over by the British Petroleum Company which is owned by foreign investors and controlling interest is held by the government of Great Britain. I should like to ask hon. members who are those who receive the benefits of that operation in Canada?

Another point I should like to make is this. Because of the foreign ownership of these petroleum companies, the research and development done by young scientists is done by young Englishmen, Americans and Dutchmen rather than by young Canadians. I suggest this is a second negative consequence that results from foreign ownership.

A third point I should like to mention is the fact that because of interests owned by people abroad, the benefits of associated activities in the petrochemical and plastics industries are in effect exported from Canada, and particularly from Alberta. It is not the people of Alberta or the people of southern Ontario, where most of the manufacturing in this country takes place, that benefit from this research and development: the people who receive the benefits of secondary or associated industries are not the people of Alberta or the people of Canada, but the people of Great Britain, Holland and the United States.

Let me point out a third negative consequence of private development of the natural resources of Alberta. The hon. member for Crowfoot talked about doing the same thing in respect of the tar sands as we have done for the rest of petroleum development in the province of Alberta. I suggest to him that the time has come to stop future foreign development of our petroleum industry. We must take this development out of the hands of the private sector and we must take it out of the hands, particularly, of the foreign-owned private sector.

● (2050)

I conclude the point by saying that he could not have selected a better industry in this country to condemn his own case than the petroleum industry of Alberta. The policy of this party is that the future development of the tar sands must depend, not exclusively on the federal government—because the control of resources is within provincial jurisdiction—but on joint federal-provincial public control of the tar sands development so that in terms of future profits we will stop their export, we will keep the research in Canada and the secondary industry will then be built up in Canada and for Canadians, not for people who live elsewhere, so that Canadians and not others will get the prime benefits of our natural heritage.

I conclude by saying that the Tory amendments, if accepted, would vitiate a reasonable proposal—not one that we think will be hallowed in the socialist heavens in the years hereafter, but a measure that goes some way in the right direction. Anyone who can conceivably take that Tory position must be someone who really does not care at all about the future of the economic independence of this country.

Mr. Deputy Speaker: Order, please. The hon. member for Annapolis Valley (Mr. Nowlan) wishes to ask a question. However, the hon. member for Oshawa-Whitby has concluded just within his time limit. It would take the unanimous consent of the House for the hon. member to put his question. Is this agreed?

Some hon. Members: Agreed.

Mr. Nowlan: Mr. Speaker, I have just a short, simple question. I should like to quote the hon. member's question of Monday, October 29, directed to the Minister of Industry, Trade and Commerce (Mr. Gillespie) regarding the automotive pact and the shift in trade to the American side as against the deficit on the Canadian side. The hon. member said:

> . . . in view of the statistics for the last three years which show that during that period more than 95 per cent of the investment in that industry occurred on the American side of the border and hence is likely the principal cause of this shift in trade, can the minister inform the House what he and his officials have done about getting commitments from the automotive industry to ensure that we get our share of investment on this side of the border?

I should like to ask the hon. member if he can point to one line in this bill which would help to induce the automotive industry to make that extended investment on this side of the border?

Mr. Broadbent: I would like to deal in a serious way with what I assume to be a serious question. The hon. member raised the important question about our party's attitude toward the automotive industry in Canada. If I may answer in the time I have, and I think that I have plenty of time in which to reply, and I intend to take it, it seems that in 1964, instead of entering into the Canada-U.S. automotive agreement it would have made more sense for the federal government of that day—I am not trying to evade the question but will try to deal with it from two or three aspects, because the answer is not a simple one—for us to have created an independently-owned Canadian automotive industry. This was the position of our party. The only way that could have been done would have been to rationalize the industry in Canada, to create, if you like—

Some hon. Members: Oh, oh!

Mr. Broadbent: I have a question from the hon. member and I wish he would listen to the answer.

Some hon. Members: Oh, oh!

Mr. Broadbent: We would have to do in this country what the Germans did with Volkswagen. I am sure the

hon. member knows that until recently the controlling interest in Volkswagen was owned by the government of Germany, just as the government of France controls the Renault corporation. We would have had to do in Canada what was done elsewhere. At that time we would have had to nationalize the industry and, instead of having four or five companies, we would have had to put public capital together with private capital to create one automotive firm that would have been very efficient and that would have enabled us, in my judgment, to compete on the North American market.

Some hon. Members: Oh, oh!

Mr. Broadbent: Hon. members do not want to listen. We could have created one company on this side of the border that would have been competitive on the North American market and, indeed, competitive on a world basis. Instead, the government decided—

Mr. Horner (Crowfoot): Is that why you drive a Volkswagen, because you who live in Oshawa?

Mr. Broadbent: As usual, the hon. member for Crowfoot (Mr. Horner) has his facts wrong.

Mr. Horner (Crowfoot): Do you drive a Toyota? Do you drive a Datsun?

Mr. Deputy Speaker: Order, please. I realize that the question might have presented some difficulty to the hon. member.

Mr. Horner (Crowfoot): What car do you drive? You represent the auto workers.

Mr. Deputy Speaker: Order, please. Maybe some hon. members would desire to take part in the general debate, but if the hon. member would try to come to the point as directly as possible, without drawing about 50 of the other hon. members into a discussion, we may be able to proceed to the next speaker who is the hon. member for Peel South (Mr. Blenkarn).

Some hon. Members: Get on with it.

Mr. Broadbent: A question was put to me that I took seriously. I have plenty of time in my allotted time, and I intend to use it to answer the question. First of all, as usual, the hon. member for Crowfoot has his facts wrong. I do not drive a Toyota. As a matter of fact, I have a Pontiac which was made in the city of Oshawa.

Mr. Horner (Crowfoot): When did you buy that? When did you sell the Volkswagen? Put the facts on the table. Was it after the 1972 election, or after the 1968 election, or when you ran for the leadership of your party?

Mr. Broadbent: With even greater consistency he continues to sing a series of misfacts. I have never had a Volkswagen or a Toyota.

Mr. Horner (Crowfoot): Don't beat around the bush. Put the facts on the table.

Mr. Broadbent: The hon. member is wrong.

Mr. Horner (Crowfoot): When did you sell your foreign car?

Mr. Deputy Speaker: Order, please. I wonder if hon. members would give Mr. Speaker the luxury of hearing at least some of the reply. I think I have to say that the time of the hon. member has expired.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: The extra time was given to him by consent. If I do not hear a reply very shortly, I will turn to the hon. member for Peel South.

Mr. Knowles (Winnipeg North Centre): That is a pretty serious threat.

Mr. Broadbent: May I say with respect, Mr. Speaker, that I am answering the question. If there could be less heckling, much less time would be taken. I want to finish my point about the auto industry. Instead of creating our own industry in 1964, the government decided to create the auto pact which set the minimum conditions so that in terms of foreign investment—as a matter of fact, like no other sector in the Canadian economy—for the first time we said to a foreign investor: In order to perform in Canada, you will have to provide a certain degree of production. We said to them that they would have to provide a certain number of jobs in this country—and that is what the auto pact does.

It seems to me that clearly this is what the bill is all about. It says that if we are going to have foreign investment, certain conditions must be met. The question I put to the minister the other day concerns the degree of benefit that we should be taking as Canadians from a foreign-owned industry. In fact, we have made substantial improvements in terms of jobs and in terms of exports since the auto pact. My party's policy is to improve those benefits. So once again the very question raised by the member of the Conservative Party can be turned around against him. He has picked the wrong industry at the wrong time.

• (2100)

Mr. Don Blenkarn (Peel South): Mr. Speaker, we heard an interesting diatribe from the hon. member for Oshawa-Whitby (Mr. Broadbent). To some extent many of us agree that the government has been using DREE programs and other federal assistance programs for the benefit of foreign-owned corporations exploiting our resources. The truth of the matter is that instead of turning his fire on the new government of Canada—

Some hon. Members: Oh, oh!

Mr. Blenkarn: —he should be turning his fire on the old government for selling out this country to foreign owners. I want to remind the members of the NDP to my left, and the members of the NDP opposite, that it was a Progressive Conservative government under George Drew who said, "No, you won't ship out pulp logs from the province of Ontario." And it was a Conservative government under Ross who said, "You won't ship out the pulp product. Instead you will make it into paper here." It is about time

that we in this country processed our resources to the highest degree possible.

Mr. Gillespie: Tell us what the Diefenbaker government did.

Mr. Blenkarn: This is the issue in this bill, and you know it. You haven't done anything about that. Sure, we could have the automobile companies and all the others turned into socialist companies. Sure, we could all go into wearing dark-blue jeans. Those blue jeans of socialism are all they have to offer, and that is all we would get if we had a Crown corporation wasting the taxpayers' money and engaging in ridiculous expense. That is what they talk about as a solution to foreign ownership. I say, let us have foreign ownership and also let us have Canada.

I do not see any reason to address my attention to the members to my left. After all, they are only the rump of the government. We have to address our remarks to the minister and his colleagues. The minister said that this bill will provide safeguards, and he asked: Is this going to be a negative bill or a positive bill? Mr. Speaker, I want you to know that we consider it is a negative bill. We consider it does nothing to promote Canadian ownership. It does nothing to develop Canadian ownership. This is a "thou shalt not" bill. It does not build up Canadians. It does not do anything to create something better. This is a little bill which says that some foreigners cannot come in here and engage in takeovers.

To the extent that it may be necessary that there should be some control over foreign corporations, taking over and grabbing up more and more of our economy, I agree that there should be some regulatory authority. But again let me make it clear that this is a "thou shalt not" bill. It is a negative bill.

Mr. Gillespie: You are really going to leave your party behind you.

Mr. Blenkarn: The minister addressed his remarks to the amendments presented by the hon. member for Central Nova (Mr. MacKay). I will deal first with amending motions Nos. 2, 5 and 6. They represent the legitimate concerns of the provincial governments. Those legitimate concerns were expressed before the committee by all of the provinces that appeared, including the provinces that approved this bill.

I want to remind the minister of the representations made by the province of Ontario when presenting its views on the bill. In essence, the province of Ontario said, "Yes, we need some bill controlling foreign ownership, but there must be close consultation between the federal and provincial governments in the review process". That brief from the province of Ontario also stressed:

> The federal government provide the province in which the foreign investment is proposed with a copy of the notification and any additional information submitted by the foreign investor.
>
> The provinces be provided with full opportunity to submit their views on proposed investments.
>
> The federal government inform the provinces of any additional details concerning the criteria which will be used in the review process . . .
>
> It is also evident that the consideration of provincial viewpoints provides for a regional dimension to foreign investment policy in Canada. Ontario recognizes that the administration of the proposed act must be sensitive to diverse provincial viewpoints. However, the wider interventionist role which will be available to the federal government should not be used as an instrument of regional development policy. In our view, the objective of reducing regional disparities should be pursued through programs which have been directly designed for this purpose . . .
>
> It is of serious concern to Ontario that there be clarification of the manner in which the federal government proposes to ascertain the nature and status of provincial policy objectives for the purposes of the review process.

The minister was present. The province of Ontario thoroughly approved a review process, but at the same time it expressed serious concern. I would point out that amendments Nos. 2, 5 and 6 are proposed by a member from another province, one that sometimes is said to be a depressed province that needs additional regional assistance. I wish to point out that we have had a number of speakers in support of the amendments, one being a member representing the province of Alberta, a province that certainly cannot be termed a depressed province.

The problem is that Canada is composed of regions. Canada is a vast nation. It has great scope, and these amendments will allow for recognition of that scope. They do not destroy the quality of the bill. They do not mean a provincial veto, not by any means. They really mean that the government must consult with the provinces on whether foreign investment is to be allowed or rejected or whether foreign takeover is to be allowed or rejected. They provide for consultation with the provinces directly affected. The minister knows that this is the position of his party.

From the experiences this House has witnessed over past weeks, the minister should know how much a province in this country can really trust the federal government. Members of the government of Alberta were in Ottawa a week ago yesterday. They thought they had a deal with the government. The government does not consult through the normal process. Its attitude towards consultation is demonstrated in the issuance of press releases and the making of speeches.

Members of the federal government do not want to talk. They do not want to consult. The course of events in connection with the oil issue over past weeks has demonstrated that the regions of this country really cannot rely on the Ottawa bureaucracy to protect the national interest of Canada. It is only in that vein that we proposed these amendments and in which I recommend them to this House.

● (2110)

This was a very serious issue before the committee, Mr. Speaker. The representatives of the province of Quebec who appeared were also concerned. I suggest to hon. members on the other side, who come from that province, that they should look seriously at these amendments and not be too bound by the whip, but be bound by their consciences for the good of Canada and the good of their regions.

I shall move on to the question of threshold limits at this point, but I may want to come back to the other issues. The hon. member for Crowfoot proposed a capital limit of half a million dollars instead of the $250,000

capital limit suggested in the bill. This House has been in receipt of two bills in this session dealing with increases in the old age pensions, which I suppose were totally brought about by inflation. We have recently dealt on second reading with amendments to the Canada Pension Plan. Some of the most expressed concerns in settling the railway strike this year arose because of the effect of inflation on railway workers.

When this bill was conceived some three years ago, $250,000 may have appeared to be quite realistic. But with the incidence of inflation, the incidence of growth and the fact that this government has increased the money supply in Canada by 50 per cent in the last three years, that cannot now be considered a realistic figure. To suggest a capital limit of $500,000 today is probably to say exactly what was intended by the authors of the bill when it was proposed to the government some years ago. I think the House should look at the amendment proposed by the hon. member for Crowfoot because it makes sense.

I should like to draw to the attention of the minister the suggestions he made in committee when dealing with the bill. At that time he said he did not anticipate the creation of a new, enlarged bureaucracy but that we would make use of existing industrial expertise and administrative services. He also said that his guesstimate was that from 15 to 20 officers, and an equivalent number of support staff, is all that would be required. Fifteen or 20 people with equivalent support staff—possibly a total complement of 40 to 50 people, and possibly not even that number are expected to handle this bill?

Does the minister expect that a staff of that size could look after every takeover involving corporations having only $250,000 in gross assets? I would remind the House of the minister's statement this afternoon when he said that $250,000 in gross assets may mean $5,000, $10,000 or $20,000 in real capital, with the rest in debt capital. Mr. Speaker, it is a pretty small company that has gross assets of $250,000 in this age. Surely we cannot expect 15 or 20 officers and the equivalent number of support staff to review investments to the low threshold level of $250,000—especially in this age of liberal inflation.

Amendment No. 3 was proposed by the hon. member for Yorkton-Melville (Mr. Nystrom). The hon. member has not had much experience in business and he really does not understand that the gross turnover of $3 million proposed in the bill is not very high. His suggestion to reduce that amount to $1.5 million is totally ridiculous. As I have stated already in connection with the capital amount, if the bill were amended to limit gross turnover to $1.5 million, we would have to hire a veritable army to administer it.

Some hon. members who have already spoken tonight have suggested that this party is against the foreign takeover bill. I deny that categorically and would remind you, Sir, that this party has always been the national party of Canada. This party is the party of Macdonald who made this country. This party is the party of Borden who in 1911 held this country together. And in recent history this is the party that stood and laid a flag across a bench in this House and said something about a pipeline that those fellows gave away!

Some hon. Members: Hear, hear!

Mr. Blenkarn: Mr. Speaker, I think it is high time that the party to the left and the party opposite realized that this party is the party for Canada, and this party has always been concerned about Canadians and the development of Canada for Canadians.

Mr. Gillespie: What did they do in 1958, 1959, 1960, 1961 and 1962?

Mr. Blenkarn: We worked on it then, too.

Mr. Gillespie: You had five years and you did nothing.

Mr. Blenkarn: Let us talk about that. I know the minister wants to talk about these things. I thought it would be proper to get into our basic criticism of the bill at this point. Our basic criticism is that this bill does not provide any incentive to Canadians. When the minister was asked about incentives for Canadians to invest in Canada, he was hard pressed for a reply. I take you, Mr. Speaker, to the report at the committee stage of this bill where the minister made a statement and gave four incentives to Canadians to invest in Canada—the only four that are left. He said there is a tax credit for Canadians to invest in companies in Canada. I would remind the minister that before the amendments to the Income Tax Act tax credit did mean something to investors, but this government so emasculated the Income Tax Act in the supposed improvements to it that the tax credit is not worth as much to investors today as it was three or four years ago.

The minister then said that there are great programs like DREE to encourage Canadians to invest in Canada. The incentives that the government fed to Michelin Tire and Gulf Oil were great incentives, Mr. Speaker—but to whom? This is a giveaway government that does not concern itself with the ownership of Canada. It wants to make a big thing out of this bill and let the Toronto *Daily Star* know that it is doing something for Canadians. The minister says that DREE is a wonderful example of what the government has done.

● (2120)

Mr. Deputy Speaker: Order, please. The time allotted to the hon. member has expired. He may, however, continue if he is given unanimous consent.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Is it agreed that the hon. member for Peel South (Mr. Blenkarn) may continue?

Some hon. Members: Agreed.

Mr. Blenkarn: Mr. Speaker, I thank hon. members of the House for allowing me to continue. I will try not to bore them or the minister. Let me refer again to what he said in committee. The minister went on to say that for small Canadian companies there is a great big limit. They only need to pay 25 per cent, or half the corporate tax rate, until they earn $50,000 in one year. He neglected to say that under the old Income Tax Act small companies had to pay a low rate of tax on the first $35,000 of earnings. That rate would go on and on, and was designed to allow companies to build up their position. Under the current act, the reduced allowance for small businesses ceases after a

business has earned a gross of $400,000 or $50,000 each year for eight years. So when we get down to it, what encouragement has the government given for Canadians to invest?

The government introduced a capital gains tax. It applies to Canadians but does not apply to Americans. Americans can still invest in Canada; they do not pay the Canadian capital gains tax. What did it do about the withholding tax? It said that it would increase it to 25 per cent for foreigners, but it did not renegotiate tax treaties with most favoured nations. As a result, foreigners can come in, take their profits home and only pay 15 per cent.

The government did not follow the Carter commission's recommendations with respect to income tax. It had said that income tax would rise to a maximum of 50 per cent and never go beyond that. It said, as well, that corporate and personal income taxes should be integrated. Those to my left went on and on asking for that. But no, the government did not do that. It made sure that income taxes continued to rise to the 60 per cent level. There was no integration of corporate and personal taxes. Oh, yes, one can see that it is great at holding out incentives—but let us consider a few other things. My leader suggested in the last election, and perhaps the government will implement this, that people who want to buy shares in small businesses should be able to deduct the cost of those shares from income. The government did not support that proposal. Actually, it called the proposal ridiculous. After all, it does not want little people to own businesses in Canada.

There was a further suggestion for an arrangement under which interest on personal loans could be deducted, or applied against business expenses, or the cost of investing in a small business. But this government will not go for that—it will not help Canadians invest in Canada. It was also suggested that banks should be required to give preferred treatment to Canadian borrowers. What is the truth of the matter? How many Canadian corporations are given the prime rate? How many Canadian corporations must go to the government's own agency, the IDB, and pay 12 per cent or 13 per cent for money?

Really, Sir, we are governed by a government that is totally negative. The government does not want to give Canadians a break; it is not interested in building Canada. This government says "thou shalt not"—and that is the total concept behind this bill. We need a total program which will encourage Canadians to be masters of their own house. If Canada is to develop as a nation, it cannot be governed by a government whose only policy is "No."

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I had considered not taking part in this debate until I heard the speech, so-called, of the hon. member for Oshawa-Whitby (Mr. Broadbent). In so far as I could follow the thread of his argument, if there was one, he seemed to say that the only government in Canada that can be trusted with respect to the question of foreign ownership or foreign takeover is the national government and that a province, or sovereign provincial government—

An hon. Member: Sovereign?

[Mr. Blenkarn.]

Mr. Baker: —could not or should not act in this area. That is to say, it could not act with respect to the question of foreign takeover or foreign ownership within its own bailiwick. I thought he said that. It would be remarkable if he did not say that, and I would be greatly surprised. Why do I say that? The attitude of the party to my left has been for many years that only the government can decide what is best for the country, that the private sector has nothing to say. That party says that the more centralized power you can have, the better the country is. I do not accept that philosophy. Even if that were true, I would have to look at that philosophy with a jaundiced eye as it comes from the party which has become the lackey of Trudeau liberalism in this country.

If anything could describe the party to my left to a "T", it is this: they have become the stretcher-bearers of incompetence in this country. Further, if the argument put forward by the hon. member for Oshawa-Whitby is a constitutional argument, then I say his constitutional argument is as fraudulent as a $3 bill.

Mr. Broadbent: That was beautiful. Now speak about my real argument.

Mr. Baker: When I was first elected to this House, I must confess that I did not consider the question of foreign ownership and foreign takeover as being extremely serious. However, having listened to a number of hon. members for whom I have great respect—and that does not include the Minister of Industry, Trade and Commerce (Mr. Gillespie)—I have learned that there really is some difficulty in this country with respect to foreign ownership.

I can read statistics as well as the hon. member for Oshawa-Whitby, and I can see that there is a problem in Canada. The major industries of this country are to a great extent owned by foreigners. I am convinced that we must make an assault on that problem within the next few years. However, we will not make that assault if we use the tools of negativism. That assault will not be undertaken successfully if we merely say, as the hon. member for Peel South (Mr. Blenkarn) suggested, "Thou shalt not do these things".

The government can do certain things. My party says that this is a negative bill because it only attacks one half of the problem. The bill does nothing with respect to the other half of the problem, which involves the question of incentives, the limiting of unemployment, the lessening of the rate of inflation which disturbs people, the creation of new financial institutions, and the implementation of policies which will assist us in our drive to create secondary industry in this country which is Canadian owned. All these things ought to be done. This bill does little to bring these things about. These improvements will not be brought about because the bill does not create the right atmosphere for them. That is our difficulty with this bill.

Mr. Gillies: Tell us about your assault.

● (2130)

Mr. Baker: One matter to which this bill only pays lip service is the whole question of the provinces of this country within confederation. I listened to the hon.

member for Crowfoot (Mr. Horner) and the hon. member for Central Nova (Mr. MacKay) put their cases for their respective parts of this country. I said to myself at that time that we must recognize the fact of confederation. We must recognize that the provinces within confederation to have a certain jurisdiction and a responsibility to their people to meet their problems in their own way.

Speaking as a member from Ontario, if this bill were to pass in its present form, unamended, I do not believe it would give anything more than lip service or tokenism to the whole question of consultation which has been built up in this country. This country was not built because it had to be built. It came together because people in various regions agreed it would be good to build a nation here. That agreement has to be nurtured like a delicate flower. It cannot be tramped on. We cannot have the Minister of Energy, Mines and Resources (Mr. Macdonald) going through it with a big hoe as he did a few days ago. We cannot have the Minister of State for Urban Affairs (Mr. Basford) denying, as he did in Edmonton, the discussion of revenue-sharing for municipalities. We cannot have that attitude if this country is to be strong. This country came together, and will stay together and grow because people of good will see some reason to agree there are varied jurisdictions and a necessity for consultation. I wager that if the oil had been in the province of Quebec, there would not have been the onslaught there was in the province of Alberta.

Some hon. Members: Hear, hear!

Mr. Baker: I listened to the Minister of Industry, Trade and Commerce (Mr. Gillespie) before the dinner break. I tried to find some validity for the reasons he put forward for turning away from the reasonable amendments which we hope the government will adopt in order to breathe some life into the process of consultation.

Mr. Gillespie: Do you want a weak bill or a strong bill?

Mr. Baker: I listened, and I heard nothing—just as I did not hear that interjection. I expected more from the minister. What I heard were the workings of the mind of a technocrat rather than a Canadian public man. I heard the representative of a government that has forgotten everything about consultation except the use of a gunboat. When reviewing the question of foreign investment or co-operation between the federal government and municipalities and the federal government and provincial governments in urban affairs, agriculture and all those things which come under the jurisdiction of varying governments in Canada, the people of Canada will ask this government why there ought not to be that process of consultation, and why the minister said there cannot be any real consultation with respect to this bill. There is an answer to those people who ask that question about the government which they are beginning to doubt more and more.

This government has forgotten the true meaning of confederation. The remedies that should be applied to problems in Nova Scotia or New Brunswick are not the proper remedies to apply in Alberta and British Columbia.

Some hon. Members: Hear, hear!

Mr. Baker: Ontario and Quebec are different to a great degree from the other parts of Canada. There are peculiar remedies for their situations. That is the purpose of the amendments put forward with regard to consultation. It is to breathe some life into the process of consultation which is as old as this country. I regret the minister's statement that he has neglected to note that simple truth of Canadian federalism. It is to give an expression to that simple truth that these amendments were put forward.

With regard to the limits of the threshold, the minister said the figures are arbitrary. I am sure they are arbitrary. I am sure no study was made. Perhaps no study could have been made as to the acceptable level. If they are arbitrary, we ask the minister to consider, in view of the long period of time the figures have been in existence, changing them in view of what happened with regard to the time that has passed and the inflation that has occurred, as the hon. member for Peel South (Mr. Blenkarn) said, largely because of the policies or failure of policies of this government. We believe it would make the bill more workable. The amendments to which this government will be pushed one way or another are with respect to the process of consultation and will continue to give some validity and recognition to the facts of confederation. That is the most important consideration with respect to this bill.

• (2140)

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, the study of Bill C-132 has been very much delayed. Now that the harm has been done, that foreigners have strong control over our business in Canada, it is difficult to make them go back and any such law will never have much utility.

To prevent that the same harm will be done to our national economy in the future, this bill will perhaps stop small foreign firms from setting up in Canada, unless it is to our benefit that they be invited or accepted. However, the existing great corporations will always manage one way or the other to prosper at their normal rate among our Canadian firms.

Small fines of $10,000 will not deter them from continuing their activities.

Bill C-132 contains enough loopholes to let things go on as they are, while allowing us to tell everyone that we now have a legislation protecting Canadian capital and forbidding foreign capital to enter the country unless it is recognized and proven to be of benefit to us.

Mr. Speaker, no need to be very smart to realize that the $10,000 fine could discourage small businesses, but not large ones, from risking their coming here, so that we can consider the legislation to bring further protection to big capital already invested in the country, since it prevents new competition from taking root.

In the long run, the legislation is justifiable in the sense that it will stop foreigners from making new investments, but on the other hand, it will let the capital already invested here expand without any obstacle or penalty.

If we look quickly at the billions of dollars in foreign capital already invested in Canada, can we still state that the legislation brought about by Bill C-132 will stop General Motors from expanding and developing in Canada for

the benefit of the present shareholders who for the most part reside in the United States?

The same applies to Ford Motors, Imperial Oil, the Chrysler Corporation, Shell Canada, the International Nickel Company, Gulf Oil, Canadian General Electric and many other companies. They are also true in the case of the International Business Machines Co., IBM, Rothmans Pall Mall of Canada Ltd., Dupont Canada, Ciments Canada Lafarge Ltée, and so on. Again they apply to the following companies for which more than 50 per cent and even up to 100 per cent of the shares are in the hands of foreigners, most of them American citizens: United Carbide Canada Ltd., 75 per cent of which is in foreign hands; Goodyear Tire & Rubber Co. of Canada Ltd., 86 per cent, General Foods, 100 per cent, Weldwood of Canada Ltd., 74 per cent, and Continental Can Co. of Canada Ltd., 100 per cent.

As you see, the words "of Canada" added to the name of the mother-company do not make the Canadian branch any less foreign as regards ownership, management and profits. I could go on like that indefinitely but as one seldom has the opportunity to get something off one's chest, I should like to give at least a few more names of companies well known to all of us and whose products we use in our daily life: Firestone Tire & Rubber Co. of Canada, owned by foreigners; Standards Brands Limited; Canadian Johns-Manville Co. Ltd.; Lever Brothers Ltd.; Amoco Canada Petroleum Company Ltd., under the control of Standard Oil of Indiana; Sun Oil Co. Ltd., under the control of Sun Oil Co. Ltd. of Philadelphia; Kodak Canada Ltd.; The Proctor & Gamble Co. of Canada, Limited, etc.

So there you have about fifty of the great companies whose capital is wholly or partially foreign, and they are all taking advantage of our natural resources, of a mostly Canadian labour force, and especially of our customers, our purchasing power and our savings, whenever that suits them, when shares are sold on the market.

Mr. Speaker, those are facts we must accept. In the same way, we have to accept foreign capital, whether we like it or not. It is already done, no matter who was responsible for it. Is that what we want to change through the so-called legislation before us today, Bill C-132? Is it those companies we want to hurt? Do we really want those companies to pay $10,000 fines? Will those firms be affected by this minor legislation that we are throwing in their way? One can very well see that it is mere window dressing for the benefit of those who are yapping against the influx of foreign capital in our corporations. But, if we truly want foreign capital to work for Canadians we should not throw it out nor prevent it from coming to help us because if we really need capital and if we do not know how to produce it we must go right at the source of this capital so necessary for our industrial development and our national economy.

If ever we truly want foreign capital to work in this country for Canadians while ensuring reasonable profits to its owners, even a foreign owner, we shall have better things to do than raising small inconveniences as we are trying to do through Bill C-132.

We will not even need to pass new laws to this effect. We will just have to take a hard look at our tax system which, generally speaking, gives too much protection to

corporate capital to the prejudice of income earned through the work of Canadians and even to the prejudice of the purchasing power of Canadians who must pay too much for the goods and services required for their well-being so that corporate profits may be higher whether they stem from Canadian or foreign capital.

Once the government will have decided to render justice to all Canadians whether they be self-employed, unionized or in partnerships, whether they be organized as corporations of any kind, then it will be worthwhile to speak about national economic balance between people, families and corporations and then there will be no question of treating foreign capital differently from Canadian capital because it will always be welcome, will no longer be evil and will be profitable to all Canadians.

Generally speaking, Canadians do not complain about foreign capital which is the basis of our national economy. In fact, the issue is not where it is coming from. The issue is to have capital when you need it. We should not be scared when things go wrong somewhere. Foreign capital is not always to be blamed, neither is our international trade. But we are trying to say that if things are turning out badly it is not our fault. That is the trouble. Nobody wants to take his responsibilities. We refuse to admit that if things go wrong, we too could have contributed to such a state of affairs.

And if we are responsible, it becomes much easier to correct such a situation than to pretend that it is someone else's fault. Instead of always blaming others for our dissatisfaction, let us finally recognize that we have caused it and let us shoulder our responsibilities. Let us correct what is within our reach here, in Parliament. The whole taxation system was under consideration for a great many years and with what results? Under the pretence of levying heavier taxes on large companies, of taxing capital gains, these companies are realizing ever larger profits, accumulating more and more reserves each year; prices never cease to go up everywhere precisely in order to let the companies obtain higher profits and get in more reserves. This is why, despite improved production each year in Canada, our governments run deeper into debt, show ever increasing deficits. People are desparate because of rising prices, but companies are progressing, capitalizing and taking further advantage of the inertia of our government which cares little about the stability of the Canadian economy. It is not important if the capital is supplied by our people or by foreigners; the trouble is not there. But they do not want to see what is wrong. It is the unfair distribution of taxes among individuals and corporations that is wrong; individuals are always Canadian workers, but the capital of corporations may be Canadian or foreign but anyway, this capital is always protected, non-taxable, privileged, encouraged by all kinds of allowed and non taxable reserves.

It is not because the capital is foreign or Canadian that companies are not properly taxed as compared with individuals, but because they are not taxed. Therefore, it would be sufficient to tax them properly, not more than individuals, but equally, that is to say in proportion to their profits.

Besides, Mr. Speaker, are dividends paid on share capital of foreign-owned companies as important as that? Must

we really be alarmed about it? Must we think that the cause of our economic ills depends on the share capital of foreign-owned corporations? If we consider the facts, we will see that dividends paid on foreign capital are very small and that we must not hold them responsible for our economic troubles.

If we look at statistics in this country, we see that out of a production of $103 billion in 1972, the year that ended last March, only $874 million were paid to non-residents, whether from the United States or other countries. Therefore, $874 million out of $103 billion, in 1972, do not even represent 1 per cent of our whole production that goes to foreign countries in purchasing power, under the form of dividends paid on share capital of foreign-owned corporations. As you can see, there is nothing alarming about it. Even though we would prevent foreign capital from being invested as share capital in Canadian firms, we would invite foreigners to invest in Canada several millions of dollars in debenture capital at a fixed interest rate guaranteed by our governments.

There is the great source of foreign capital which profit from our natural resources, from manpower, taxation, thanks to a docile and peaceful people.

Here again we have a bill which says nothing about that channel which remains wide open to foreign capital, as debenture capital, through our governments, with a guarantee that all Canadians agree to work and pay taxes in order to meet the interest on this capital borrowed at a rate of 8 or 8½ per cent for 25 years, examples of which have been seen recently when a commitment was made to pay in interest more than twice the amount borrowed, while the principal will still have to be refunded some day if only we will stop paying an interest rate of 8½ per cent.

As we see, Mr. Speaker, Bill C-132 does not play a very effective role in our national economic balance which we are eager to restore among individuals and corporations, if we want to eradicate inflation, unemployment and poverty. It would be high time to take a comprehensive rather than partial view of the economy and its problems merely resorting to insignificant makeshifts which are wasteful and ineffective.

Here is further evidence of the power which we can exercise on Canadian and foreign companies to make them play their role in the national economy for the benefit of the people, whether it is with foreign or Canadian capital. Let me give you further evidence of our power along this line. I did not invent it. Again, all that is needed is to consult Statistics Canada figures to find the companies' important statements of profits which are ever increasing. Furthermore, the taxes they pay are growing less and less every year, which leaves them with a greater margin of undistributed profits.

On the other hand, personal income taxes are increasing six times faster than corporate taxes. This is extraordinary, but that is the way it is. Therefore, this is an opportunity for our responsible ministers to give a significant role to play to our corporations, whether Canadian-owned or foreign-owned, before the whole of our population. Here are the exact figures for the year 1972 compared with those of 1963. Corporate profits rose from $4.9 billion to $10.8 billion, an increase of $6 billion, but taxes only went up from $1.8 billion to $3.7 billion which leaves $5 billion in undistributed profits for 1972 as compared with only $1.7 billion for 1963 after corporations increased their dividends by only $1.272 billion.

● (2150)

As one can see dividends increased by $550 million over a 10-year period but indistributed profits jumped by $3.4 billion over stated profits which shows that companies always serve themselves better than they do their shareholders and even governments on the profits made with workers, consumers and ever-increasing taxes. In that respect let us not go too far. One only has to look at page 1149 of the Canada Year Book for 1972 to see that individuals paid $2 billion in taxes in 1972 and $9 billion in 1973 whereas corporations paid $1 billion in 1962 and $2 billion in 1971. Corporations are always protected at the expense of individuals and it is the policy of this government in all areas.

There lies the cause of discontent of the people with their governments, federalism, the policy of corporate protection at the expense of the people who suffer from inflation, unemployment and poverty while corporations build up profits and capital through an unfair distribution of taxes. It is as simple as that, Mr. Speaker.

I would like to conclude my remarks on more refreshing thoughts for those who participate in the business of this House. It is well known that everybody tries his best but those who make the decisions are caught in a system that they cannot move easily. This is why the *status quo* is maintained, in spite of the new acts that we adopt. Even these new acts aim at defending the prevailing system, with hardly any semblance of improvements.

But our people are paying more and more taxes and disbursing more money for goods and services which are often rare and ill secured. Yet, it is our function to counterbalance established behaviour patterns and this is what we are doing. Actually, we are doing our best. However, before long, we shall no longer be able to squeeze more juice out of the lemon. Having considered unfairly shared income, let us now turn our attention to equally unfairly shared taxes. We can readily see that all of this is taking place under a capitalistic system which produces well, capitalizes well, but which does not consume quite enough, even where the people complain of hard times, in spite of the increases in pensions and social welfare allowances which have been granted to them. All of this is too little too late, in comparison with the profits which are increasing still more rapidly within larger corporations, on the stock exchange, in large millionaire and billionaire companies while a good many citizens enjoy inflation, unemployment and poverty.

Our natural resources are inexhaustible, our manpower is abundant and our national production is superfluous but we consume only 60 per cent of it per year, for the benefit of companies that accumulate capital at the expense of the people and of the governments, which have deficits. This is a summary of our self made situation which we can correct and which is due to distribution methods that are false or have been made so in the course of our capitalist development.

Mr. Speaker, we are capitalists and we want our capitalistic system to continue to face the present difficulties but

something has to change, not in the system itself, but in ratios and percentages; the correction would be quite simple because it would consist only in having the same concern for human beings as for companies. The whole matter is one of distribution of income and taxes drawn from profits and reserves. Honest comfort and abundance in all households, that is what we must achieve.

[*English*]

Mr. Symes: Mr. Speaker, I wonder whether I might call it ten o'clock.

* * *

BUSINESS OF THE HOUSE

The Acting Speaker (Mr. Laniel): Is the hon. member for Grenville-Carleton rising on a point of order?

Mr. Baker: Yes, Mr. Speaker. I wonder whether I might get some confirmation from the acting government House leader, who I assume is the Secretary of State for External Affairs, what the business of the House will be for tomorrow and for the balance of the week.

Mr. Foster: Mr. Speaker, I understand that we will be continuing with the foreign investment review bill tomorrow. I understand that on Thursday it is planned to have an opposition day, continuing on Friday with the foreign investment review bill, depending on the progress that is made.

Mr. Baker: On the same point of order, might I direct a question to the Secretary of State for External Affairs. There has been some discussion about the statement that the minister might be making on the resolution with respect to the Middle East. Is he in a position to tell the House when we might expect that, and whether it might be a possibility for this week?

Mr. Sharp: Mr. Speaker, if I may be permitted to attempt to answer that question, I have no objection to the resolution being called at any time. I did say to the House, and I still give the same advice, that I think it would be better to wait until the evaluation team that has gone to Cairo reports; I will then be in a better position to tell the extent of the commitment that Canada will be undertaking. I think it would be optimistic to expect that I would want to call it this week.

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MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Laniel): Order. I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-222, an act respecting the Electoral Boundaries Readjustment Act, without any amendment.

[Mr. Allard.]

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

VETERANS AFFAIRS—DISCONTINUANCE OF VETERANS LAND ACT BENEFITS—REQUEST FOR EXTENSION—REASON FOR ACTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I thought I was in second position tonight, but I guess I am first. I have had the chance of glancing up at the press, and since the question that I have put forward is about veterans affairs they can all have a ten-minute sleep.

I again make representation to the Minister of Veterans Affairs (Mr. MacDonald) to try to impress upon him the need to reconsider the phasing out of the Veterans Land Act. In my question to him I mentioned the fact that there are 125,000 veterans who are certified at the present and must make application for loan before March, 1974. I understand that this figure is now approaching 140,000 veterans who qualify for certification and must apply before March, 1974.

● (2200)

It is my understanding, also, that the Veterans Land Act administration expects that only 5 per cent of these 140,000 will come forward. From what I can gather, the department's answer to the question as to why so many veterans have not come forward is that this is because many veterans merely made sure they obtained certification before October, 1968, in the event that they might want to apply for loans. This may be so in some cases, but to my mind, judging from the many letters and grievances arriving in my office—and I am sure this is true of other hon. members—the Veterans Land Act, even with the many amendments brought in over the years, has not kept pace with the changing conditions, particularly with the situation which exists at this time.

For example, under part II of the Veterans Land Act it is provided that veterans can borrow up to $18,000. Everyone who has remained here tonight knows it is impossible to build a home for that amount or, for that matter, even to build a basement. I contend that if the act had been amended to meet inflationary costs, many thousands of veterans would now be taking advantage of their qualification.

Furthermore, a more serious restriction is the lot requirement of one-half an acre. In some cases this can be reduced by 20 per cent. Everyone knows that not only veterans but every citizen in Canada who wants to build a house is burdened with the cost of land which denies him the opportunity of acquiring a home for himself and his family. In this respect the government has failed to meet changing conditions, to the detriment of the war veteran.

With regard to the deadline date for certification of October 1, 1968, it is difficult for me to understand the adamant position the department is taking in stating that

everyone has had an opportunity to apply before that date. The minister knows there are many veterans who, through circumstances beyond their control, were not knowledgeable of the deadline date and are being denied their rights under the charter. This is true even though the minister states that everyone was aware of the situation.

It is worth while mentioning the answer given by the minister in which he stated that we have no right to deviate from the legislation as it now stands. Nothing, to my mind, is farther from the fact. If I had the time I could relate the literally thousands of amendments brought forth since 1920 when the act was known as the Soldier Settlement Act. The amount of the loans has been amended time and time again because of the increase in costs, and lot requirements have been amended from time to time.

If ever there was a time when it would be sensible to lift the deadline for certification, it is now when the housing crisis which exists in Canada was never more acute. The National Housing Act as it exists, with all its improvements, cannot meet the needs of low-income Canadians. We have the machinery already existing under the Veterans Land Act to fill the needs of many thousands of veteran Canadian citizens to whom the government made a commitment many years ago when the then prime minister of the country said, in 1917, that no Canadian would ever be able to say that the government of the day would not fulfil its obligation to the veterans who served their country.

Now, the government of today is reneging on the commitments it made back in 1917. The government can remove the deadline dates, they can increase the amount of loans, and they can reduce the lot requirements by simple amendments; also, they can remove the restrictions on deadline dates. I am sure the minister would want to do this—but instead he is listening to his cabinet colleagues who are denying the veterans their right. Such action cannot be condoned under any circumstances. I hope the minister will tell me why this is being done.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, in considering representations to extend the statutory deadline of March 31, 1974, for qualified veterans to submit loan applications under the Veterans Land Act, it is essential to look at the matter in the perspective of the purpose of the act and its alternative relationship to other rehabilitation measures.

As indicated in previous statements which I have made both in the House and to the Standing Committee on Veterans Affairs, VLA was not designed as a program of urban housing nor as part of a retirement program for persons reaching the end of their productive careers. Its basic purpose was to provide loans for the purchase of agricultural land to be used on a full or part time farming basis by veterans who were interested in this form of rehabilitation program on their return to civilian life following wartime active force service.

It was recognized that many veterans would neither wish nor find it practical to settle under the Veterans Land Act. Two other programs were enacted: university training under the Veterans Rehabilitation Act, and re-establishment credits under the War Service Grants Act. The benefits under all three programs were alternative one to the other. Each veteran had the right to choose whichever plan he considered would best serve his needs and desires. The department's university training program was concluded in the 1950s, and October 31, 1968, was the final date for veterans to use re-establishment credit benefits. As I have mentioned previously in the House, virtually every veteran who writes to me about VLA has used either of the other two alternative benefits.

Having regard for the basic purpose of the Veterans Land Act and its alternative relationship to the other two measures, in 1965 parliament established deadlines to phase out VLA lending operations in a reasonable and orderly manner. By next March, almost 30 years will have elapsed since the end of World War II, and 20 years in the case of the Korean conflict. In the context of a rehabilitation measure to assist veterans to pick up the threads of civilian life following wartime active service, I suggest those genuinely interested in land settlement assistance will have had ample time to find properties suitable for this purpose.

Reference was made to the fact that some 125,000 veterans—I think the hon. member said 140,000—who hold VLA qualification certificates have not applied for VLA benefits. I am satisfied that the vast majority of these veterans simply took the precaution of obtaining such a certificate by the deadline of October 31, 1968. Those with a sincere interest in being established on the land have been settled in the intervening five years or are taking steps to do so before the end of March, 1974.

I have received some representations that March 31, 1974, is premature for qualified veterans still serving in the armed forces. I would like to mention that many such veterans are already established under the act and that others are in the process of doing so. The existing terms of the legislation are sufficiently flexible to accommodate these veterans.

In summary, I believe the terminal dates established by parliament more than eight years ago for the orderly phase out of VLA lending operations were reasonable and realistic at the time and remain so today. By next March approximately 140,000 veterans will have been settled, involving an investment of public funds of more than $1.25 billion. Those are impressive totals, and, I suggest, reflect full attainment of the purposes of this alternative rehabilitation measure as contemplated by the framers of the legislation.

● (2210)

PUBLIC SERVICE—POSSIBILITY OF INCREASE IN WAGE OFFER TO NORTHWEST TERRITORIES NURSES BECAUSE OF WORKING CONDITIONS AND COST OF LIVING—DANGER PAY

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I again wish to raise the matter of pay awards to nurses in Canada's northern territories, which are inadequate almost any way you look at them. I hope the President of the Treasury Board (Mr. Drury) will not hesitate to reopen negotiations with this group of people who could have chosen the right to strike as a means of contract dispute settlement, but instead opted for arbitration. Mr.

Speaker, the nurses are dissatisfied and insulted by the award of the arbitration tribunal.

Nurses at our northern hospitals and nursing stations have been offered a 6 per cent increase at a time when the national cost of living has increased by 8.2 per cent. The cost of living in Inuvik is 68 per cent higher than in the prairie provinces, where the basic wage rates for nurses are higher. In Norman Wells the cost of living is 98 per cent higher. I would like to point out to the President of the Treasury Board and those working under him that the isolation post allowance is ridiculously inadequate to cover this gap.

Allow me, Mr. Speaker, to outline some of the extra responsibilities facing northern nurses to which nurses in the south are generally not exposed. Nursing stations in remote northern areas have no physician nearby and the nurses must often assume responsibilities normally handled by doctors. Sometimes they must escort very ill patients from small settlements to hospitals in the larger communities, and sometimes on to Edmonton. These emergency flights are often hazardous, especially in the winter, and as a pilot I know about the fog and icing conditions that occur, the poor landing strips, and so on. Ten per cent danger pay would not seem an unreasonable demand.

A patient's condition has often been known to change in flight, again requiring special responsibility on the part of the nurse. Northern nurses have had to deliver babies and relieve haemorrhaging patients while in flight in a little Cessna 185. They have to put up with unruliness on the part of psychotics who are to be evacuated. These nurses work long hours. They are under 24-hour standby. They are often shortstaffed, and they must sometimes live in a confined environment. Surely increased sick leave and vacation leave are called for.

The nurses of the Canadian north are required to have two years training besides their high school diplomas. Their work requires heavy responsibility and high professional responsibility. They must work with human life. And what basic wage is the government offering them? Four dollars an hour—only 20 cents an hour more than full-time postal clerks. Their basic wage is to be raised 6 per cent to $7,800 per annum. At the same time, registered nurses in British Columbia receive over $8,000 a year. Auxiliary dental assistants, who require less schooling, get over $9,000.

For their 24-hour standby, nurses at the nursing stations get only 1½ days off per month. Hospital nurses are on 24-hour call for emergency cases, for which the compensation is $1.50 for eight hours, which works out to about 19 cents an hour. Nineteen cents an hour, Mr. Speaker! How can this be considered a responsible rate of compensation? Obviously it cannot.

Of course, under these conditions it is little surprise that the nurses, only a small number of whom are hired locally, do not see fit to stay on for any length of time in the north. Only four nurses currently on staff at the Inuvik hospital have more than one year's service there. It ends up costing the government more money to bring in new nurses than it would cost to give them some incentive to stay. This I consider to be a most deplorable situation.

[Mr. Firth.]

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, the minister is, of course, concerned to minimize the exposure to hazards of all public servants whether they are employed in the north or at the many locations where there are federal government installations across this country. The government, as employer, has issued many safety standards and guidelines in the last two or three years and the safety of public servants is under constant examination by staff at Treasury Board and, of course, by departments who in the final analysis have the responsiblity for the proper and safe deployment of their staffs.

A number of departments, including the Department of Transport, are jointly studying at this very time new policies affecting travel by public servants in chartered aircraft, particularly with regard to isolated areas. At least one department, which deploys its personnel in isolated areas, has already issued interim guidelines for field operations in the north. The government, as employer, puts its emphasis on the means of reducing to acceptable minimums the hazards to which public servants are exposed.

AGRICULTURE—SUGGESTED INCREASE IN RESEARCH INTO PROTEIN PRODUCTION—GOVERNMENT POSITION

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, on July 20, as recorded in *Hansard* at page 5833, I asked the Minister of Agriculture (Mr. Whelan) the following question:

> Mr. Speaker, my question is for the Minister of Agriculture. Because of the high cost of protein, and in view of the fact that Canada could rectify this problem and become self-sufficient in protein production, is the minister now prepared to authorize more money for research into high protein crops and the elimination of thiglucoside in rapeseed?

The minister replied as follows:

> Mr. Speaker, we have research programs in this respect. As I said before, I believe, to some hon. members of this House, I think we are doing more in this field than any other country and plan on doing even more.

Well, Mr. Speaker, the only part of the answer I am satisfied with is the part which states "and plan on doing even more". If Canadian agriculture is to go on feeding the millions of people in the world, improved agricultural research programs must be given more attention. The minister has consistently maintained that his department's research programs are second to none in comparison with what other countries are doing. I question the validity of this statement. However, whether or not it is true, what really matters is whether we are concentrating our efforts in the proper directions and making the optimum use of the talent and facilities available to us.

I maintain that the universities of this country have those talents and facilities available and can propel our research efforts in the proper direction. In recent years Canada's universities have been receiving a smaller and smaller percentage of the research funds available for agriculture. It has now reached the point of being ridiculous, for they are receiving only 1 per cent, that is, $600,000 of a $62 million budget, of those moneys allotted for agricultural research in Canada.

Where are all these funds going? Apparently they are being funnelled into that grey area known as the Depart-

ment of Agriculture research branch, there to be used for some unco-ordinated, nondescript activities, sometimes totally unrelated to the immediate needs of Canadian farmers.

A well known and respected Canadian scientist, Dr. P. D. MacTaggart-Cowan, has stated that it was the policy of the federal Department of Agriculture to monopolize millions of dollars and as a result starve research scientists at universities. It has long been my belief that a university professor can guide and direct as many as 35 research technicians or students toward a specific goal. At the moment most universities are lucky to have one technician for each professional on staff. University research departments are dependent on outside financing in the form of annual grants to maintain their programs. Because of this dependence on annual grants, permanent staff is very difficult to find and to keep. The best people just will not accept positions which offer small salaries and little personal security.

The biggest problem of university research today is permanent staff. As a result of this we have a definite problem of ineffective utilization of professional university people. There is, in spite of the budget, a lack of research funds in western Canada. This is evident not only at CDA research stations but universities as well. Take rapeseed for example: the project at Saskatoon is inadequately funded. In view of the protein shortage experienced this year, we should be pushing ahead at all costs to eliminate glucosinolate in rapeseed. However, I find that the research presently going on is concentrated on the Argentine variety and not the Polish variety which is best suited to the prairie region.

● (2220)

Besides this, I believe there are only six people working on such research. We should be encouraging universities to test new types of soil, climate, etc., for selection reasons. Even considering all this, I find that research in diseases of rapeseed has not yet got off the ground. To my astonishment, I find that the department is taking pride in building new buildings at Charlottetown, Fredericton and now at Lethbridge instead of using existing facilities or improving facilities at universities. I might add that the Alberta government is now stepping into the field in recognizing the problem and is at least guaranteeing the universities of Alberta some technical staff.

Now I shall address myself to protein self-sufficiency. Although I realize that research is being conducted in Ottawa and Winnipeg in regard to Hiproly barley, I suggest that it seems to take the initiative of western hog growers, of the Alberta Hog Marketing Board and of the province of Alberta in order to get research off the ground of any consequence with regard to high protein, high lysin barley. This is so particularly in the province of Alberta, the chief red-meat producing and barley producing province of Canada. And we probably have not begun any research into the use of high protein oats. Groat protein in concentrations of between 23 and 25 per cent has been tested at Iowa State University.

My contention, Sir, is that much more could be done by concentrating research on immediate needs and using university expertise, instead of wasting money on nice buildings and government research hierarchy.

[*Translation*]

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the minister shares the concern of the hon. member for the cost of proteins and other agricultural inputs.

As regards proteins, I can reassure the House by saying that Canada produces more vegetable proteins than it needs for its livestock.

The hon. member has referred to the need for protein research, and it would be appropriate to mention a few aspects of the present studies. Among the most interesting developments, we can mention those relating to the reproduction of soya beans and of oats and feed wheat with a higher protein value, as well as the permanent research projects supported by the federal government at the University of Manitoba concerning the Faba bean (field-bean).

The department is achieving excellent genetic results concerning glucosilanates in rapeseed, and production of a variety of rapeseed with a low glucosilanate content is expected by 1975. This means simply that we then expect to get into commercial production a variety of rapeseed the oilcake from which will be used much more extensively and with a far greater flexibility than that of varieties now in use. The main restriction in all this research has to do, however, with the reproduction rate.

Through the use of hothouses and other technical means, it is possible to get two crops a year, thus reducing considerably the time required for the development of new varieties. This method has speeded up our discovery of some possibly useful varieties, and by combining these results with reproduction in warmer climates during winter, it was possible to get these useful varieties ready for commercial production in a much shorter period.

The hon. member will no doubt remember the establishment of a $1 million fund for the development of new crops, as well as the granting of an important subsidy for the pilot project concerning a plant for the processing of oil and protein in Saskatchewan.

Mr. Speaker, I thank you for having given me the opportunity of speaking briefly on research concerning feed with a high protein content at the Department of Agriculture.

[*English*]

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Wednesday, November 7, 1973

The House met at 2 p.m.

[*English*]

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF SPEAKER OF ONTARIO LEGISLATIVE ASSEMBLY

Mr. Speaker: May I be allowed to bring to the attention of hon. members the presence in the Speaker's gallery of a very distinguished visitor and parliamentary colleague, the Honourable Allen E. Reuter, Speaker of the Ontario Legislative Assembly. Mr. Speaker Reuter is in Ottawa to discuss Commonwealth Parliamentary Association matters with his federal colleagues. On behalf of the House of Commons I extend to him a warm, cordial and friendly greeting.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

SUPPLEMENTARY ESTIMATES (A), 1973-74

A message from His Excellency the Governor General transmitting Supplementary Estimates (A) for the financial year ending March 31, 1974, was presented by Hon. C. M. Drury (President of the Treasury Board) and read by Mr. Speaker to the House.

REFERENCE OF SUPPLEMENTARY ESTIMATES (A), 1973-74, TO STANDING COMMITTEE ON MISCELLANEOUS ESTIMATES

Hon. Allan J. MacEachen (President of the Privy Council) moved:

That the Supplementary Estimates (A), tabled this day, be referred to the Standing Committee on Miscellaneous Estimates.

Motion agreed to.

* * *

● (1410)

UNEMPLOYMENT INSURANCE

STATEMENT ON STATE OF FUND, NEW CONTRIBUTION RATES AND REORGANIZATION OF ADMINISTRATION

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as hon. members know, the Unemployment Insurance Act requires the government to review annually the rate of premiums to be paid by employers and employees during the year ahead.

With the completion of tabulation of the T4 returns for 1972, processed by the Department of National Revenue in September, 1973, and analysed by the commission, we now have accurate and complete financial data for last year. For 1972 the insurable earnings base was $42 billion, 36 per cent of this being the wages or salaries of persons covered by unemployment insurance for the first time and paying a preferential rate; the employer-employee contribution, just recently determined, was $691 million. The cost chargeable to the employer-employee account is now known to be $1,104 million. Earned interest is $2.8 million.

Thus there was an operating deficit of $410 million on this account for the calendar year of 1972. The opening cash balance as of January 1, 1972, carried over from the old unemployment insurance fund, was $235.5 million. This was applied against that deficit.

For 1973, we now forecast the total benefit payments at $2,050 million. This, together with administrative costs, interest payments, less overpayments recovered, will bring the total cash flow requirements to $2,201 million. Of this, $932 million will be the government's share, and $1,269 million is chargeable to the employee-employer premium account.

This year the shortfall of charges to the employee-employer premium account over premium revenue is expected to be about $335 million. Adding this figure to the net cash deficit of $174.5 million as of last December 31 will result in a cumulative deficit of about $509.6 million in the employee-employer account by the end of 1973.

Mr. Stanfield: What's half a million?

Mr. Andras: Based upon this analysis, we have recommended and the Minister of Finance (Mr. Turner) has approved, these contribution rates for the calendar year 1974: For employees, $1.40 per $100 of insurable earnings; for employers, $1.96 per $100 of insurable earnings.

At the new rates, the employee-employer account can be expected to break even for operations in the calendar year 1974, and could produce some surplus to reduce the cumulative deficit. In 1975 there will be between $100 million and $120 million in new and additional revenue as a result of the disappearance of the preferential rate, which will mean a very substantial reduction in the deficit that year. These new rates are adequate to retire the current deficit at least by the end of 1978, barring unforeseen adverse economic developments.

Mr. Horner (Crowfoot): Don't worry, the Socialists will keep you in power.

Some hon. Members: Oh, oh!

Unemployment Insurance

Mr. Andras: Mr. Speaker, when the new act was passed in 1971 it was obvious that the old structure of the Unemployment Insurance Commission would not be adequate to cope with the new universal coverage, the different definitions of eligibility, the range of special benefits, and other changes that made the new program radically different from the outmoded one it replaced.

In an ideal world—

Some hon. Members: Oh, oh!

Mr. Andras: —the desirable, cautious approach would have been to design and set up the new organization and give it a year's dry run before implementing the new act in order to work out the snags and loopholes, and to compile the data necessary for precise calculation of its costs, and the fine tuning of the premiums necessary to pay the portion of these costs shared by employers and employees.

But I need hardly remind hon. members, who I thought would be interested in a full disclosure, that in 1971 in Canada unemployment was at its recent peak. Over the year it averaged 6.4 per cent. To hold back the launching of the new program until all systems had been triple-checked and tested would have been to put administrative tidiness ahead of real human need. The government's choice was to introduce the program on an urgent basis—the new benefit rules went into effect June 27, only five days after passage of the bill—rebuilding the administrative structure and redesigning its operations as it went along. Of course, the high unemployment that made the changeover so urgent added substantially to the problems it entailed.

The problems that did develop fell into two main categories: inadequate service to claimants and inadequate control to protect the program from payment of benefits to persons not entitled to receive them.

While the commission began attacking both problem areas, it was clear that priority had to be given to service. In fairness, control measures could only be fully reinforced after it had been assured that every person entitled to receive benefits was in fact getting them, and getting them on time.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I am sure hon. members will appreciate that these interruptions make it difficult for some hon. members, and certainly the Chair, to hear the statement the minister is trying to make at this time on motions.

Mr. Andras: Thank you, Mr. Speaker. Clearly the old, mail-order operation of the commission was no longer appropriate. It was in fact a major weakness of the system.

With this in mind, and following many of the recommendations of my predecessor, I laid special stress on more efficient, sensitive and personalized service when I announced in April a major reorganization and decentralization of commission operations and head office. The reorganization, which included the opening of 20 new offices and upgrading some 100 existing offices and satellites, essentially transformed our operations from an assembly line into a network of compact working units in which clients and staff deal mainly face to face. By the end of the year, practically all our 359 working units will be in place in our various locations.

[Mr. Horner (Crowfoot).]

Along with the structural and procedural changes, a comprehensive and successful training program has been completed, involving 100,000 hours for commission personnel, an investment that is paying off in service and in the attitude of our people to clients.

In addition to better service, this whole reorganization is intended equally to prevent the payment of benefits to persons not entitled. Concurrently, over the last year, we have been expanding our benefit control staff greatly. It was 147 a year ago. It is now 369 and will be 424 before the end of the year. Our benefit control investigations have resulted in disqualifications, disentitlements, or both, of 200,000 claimants so far this year and the total is expected to reach a quarter of a million by the end of the year. By contrast, the total for all of 1972 was 65,000.

Benefit control investigation, as such, is only one of several programs followed to ensure that benefits are paid only to those entitled to receive them. I am referring to such measures as the active job search, information concerning job refusals, and our post-audits. Through these, and over all, our disentitlements and disqualifications have increased by close to 50 per cent from 1972 to 1973.

To further ensure that the need for strict control is observed as fully as the need for efficient service, we are now taking several additional steps: First, a stepped-up information program to ensure that claimants are fully informed not only of their rights but also of their obligations, including the obligation to carry on an active job search and to be available for work, as an essential condition of entitlement to regular benefits. Second, to assure balance between service and control, additional insurance officers were appointed to interview personally, at the initial stage of a claim, selected categories of claimants. Among the categories to be interviewed are persons who have left their jobs voluntarily, claimants who have transferred from special maternity or sickness benefits to regular benefits, persons who have their unemployment insurance claims transferred from one part of the country to another, and claimants whose occupational skills are in high demand in their locality. These interviews will begin with an initial monthly target of 60,000 people in December, increasing to 95,000 by March.

● (1420)

Thus, as many as 50 or 60 per cent of our claimants will be directly reminded of their obligations, as well as of their rights, through these interviews. This was not done before. Nor was it practical or possible to do so until the reorganization took place this year.

We shall be maintaining close liaison with Canada Manpower Centres to ensure that the unemployed person receives the promptest possible referral to a job opening and that these referrals are followed up until the claimant has the best possible form of income maintenance—a new job and a regular pay cheque.

Some hon. Members: Hear, hear!

Mr. Andras: All these control requirements will be in place before the end of the year. I am confident they will eliminate most of the remaining misuse of any significance. Because of this administrative vigilance and the effective protection it offers against the kind of abuse Bill C-125 was originally intended to correct, I have decided against proceeding further with that particular bill at this time.

Some hon. Members: Hear, hear!

Mr. Andras: The important review of social security in Canada now going on under the leadership of my colleague, the Minister of National Health and Welfare, also makes this the wrong time for a legislative change in a social program as significant as the unemployment insurance program. Nevertheless, we are pressing ahead with the analysis of the many briefs and representations we have received in connection with the legislation, all in the light of the much better data now available and the experience of the first full year's operation of the new act. I have said, and I repeat, that the program is good. But as a result of a year's experience and a better information base we shall be in a much better position now to determine and bring forward the kind of legislative changes that may be beneficial.

In the light of our experience this year, I believe the main specific purpose for which Bill C-125 was introduced, namely, to deal with the situation in which persons voluntarily quit their jobs without cause, can be better achieved by vigilant and selective administrative action rather than by rigid and perhaps punitive changes in the law. However, I must warn that the administrative approach will indeed be vigilant. Anyone who thinks the decision with regard to Bill C-125 is any hint of laxity in control on the part of the Unemployment Insurance Commission is in for a rude awakening.

I am determined—and I hope all hon. members will join me in this determination—that the unemployed who are genuinely doing their best to get work will receive their rightful benefits and our fullest assistance in their efforts to find new jobs.

Some hon. Members: Hear, hear!

Mr. Andras: But, Mr. Speaker—and I hope all hon. members will join me in this, too—I am equally determined to protect the integrity of this plan and ensure that those who are not entitled to benefits will not receive them. I am confident we now have the administrative system and the competence to make this determination stick.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I see that the Prime Minister (Mr. Trudeau) wants to get into the act. I want to let him know that the unemployment insurance bill, C-125, that was brought into the House of Commons was one of the greatest fiascoes with which this House has ever had to contend.

Some hon. Members: Hear, hear!

Mr. Alexander: Before I go further I do want to be fair to the minister in one regard. I want to thank him for making his statement available. I believe it was submitted around 1.15 p.m., which certainly is an all-time record for this government. The hon. member for Winnipeg North Centre (Mr. Knowles) says he has known longer times, but I thank the minister for that anyway.

The fact that the minister has now admitted that disentitlements and disqualifications could reach a quarter of a million by the end of the year certainly shows that in the first instance the act should never have been passed without it having been given a dry run and unless we were quite sure of its administrative tidiness. The minister indicates that he preferred to see those who were in need get assistance. But what he forgot to say was that those who were in need never did get it.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Alexander: It took the prompting of the opposition through questions, speeches and motions to bring the government to its senses and make it attempt to tidy up the legislation. At that time improvements were made. But what shocks me again is that the minister implied that, because the Minister of National Health and Welfare is now considering certain legislation with respect to social welfare, he cannot bring in any amendments to the Unemployment Insurance Act. I think this is irresponsible. If the minister believes there should be amendments made to the Unemployment Insurance Act, then what the Minister of National Health and Welfare has to say has nothing to do with the minister trying to improve the commission which at this time is in a mess.

One of the most disastrous things we have done in this House was to remove the $800 million statutory ceiling. This means that members of the opposition and the people of Canada can never tell in what state the unemployment insurance fund is at any particular time unless the minister stands up and makes a statement. Thank goodness that he will be bringing in his estimates soon, at which time we will be able to probe quite deeply and raise very important questions.

I am surprised to note that the minister did not take it upon himself to answer in his statement the several very important questions that were raised by the hon. member for Hastings (Mr. Ellis), who in a very critical analysis made some points that should have been answered by the minister. I refer to the $1 billion in connection with overpayments and frauds, the increase in staff from 5,200 to 13,000, the failure of the commission to account publicly for $857 million in emergency funds, the attempt by the UIC to disguise overspending by deleting from its monthly reports statistical information that it used to list giving amounts spent in previous months and years.

I do not know why the minister did not have the courage to answer those questions. They are extremely important and he will have to answer them as soon as his estimates go before the committee.

I am also very surprised that the minister did not bear down on a particular sequence of events which are making a number of people in Canada, particularly members of the opposition, very concerned, especially in regard to the minister's estimates. He has indicated that the plan will cost $2,050 million for the year 1973, but at no time did he

tell us what the unemployment rate would be in 1973. I fail to understand how he can give us projections without telling us what the unemployment rate is or will be. This is an extremely important point.

We now find that job vacancies are rising. We find we are suffering from higher unemployment. There are higher benefit and administrative costs within the Unemployment Insurance Commission program. The minister has not attempted to correlate these or to advise the House whether a study is being made in order to show what is the relationship between the high job vacancy rate, rising unemployment and UIC costs. This is a question that has been asked by employers across the country who advise that the disincentive aspects of the act in fact are eroding the free enterprise system. I do not make light of that claim. It seems to me that in many instances, notwithstanding what the minister says, because of the inadequacy of this act people are prepared to take advantage of unemployment insurance when in fact they should be working, although sometimes we cannot blame them.

The minister indicated today that the program will cost more than $2 billion, much more than in 1972. What the minister did not say—I am continually reminded of the actuarial soundness of this plan by his predecessor who has pronounced that time and time again—was that the projected figure for administrative costs in 1971 was $71 million while the actual figure turned out to be $119 million. In 1972 these costs jumped to $122 million and in 1973 to $145 million.

● (1430)

I do not have much confidence as the minister has in the economy which to me is certainly being mismanaged. This act can work only if in fact we have a full employment policy, because without it we are approaching unemployment insurance as an ad hoc measure. We can only reduce the cost if the government will take it upon itself to introduce such a policy. We must have a full employment policy in order to decrease the run on the unemployment insurance fund.

I am also very surprised that the minister did not bring to our attention what is wrong with the illusive advisory committee. This committee was set up by the minister in order to probe allegations of harassment and to look into other related matters in respect of the UIC. I think, and I believe most people think, that this is an extremely important committee. I cannot understand why we have not had a report from the advisory committee to assist us. I say to the minister that he must start demanding rather than asking this committee to do its job. We need the information. We need the report.

I am very surprised also that the minister did not make any reference to holiday pay and severance pay. I understood that in conjunction with Bill C-125 he was going to bring in regulations in this regard. Severance pay was not to be included and only the first two weeks of holiday pay would be taken as income. Is that dead too? I wish the minister had answered that.

What we have now is an increase in the premium which is certainly an unwarranted tax. It is up to $1.40 for employees and I believe it was about $1.19 before. This is an unwarranted tax because of government mismanagement What disturbs me is that this plan was supposed to be actuarially sound, meaning that all the contingencies had been looked into and it was possible for the government to bring out projections as to what it would cost and what the premiums would be. In every instance the government has been wrong. That is why I say the bill, which in the first instance some hon. members thought would be a good one, was a fraud of some significant impact upon the House of Commons and the people of Canada.

● (1440)

There are, of course, some matters on which the minister should be congratulated, particularly the stepped-up information program to ensure that claimants are fully informed. This is needed. I hope that with the further employment of benefit control officers these officers will be given instructions to deal with claimants in a humane and compassionate way. It seems to me that in too many instances benefit control officers are only being used to further the government's cause. I say that with some deliberation, and after some thought, Mr. Speaker. I trust the minister will advise these officers that those in need should not be unduly harassed and that they should get humane treatment. There are still too many people writing personally to me and to my office, saying that after working for 35 years and having paid the premiums they now find it extremely difficult to get their unemployment insurance benefits.

The minister's statement also indicates that an additional measure is close liaison with Canada Manpower Centres. This is a policy which should be adopted in full. Canada Manpower and the UIC should be blended into one, as this is the only way in which a claimant can acquire the necessary services and assistance that he needs.

In the long run the only way we can determine what is happening with respect to unemployment insurance is to have the ability to probe for information from the minister. In this regard I hope that the minister in future will give us a greater opportunity, because of the removal of the ceiling, to get involved with the UIC by asking him questions on the state of the fund.

In closing, Mr. Speaker, may I say that we accept the minister's statement. We are pleased that he was in a position to give us some answers with respect to the several problems that exist. But we cannot have confidence in the minister as to the cost of the plan because he has not advised us what the unemployment rate will be for the balance of the year, not to mention the inflation rate. Further, we are afraid that if a quarter of a million people have to be disqualified or disentitled there must be something wrong with the act. The program should be tightened up in order to make it more acceptable and in order to see to it that the Canadian people are not paying out money needlessly.

Mr. David Lewis (York South): Mr. Speaker, I want to make clear at the outset that my colleagues and I are in favour of a decent unemployment insurance program and are therefore in favour of the general thrust of the unemployment insurance program that we have now.

I listened to the hon. member for Hamilton West (Mr. Alexander), Mr. Speaker, and in almost every sentence he went both ways at the same time.

Some hon. Members: Oh, oh!

Mr. Lewis: It is all very well to say that the act was a catastrophe, a disaster, when it was passed and that it should never have been passed. I say to you, Mr. Speaker, that the government which was responsible for the high unemployment that we had in 1971 would have been doubly responsible, not only for mismanagement of the economy but for complete inhumanity, had it not brought that act into existence and implemented it even though the administration had not been entirely cleared up.

I have made clear on many occasions on behalf of our party that we do not condone, indeed we condemn as does every Canadian, any attempt by any person to misuse this program or any program that is on the statute books of this country, whether it is unemployment insurance, old age pensions or welfare. I would also like to point out that we in this party condemn the abuse by corporations of the various tax allowances to which they are entitled—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lewis: —about which certain members of this House are always very silent. I do not know of any scheme provided by men, applicable to men and women, that is not abused by some section of the community. We congratulate the Unemployment Insurance Commission and the minister for having taken steps to tighten up the administration. I also congratulate him for not pursuing Bill C-125. I am in entire agreement with the hon. member for Cape Breton-The Sydneys (Mr. Muir) who uttered the following words on October 29, addressed to the government House leader, as recorded at page 7304 of *Hansard*:

> In view of the continuing difficulties being experienced by those, particularly in the Atlantic provinces, who have truly legitimate claims for unemployment insurance benefits in receiving such benefits, would the leader of the House give us his assurance that Bill C-125 will be cremated without ceremony and not brought back before the House?

My colleagues and I fully agree with the hon. member for Cape Breton-The Sydneys. He made that statement because of his experience in his area and because of the human approach he has to the problem of unemployment, which some members of this House do not show.

I want to say to the minister, Mr. Speaker, that he is far too complacent about the way in which his benefit control officers are functioning. The suggestion in his statement that on the whole they are treating the legitimate claimants for unemployment insurance well, and that these legitimate claimants have no reason to complain, is far too complacent a statement. While it is true that the number of complaints we have received in our offices has been lower than it was some months ago, it is still a fact that many of the benefit control officers are acting in an insensitive and bureaucratic way, harassing genuine unemployment insurance claimants, and so far as my colleagues and I are concerned we will not be satisfied until that harassment of legitimate unemployment insurance claimants completely disappears from the operations of the UIC.

I am very worried about the numbers that have been disqualified or disentitled this year, with an expectation that a quarter of a million will have been disqualified by the end of the year. To the extent that those people were abusing the program, my colleagues and I are totally in agreement with tightening up the administration. But to the extent that there have been disqualifications and disentitlements because people could not leave their homes in one community when they were told to go 50 or 60 miles away where there was a job available—and that situation has arisen—and to the extent that people left their homes and went to places where they found jobs were not available—to the extent that this quarter of a million involves some thousands of these cases, as I am sure it does, of people who have been unfairly treated, it is shameful for the commission, and indeed for the minister, to boast about it.

An unemployment insurance program is essential in any community for a redistribution of income, to make sure that people get some rights, even when they are unemployed, and to make sure that they have a means of living. My reading of the act tells me that the maximum benefit has been increased to $107 almost, will go up again to about $113, and that that increased benefit has to be paid for.

We agree with the principle that the proportion of the plan up to 4 per cent, which now has to be paid by employer-employee contributions, should be paid by those contributions. I am not convinced that the 40 cents increase is necessary, or that it might not have been 20 cents or 25 cents, but no doubt that is something a parliamentary committee will go into. But the principle that the increased benefit should be paid for, up to the 4 per cent level, is contained in the act and we accept it.

There are two things we regret. We regret that the government rejected our proposal that the cut-off line should be 3 per cent rather than 4 per cent, because 3 per cent is the line at which most economists consider we have more or less full employment. To have tacked on another percentage point, to be paid for by employers and employees, is something that we consider unfair and unnecessary.

Finally, Mr. Speaker, I say to the minister and to the government that the only way to avoid the costs of unemployment insurance, to the extent that we now have them, is to have a full employment policy. The real condemnation of the government is that in the month of October we still had 6.2 per cent, seasonally adjusted, unemployed people in the work force of Canada. The only way to improve the situation is to go for a full employment policy, something which the government has not pursued. We reject, as strongly as I can find words to do it, the anti-welfare, the anti-unemployment insurance backlash for which the Tory party in this parliament is responsible.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I would have preferred receiving this statement a

few minutes earlier as this would have allowed me to make relevant remarks under the circumstances.

The minister says in his statement that he sees a possibility of making up the deficit in 1978, if of course there are no mistakes such as those which occurred a few months after the passing of the legislation—because the mistakes which occurred at that time greatly distorted the estimates. For several days, we discussed the possibility of replenishing the unemployment insurance fund because the law did not make the necessary allowances.

This statement also mentions the adjustment of premiums for employers and employees. There is now much more effort to improve a system which caused so many delays harmful to the unemployed. Since its implementation, its mechanism completely defied common sense in certain instances. There is no need to go very far to find proof of this when hundreds of unemployed have to wait one, two, and even three months before receiving their unemployment insurance cheques. This happened in my constituency of Kamouraska and I believe that it also happened all through Quebec and probably Canada. Thousands of cases were brought to my attention last winter. Faulty administration of the law caused all types of payments to be made: excessive payments, double payments, reduced payments, and no payments. This makes four different types of payments. This is why I say—and I said it some time ago when I spoke in this House about the unemployment issue—that the law should be amended and made more flexible in its application.

In the present Unemployment Insurance Act—I should like to point this out immediately to the minister, because even though I read his statement quickly, I note that there is no such mention. It is provided that if the unemployed must wait too long, he can while waiting apply for assistance to the Quebec Department of Social Affairs. Is it possible to imagine a more stupid legislation! In such circumstances, they cannot even be paid! The legislation describes all kinds of periods: waiting period, supplementary period, extension period and we could even add without fear of being mistaken, a delay period. In his statement, the minister says that the system will be improved adn that steps will be taken to that effect. I do not blame the officials who administer it, because I had the opportunity to meet several in carrying out my work. Generally, the personnel work well, although some are putting off while others are idle. However in my opinion, the legislation is faulty, since it compels officials to adjust themselves and give stupid answers.

If I had had the time to study this statement a little better, I would have brought forward astounding proof that a bad legislation compels civil servants to pick their brains to give insignificant answers. Then, why not amend such a legislation and make it more flexible?

The minister also mentioned that the number of investigators had been increased in order to avoid frauds. But I would advise the minister to keep a sharp eye on the manner in which these investigators are prepared to discharge their duty.

The main purpose is so easily determined. God knows I met many investigators! Their main objective is to protect the fund and not the unemployed. If one of these investigators has other aims but to protect the fund, tell me his name. It is primarily what the investigator does. With an army of investigators acting this way, it will not be possible to give satisfaction to Canadians.

Once the few improvements to the act have become law, I hope that my colleagues and I will be able to see the results. I do not think that we have good reasons to cheer the minister for his statement as some did earlier. Good intentions will do for the moment but let us wait for the results.

* * *

● (1450)

[*English*]

BUSINESS OF THE HOUSE

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I should like to advise the House that tomorrow is to be an allotted day.

* * *

INFORMATION CANADA

TABLING OF ANNUAL REPORT FOR 1972-73

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, pursuant to Standing Order 41(2) I should like to table two copies of the annual report of Information Canada for the year 1972-73 in both official languages.

* * *

FISHERIES

BANK INTEREST RATES ON IMPROVEMENT LOANS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, under the provisions of Standing Order 43, I wish to move a motion on a matter of urgent and pressing necessity.

Information from the Department of Finance and individual fishermen confirms representations I have made in the House, that chartered banks are ignoring government guaranteed loan programs and are actually deluding fishermen by charging rates of interest in excess of those provided under the Fisheries Improvement Loans Act. I therefore move, seconded by the hon. member for St. John's West (Mr. Carter):

That the matter of government guaranteed loans be referred to the Standing Committees on Finance, Fisheries and Forestry and Consumer and Corporate Affairs and that an order be issued to call as witnesses the Minister of Finance, the Minister of Consumer and Corporate Affairs and the presidents of chartered banks to explain their unlawful practices which affect fishermen and consumers who are Canadian citizens.

Mr. Speaker: The hon. member's motion is proposed under the terms of Standing Order 43 and requires the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

* * *

ENERGY

SUGGESTED STUDY OF POSSIBLE INCREASED USE OF COAL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise pursuant to Standing Order 43 to move a motion on an urgent and pressing matter arising from the extremely serious situation in regard to the supply and the cost of oil for home heating purposes, particularly in eastern Canada. In view of the need to devise means of substitution and conservation related to this state of affairs, I move, seconded by the hon. member for York-Simcoe (Mr. Stevens):

That the Minister of Energy, Mines and Resources, take all necessary steps to study and evaluate the possible increased utilization of coal as a substitute energy source and the capability of coal producing areas in the nation to provide this alternate energy source taking into account as well the necessary capital investment, length of time involved, as well as other factors, and report back within 30 days to this House or to the appropriate standing committee.

Mr. Speaker: This motion also is proposed under the provisions of Standing Order 43 and requires unanimous consent before it can be put. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

* * *

ABORTION

PROPOSED STUDY OF LAW BY COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, pursuant to Standing Order 43 and in view of the concern of the Minister of Justice (Mr. Lang) about an effective definition of terms in the Criminal Code provisions regarding abortion I ask leave to move, seconded by the hon. member for Lambton-Kent (Mr. Danforth):

That the Standing Committee on Justice and Legal Affairs be instructed to examine this matter.

Mr. Speaker: The hon. member's motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

NATIONAL DEFENCE—PROCUREMENT EXPENDITURES

Question No. 2,503—Mr. Bawden:

In 1971-72, what was the total amount spent in each province by (a) the Department of National Defence in procurement (b) the Canadian Armed Forces?

Hon. James Richardson (Minister of National Defence): (a)

Province	Suppliers' Accounts and Miscellaneous Expenses for 1971–72*
Newfoundland	$ 763,017
Prince Edward Island	938,914
Nova Scotia	20,075,198
New Brunswick	8,513,271
Quebec	176,072,900
Ontario	195,831,812
Manitoba	21,815,034
Saskatchewan	1,644,486
Alberta	12,958,616
British Columbia	12,506,528
Yukon	4,032
Northwest Territories	186,638
Outside Canada	83,400,283
	$534,710,729

———

*The major part of these amounts represents accounts paid to suppliers for goods and services, including all capital payments. Also included are postage costs, freight and express, telephone and other communication services, advertising and printing, school tuition fees, medical and health care provided in facilities outside National Defence, public utility services, local labour abroad, Corps of Commissionaire services and payments to other governments and agencies for various facilities, and services provided to the Canadian Forces overseas.

The distribution by province of the amounts included for suppliers' accounts is based on a computer analysis and reflects payments to companies on the basis of the location from which their accounts were sent and to which payments were made. Consequently, in those cases where accounts are billed by the head or regional office of a company, the expenditures are shown as having been made in the province where the head or regional office is located, even if a branch office in another province may have been primarily concerned with the transaction involved. The amounts recorded above are therefore not an accurate indication of the location where goods are manufactured or consumed.

(b)

Province	Estimated DND Expenditures for 1971/72*
Newfoundland	$ 12,867,000
Prince Edward Island	16,583,000
Nova Scotia	236,180,000
New Brunswick	82,314,000
Quebec	376,733,000
Ontario	613,702,000
Manitoba	90,588,000
Saskatchewan	27,891,000
Alberta	135,961,000
British Columbia	160,697,000
Yukon	14,000
Northwest Territories	3,785,000
Outside Canada	175,315,000
	$1,932,630,000

*The total amount of money spent in each province by the Canadian Armed Forces is not available separately from the department's expenditure figures by province. In fiscal year 1971-72 the amounts shown are based on a distribution of all DND budgetary expenditures without adjustments for military payroll deductions, government pension contributions and pension payments from non-budgetary accounts. The totals by province include the financial data provided in (a) above for suppliers' accounts and miscellaneous expenditures.

PERMANENT INTERNATIONAL ASSOCIATION OF NAVIGATION CONGRESSES

Question No. 2,520—**Mr. Godin:**

1. During the conference of the Permanent International Association of Navigation Congresses held in Ottawa July 9 to 18, 1973, did the government organize any exhibition and, if so, how many departments, organizations, institutions and companies took part?

2. What was the cost to each participant?

3. How many guides and hostesses did each exhibitor have and what were their names?

Hon. Jean Marchand (Minister of Transport): 1. Yes. Seven.

2. Average $3,500 per participant.

3. Ten hostesses, part-time (in shifts), average three persons per display, at any one given time. In total, there were 55 people involved in the staffing of all displays, and these people rotated in shifts to cover the hours during which the displays were open. The names are as follows: Charles Raizenne, Nickloas Evanoff, Peter Bailey, Branda Goudie, Sandra Mongeon, Marvell Sarac, Diane Lapensée, Bonny Smyth, Heather Hope, June Russell, Louise Séguin, Barbara Gleason, Gunilla Hinize, Ed Doucet, Tom Muir, Jacques Auger, Lyle Bennett, Don Williams, Howard Bould, Jim Rose, Lorne Stewart, Frank Ling, Ron Shiels, Mike Jeffries, Larry Slaght, Darby Mills, Doug Gray, John Butt, Mike Hubbard, Barry Murphy, John MacCauley, John Ough, Jack Young, Bob Bowbridge, Ralph Pine, Jim Coke, Ed Murray, RCMP-2, Art Mantel, Alec Maton, Al Hewitt, Dave Johns, Ron Miller, Dave Houston, Don Bilodeau, Laurent Fortier, Marcel Fortin, M. Roberts, J. Gaudreau, F. Elmitt, J. Sech, W. Calladine, D. Vonrichthofen.

[Mr. Richardson.]

*POSITION OF GOVERNMENT RELATING TO CANADIAN COMPANIES WITH BRANCH PLANTS IN RHODESIA

Question No. 2,542—**Mr. Fairweather:**

1. What position does the government take about the Canadian companies, including Falconbridge Nickel Company Limited and Bata Shoes Limited, having branch plants in Rhodesia which export products from Rhodesia despite Canada's adherence to United Nations sanctions?

2. Will the Minister investigate and report upon the relationship between Falconbridge Nickel Company Limited and the Blanket Mine whose operations are described as "a disgusting example of a Canadian company exploiting black workers"?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the answer is as follows: 1. The Canadian government has received no evidence that Canadian incorporated companies have branch plants in Rhodesia. Our position on this is quite clear. Canadian companies are not permitted to invest in Rhodesia, nor are Rhodesian exports allowed entry into Canada.

2. Our records reveal no evidence that there are direct corporate ties between Falconbridge Nickel Co. Ltd. and Blanket Mines.

NATIONAL DEFENCE—CFB SHEARWATER

Question No. 2,623—**Mr. Forrestall:**

During the next three years, what are the specific roles assigned to CFB Shearwater?

Hon. James Richardson (Minister of National Defence): The primary role of CFB Shearwater is to contribute to Maritime Command's surveillance and control responsibilities by operating helicopters and fixed-wing aircraft from the base and by providing helicopter detachments for helicopter-destroyers. In support of this primary role, CFB Shearwater conducts air and ground training and provides technical and administrative support. Additionally it provides airfield and ship berthing facilities for authorized military and civil aircraft and ships.

NATIONAL DEFENCE—CL-41 TUTOR TRAINERS

Question No. 2,646—**Mr. McKinnon:**

1. How many CL-41 (Tutor) jet trainers were purchased for use by the Department of National Defence and what was the total cost?

2. Of the total purchased, how many were never in use for either operations or training?

3. How many Tutors are now in use and how many are in storage?

4. How many Tutors have been sold and, if any, to whom?

5. What are the plans for those at present in storage?

Hon. James Richardson (Minister of National Defence): 1. In 1961 a contract was placed for 190 Tutor aircraft. These were purchased by DND at a total cost of $92,010,658. This figure includes cost for engines, spares, ground support equipment, engineering orders and one aircraft systems trainer.

2. None.

3. There are 73 Tutor aircraft in use and 84 in storage.

4. No Tutor aircraft have been sold.

5. It is currently planned to take 25 Tutor aircraft out of storage in the next few months. These will be used in the Forces' pilot training program. The remaining 59 aircraft will be kept in reserve to meet attrition from accidents and to enable rapid expansion of pilot training in the event that the international situation warrants such expansion.

FEDERAL ASSISTANCE TO DE HAVILLAND AIRCRAFT AND CANADAIR

Question No. 2,695—**Mr. Knowles (Winnipeg North Centre):**

What is the amount in dollars of grants and subsidies made by the government (a) to de Havilland Aircraft of Toronto (b) to Canadair of Montreal during the ten-year period ending either on December 31, 1972 or on March 31, 1973?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): In so far as the Department of Industry, Trade and Commerce is concerned:

	(a) de Havilland	(b) Canadair
Grants	Nil	Nil
Subsidies	Nil	Nil
Contributions	$28,480,535	$58,086,898
Less Repayments (Royalties)	1,264,260	—
Net Contributions	$27,216,275	$58,086,898

In so far as the Department of Manpower and Immigration is concerned: This information is not available for the period prior to April 1, 1967. (a) nil from April 1, 1967 to March 31, 1973; (b) $101,543 paid from April 1, 1967 to March 31, 1973. Under the Canada Manpower Training in Industry Program. In so far as the National Research Council of Canada is concerned: (a) $82,239.35; (b) Nil.

NEGOTIATIONS RELATING TO CANADA-MIDDLE EAST AIR SERVICES

Question No. 2,712—**Mr. Macquarrie:**

1. Have proposals been received from, or on behalf of, Iraqui Airlines for the establishment of direct, regularly scheduled air service between Iraq and Canada and, if so (a) on what dates (b) what was the response to such suggestions?

2. Is it the view of the government that improved commercial air contacts with the Middle East, notably the ore-producing areas thereof, are desirable?

3. From what other airlines based in the Middle East have overtures been received?

4. What has been the response thereto?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission and the Ministry of Transport (for question 2 only) advise as follows: 1. Yes; (a) May 29, 1973; (b) After interdepartmental consultation, a Canadian reply was made on July 16, 1973 advising the Iraqui Embassy that due to a current review of Canadian air policy and requests already received from other countries, a period of time would elapse before Canada would be in a position to negotiate. At the appropriate time we would get in touch with the Iraqui authorities.

2. It is the position of the government that there should be expanded commercial air contacts with various parts of the world, including the Middle East, where traffic warrants regular services by a Canadian airline and such services can be operated on an economic basis, and when satisfactory agreements can be negotiated. At the present time services are operated to Israel, and a first round of negotiations has been held with Lebanon.

3 and 4. Although airlines from time to time make approaches concerning scheduled services, only those requests received from governments are considered official. Taking this into consideration the following Middle East countries have requested negotiations: Hashemite Kingdom of Jordan: a note dated September 5, 1971 was received from the Jordanian Ministry of Foreign Affairs to the Canadian Embassy requesting negotiations. The Embassy reply of December 10, 1971 indicated that it appeared that traffic did not warrant a scheduled service but that Canada would continue to review the situation. United Arab Republic: The Minister of the Embassy of the United Arab Republic was informed by External Affairs on August 14, 1970 that Canada would be prepared to enter into negotiations if it were the wish of his government. To date there has been no official response. Lebanon: Following a meeting on August 13, 1970, as with the UAR, the Lebanese Ambassador requested negotiations. The first round of discussions took place on August 19 and 20, 1971 in Ottawa. The CTC is awaiting a mutually acceptable date for resumption of talks. Turkey: A bilateral air agreement with Turkey was signed May 21, 1960 and to date service has not been commenced by either country. Israel: A bilateral air agreement with Israel was signed February 10, 1971 with CP Air and El Al Israel Airlines operating comparable services since March 1971.

PUBLIC WORKS—FINE ARTS PROGRAM

Question No. 2,749—**Mr. Dinsdale:**

1. Does the Department of Public Works have a fine arts purchasing program for its public buildings and, if so (a) on what date was this policy introduced (b) what is its purpose?

2. (a) How many works of art have been purchased since the program was initiated (b) what has been the total cost of these art works?

3. Are contracts for works of art awarded by tender and, if not, how are they commissioned?

4. Are invitations to bid on works of art under the program restricted to Canadian artists?

5. Have Indian and Eskimo artists been requested to submit works of art for approval by the Department of Public Works and, if not, for what reason?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. Yes; (a) January 4, 1965; (b) to provide works of art of the highest quality for government of Canada buildings and to give Canadians a sense of quality in their environment.

2. (a) 133 to date; (b) $2,167,997.

3. No. The department's consulting architects recommend the artform, its location and the artist. The Advisory Committee on Art advises the department on the suitability of the recommendation. Once an artform and artist have been approved, a contract is awarded to the artist, by the department.

4. The Fine Art Program is restricted to artists resident in Canada.

5. Yes.

CBC—DIRECTOR FOR PROVINCE OF NEWFOUNDLAND

Question No. 2,843—**Mr. Marshall:**

1. Is it the intention of the Canadian Broadcasting Corporation to eliminate the position of Director for the Province of Newfoundland in its Divisional structure and, if not, is the intention of CBC to make a new appointment to replace A. K. Morrow as Director for the Province of Newfoundland?

2. What are the responsibilities of CBC in the Province of Newfoundland insofar as the stations' responsibilities for programming are concerned?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. There is no intention to eliminate the position of CBC Director for the Province of Newfoundland. Mr. A. K. Morrow became Director for the Maritime provinces effective September 1, 1973 and continues as acting director for Newfoundland only until a new director for this region is appointed.

2. The Corporation's programming responsibilities in Newfoundland, as in other regions of Canada, are as outlined in the Broadcasting Act, Part I, Section 2(g) of which includes the statement that the national broadcasting service should serve the special needs of geographic regions and actively contribute to the flow and exchange of cultural and regional information and entertainment.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADA COUNCIL GRANTS

Question No. 2,220—**Mr. Alexander:**

In the past five years, how much money has been expended by grants through Canada Council (a) in total (b) by province (c) by categories in provinces (d) in Hamilton and district (Ontario) and in what categories?

Return tabled.

INDUSTRIAL RESEARCH ASSISTANCE PROGRAM

Question No. 2,974—**Mr. Broadbent:**

What were the names of the corporations which received cash grants under the Industrial Research Assistance Program (IRAP) in each of the fiscal years 1972-73 (January 1, 1973 to end) and 1973-74 to date and, in each case, what were the amounts of money committed and paid?

Return tabled.

Mr. Hellyer: Mr. Speaker, I rise on a question of privilege. On July 19, I put on the order paper a number of questions, namely Nos. 2529 to 2538 inclusive, asking for statistical information. These questions are easy to answer. In some cases they could be answered within two or three days and certainly within a week. There is nothing complicated about them and there is really no excuse for not answering them. The fact that they have not been answered means, of course, either that Central Mortgage and Housing Corporation is indescribably incompetent or that the government by its delay is trying to hide something.

[Mr. Dubé.]

● (1500)

Mr. Bell: Both.

Mr. Hellyer: In either case, Mr. Speaker, we can have no confidence in the accuracy or extent of the internal report in the hands of the minister, especially when he is so reluctant to table it. In the circumstances I feel the House is entitled to have the answers to these questions forthwith. Further, the report in the hands of the minister should be made public so that parliament and the press can decide if a public inquiry is warranted.

Mr. Blenkarn: Mr. Speaker, on June 1 I placed on the order paper question No. 2177. That question was rather important to a constituent of mine, one Michael J. Houlton who was a candidate for the Liberal leadership in Ontario. It appears that the government refuses to answer this question because it is embarrassing. In view of the stated political faith of the person involved, possibly the government might now consider answering that question.

Mr. Atkey: Mr. Speaker, yesterday the Minister of State for Urban Affairs (Mr. Basford) indicated that the internal departmental inquiry into student co-operative housing and the financing thereof produced an internal report which would not be made public. On July 23 the minister's parliamentary secretary indicated to the House that the findings of the inquiry which had been started in February would be made available to members when they were complete. I feel that I and other members of the House have been misled by the minister, through his parliamentary secretary, and that he should not be allowed to cover up that which has been promised and that which is in the public interest. If he continues his present stand I suggest that the Prime Minister (Mr. Trudeau) should immediately take over the matter and launch the public inquiry which was promised on July 12.

Mr. Woolliams: Mr. Speaker, with reference to the points of order raised by the hon. member for Trinity (Mr. Hellyer) and the hon. member for St. Paul's (Mr. Atkey), yesterday I raised the question of the report which both those hon. members have been discussing. When I suggested that there was an undertaking that the report would be tabled or given to the House, the Minister of State for Urban Affairs (Mr. Basford) said that I was incorrect.

I wish to put on record the statement made by the parliamentary secretary, as recorded at page 5872 of *Hansard* for July 23, in which he undertook to make the report public and lay it before the House. On being asked whether this report would be made public, the parliamentary secretary replied:

MR. IAN WATSON (PARLIAMENTARY SECRETARY TO MINISTER OF STATE FOR URBAN AFFAIRS): Mr. Speaker, I understand from remarks by the minister in the House that an inquiry into this matter began toward the end of February. When that inquiry is complete, I presume the minister will make it available to members of the House.

I did not have that answer before me yesterday when I raised this matter. It was uncovered by research. However, the minister said I was incorrect. Possibly the minister

had not examined the record to see what the parliamentary secretary had said, but in fact he did, maybe unintentionally, mislead the House. I now ask the minister to table the report, according to the undertaking given by his parliamentary secretary, instead of covering up this matter. There are questions here that should be investigated by a judicial inquiry which should make a report as to what are the crimes involved, what are the charges and who were the people involved.

Some hon. Members: Hear, hear!

Mr. Basford: Mr. Speaker, because of the remarks of the hon. member for Calgary North (Mr. Woolliams) I think I should make my position very clear. It was stated on July 13. I said that I had asked since February for a report on these matters, and that the report would be referred to the appropriate authorities. The hon. member for Calgary North has referred to remarks made by my parliamentary secretary on July 23. I must inform you, Mr. Speaker, that when my parliamentary secretary said, "I presume the minister will make it available", he at that time was not aware of the nature of the report.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Stevens: Mr. Speaker, if I may deal with unanswered written questions, I direct the attention of the House to some questions I placed on the order paper on April 18 dealing with the payment to certain solicitors of certain sums by CMHC. Those questions have not been answered. I feel this is a very serious matter and request that these questions be answered forthwith, in addition to the data processing question which was also placed on the order paper on April 18.

Mr. Breau: Mr. Speaker, I will see what I can do to provide the answers to the hon. gentleman and to provide a response to the other requests.

Mr. Baldwin: Mr. Speaker, may I speak to the same point of order which has already been raised by the hon. member for St. Paul's (Mr. Atkey) and the hon. member for Calgary North (Mr. Woolliams). It was I who asked questions on this subject on July 23. I made it perfectly clear in my first question exactly what inquiry was meant. I phrased my question in such a way that there could be no mistake. After the first answer of the parliamentary secretary I repeated the question. I said, as recorded at page 5872 of *Hansard*:

> In view of the fact five months have elapsed since this mythical inquiry was instituted, will the minister or the government now indicate if they are satisfied that no meaningful inquiry is being made and refer this matter to the Auditor General for a thorough and complete study under sections 62 and 63 of the Financial Administration Act?

The parliamentary secretary replied:

> To repeat my earlier answer, Mr. Speaker, my understanding is that an inquiry was started in February—

The parliamentary secretary knew to which report I was referring.

> —and when the finding is complete, it will be made available to members.

That was a clear and categorical undertaking. We are entitled to ask questions under the pertinent Standing Order. If the government chooses to have a parliamentary secretary reply, that is its privilege, but we are entitled to rely upon an answer given by either a minister or a parliamentary secretary. Otherwise there will be no confidence in this House.

MOTIONS FOR PAPERS

[*Translation*]

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, notice of motion for production of papers No. 228 is agreeable to the government subject to the usual restrictions concerning confidential documents.

[*English*]

Mr. Speaker: Is it the pleasure of the House that notice of motion No. 228 be deemed to have been agreed to?

Some hon. Members: Agreed.

COPY OF CORRESPONDENCE RELATING TO LOCATION OF CANADA DEVELOPMENT CORPORATION IN VANCOUVER

Motion No. 228—**Mr. Reynolds:**

That an Order of the House do issue for a copy of correspondence to the Prime Minister and to the Minister of Finance regarding the Canada Development Corporation and the proposed location of its headquarters in the City of Vancouver.

Motion agreed to.

[*Translation*]

Mr. Breau: Mr. Speaker, would you be so kind as to call notices of motions Nos. 252, 256, and 257?

I ask that the remaining notices of motions be allowed to stand.

[*English*]

COPY OF MATERIAL RESULTING FROM FIRST MEETING OF VLA SENIOR MANAGEMENT TEAM

Motion No. 252—**Mr. Marshall:**

That an Order of the House do issue for a copy of all material resulting from the first meeting of the VLA Senior Management team convened by the Director General of the Veterans Land Administration in Ottawa from March 26 to 29 as follows (a) operational plans in the periods before and after the March 31, 1974 deadline for new loan applications (b) further implementation of MBO as the VLA style of management.

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the materials requested are internal, departmental documents of a confidential nature and cannot be produced. I would therefore ask the hon. member to withdraw his motion.

Mr. Marshall: Mr. Speaker, the information contained in the material should be made available to 125,000 war veterans. I would ask that the motion be transferred for debate.

Mr. Speaker: Transferred for debate.

Motions for Papers

CORRESPONDENCE BETWEEN FEDERAL GOVERNMENT AND THE U.S.S.R. RESPECTING WHEAT SALE

Motion No. 256—**Mr. Stackhouse:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence between the government and the U.S.S.R. with respect to the wheat sale between the two countries.

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, correspondence and other exchanges between the government of Canada and the government of the U.S.S.R. and between the Canadian Wheat Board and Exportkhleb with respect to the sale of wheat are confidential. It would be prejudicial to the interest of Canadian grain producers to make the information in such exchanges public. Therefore I would hope that the hon. member might withdraw his motion.

Mr. Stackhouse: Mr. Speaker, I think this material is of relevance and value to the people of Canada and I would ask that the motion be transferred for debate.

Mr. Speaker: Transferred for debate.

CORRESPONDENCE BETWEEN FEDERAL GOVERNMENT AND PEOPLE'S REPUBLIC OF CHINA RESPECTING WHEAT SALE

Motion No. 257—**Mr. Stackhouse:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence between the government and the People's Republic of China with respect to the wheat sale between the two countries.

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, correspondence and other exchanges between the government of the People's Republic of China and between the Canadian Wheat Board and the China National Cereals, Oils and Foodstuffs Import and Export Corporation with respect to the sale of wheat are confidential. It would be prejudicial to the interest of Canadian grain producers to make the information in such exchanges public. Therefore, Mr. Speaker, I would ask the hon. member to withdraw his motion.

Mr. Stackhouse: I would ask that the motion be transferred for debate.

Mr. Speaker: Transferred for debate.

● (1510)

Mr. Diefenbaker: Mr. Speaker, I rise on a question of privilege. I rose on this question a few days ago. It has to do with two motions, Nos. 241 and 242, calling for a copy of the guest list on August 7 for the reception at the National Arts Centre, and the list of invitees to the dinner given in Calgary by the Prime Minister on July 5. Failure of the government to answer is a contempt of this institution.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: The Prime Minister smiles and smirks. It is a deliberate contempt of this House. The government has the lists. Two months have gone by and there has been no answer. I know the government will be ashamed when they are produced because the lists indicate the greatest patronage, the greatest accumulation and conglomeration of Grits that this country has ever known.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I may owe the House an explanation on this, particularly the right hon. gentleman. It was brought to my attention a couple of weeks ago that material was being gathered to reply to the motions. I indicated to those who were doing the research that the House, and certainly the right hon. member, would want to have those replies and probably also replies concerning the other receptions and social functions which were hosted for the Queen while she was in Canada twice this year at the invitation of my government.

Some hon. Members: Hear, hear!

Mr. Trudeau: That is the cause of the delay. I do apologize to the right hon. member. I hope he will be patient. He will be grateful that it took a bit more time because it will permit the people of Canada to see the variety of functions that were held for the Queen. He will realize that only two of those were held at the invitation of the government of Canada. The others were by provincial governments, municipalities, the RCMP and other organizations. I think the right hon. member's curiosity would be satisfied if he could see the total picture. Knowing his interest in the monarchy—

Mr. Speaker: Order, please. I do not want to interrupt the right hon. Prime Minister. I am not sure whether he has completed his reply, but if there is an indication that the motions will be accepted I hope we will not have a debate now.

Mr. Diefenbaker: Mr. Speaker—

Mr. Trudeau: Mr. Speaker, if I may be permitted to finish, I just want to assure the right hon. member that, being a Fellow of the Royal Society of Canada, which incidentally he is not, I will do my best to get the answers.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, the Prime Minister says he only found out two weeks ago about these two motions which deal with his own department and himself. They have been on the order paper since September 12. That answer is in keeping with the last observation he made, as I have been an honorary member of the Royal Society of Canada for several years.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I ask for the co-operation of both the right hon. Prime Minister and right hon. member for Prince Albert in order that we may go on to the next item of business, oral questions. Perhaps the question of who is and who is not a member of the Royal Society of

Canada might be decided on the "late show" either tonight or Friday night.

ORAL QUESTION PERIOD

[*English*]

ENERGY

USE OF CANADIAN COMMERCIAL CORPORATION TO PURCHASE OIL—NOTIFICATION TO AND REACTION OF VENEZUELA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, perhaps I might return to more day to day events by directing a question to the Minister of Supply and Services. Is the government now using the Canadian Commercial Corporation as a government agency for purchasing petroleum for the purpose of establishing reserves to reduce the possibility of a shortage this winter?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Yes, Mr. Speaker, that is possible.

[*English*]

Mr. Stanfield: How much petroleum is the corporation prepared to buy, how much has it bought or has it been instructed to buy, and does this relate to distillates such as home heating oil? How much has the corporation been instructed to acquire?

[*Translation*]

Mr. Goyer: Mr. Speaker, this is a subject which is being discussed between the Department of Energy, Mines and Resources and my department, and the discussions have not yet reached a stage where it is possible to say how much oil can thus be stored in Canada or to reveal the costs involved or the marketing and delivery conditions.

[*English*]

Mr. Stanfield: I hope somebody will instruct the Minister of Supply and Services as to what he should be doing. I wish to direct a supplementary to the Minister of Energy, Mines and Resources who has told us the government has a mission in Venezuela. Has that mission in Venezuela informed the government of Venezuela that the Canadian Commercial Corporation is empowered to act as a Canadian government oil purchasing agency and, if so, has the government of Venezuela indicated that it is prepared to sell crude, if it has any, to this agency?

● (1520)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The Canadian diplomatic mission in Venezuela has indeed been in touch with the government of Venezuela in this regard. I mentioned to the House the possibility that Venezuela might take its 16-2/3 per cent royalty in kind. I gather this is something which is in prospect only at the moment. But the interest of the government of Canada in securing additional supplies through government to government arrangements has been made known to the Venezuelan government.

OIL—STOCKPILING OF SUPPLIES—DISTRIBUTION OF PROFITS FROM SALES—NATURE OF POSSIBLE NATIONAL PETROLEUM CORPORATION

Mr. David Lewis (York South): On the same subject, Mr. Speaker, may I ask the Minister of Energy, Mines and Resources whether the government has made a decision on the quantity of oil to try to buy and stockpile, at what price, where any surplus or profits would go and how they would distribute it? If this question requires too lengthy a reply, would the minister be prepared to make a statement on this subject since it seems to me an important one?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The authorization is to buy whatever "opportunity oil" may be offered around the world, particularly in the refined products area. A number of contacts are being pursued through the combined efforts of my own department, the National Energy Board and the Canadian Commercial Corporation. I cannot say what the prices will be, except that prices for spot sales are considerably above normal current prices, in the Ontario market in particular. The intention would be to acquire these supplies on government of Canada account, and naturally every effort would be made to recover the government in them.

Mr. Lewis: On several occasions we have asked the minister, and on one or two occasions the Prime Minister, questions with reference to the establishment of a national petroleum corporation. Can the minister inform the House whether he is considering a corporation which would be merely a purchasing or marketing agency or whether he is considering setting up a corporation, such as is needed in our view, which would become involved in the entire field of the oil business, including exploration and production as well as distribution, in order to protect Canadians against the multinational corporations?

Mr. Macdonald (Rosedale): I have indicated to the hon. gentleman that this is a matter that is before the government and until a decision has been taken I feel I cannot say anything further to the House.

PROPOSED OIL PIPELINE EXTENSION TO MONTREAL—POSSIBILITY OF PUBLIC OWNERSHIP

Mr. David Lewis (York South): The other day when questions were asked about extending the pipeline from Sarnia eastward at least to Montreal the minister indicated there were some difficulties about financing. I should like to know whether the government has given consideration, as should have been done many years ago in my view, to building this portion of the pipeline under public ownership through a public corporation so that we would not be dependent on the result of negotiations with Interprovincial or any other such outlet?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I believe I said in answer to the Leader of the Opposition yesterday that one of the questions which arises in relation to the pipeline is whether excess capacity should be built in, whether the cost of that capacity should be borne by the general taxpayers and, if so, whether the interests of the general taxpayers should be

incorporated in a special corporation for the purpose. This matter has not been finalized. I would make the comment that on the whole, if public funds are to be used in this area, it seems to me they would be more wisely expended as in Panarctic where a substantial capital gain is possible rather than in a purely service industry.

* * *

[*Translation*]

INDIAN AFFAIRS

MINISTER'S POSITION RESPECTING SUPPORT FOR LOCAL INITIATIVES AND OTHER PROJECTS ON RESERVES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a question to the hon. Minister of Indian Affairs and Northern Development.

In view of the increasing importance of the Local Initiatives Program, can the minister say if Indian reserves can count on the Department of Indian Affairs instead of taking up part of the funds allocated to the Department of Regional Economic Expansion?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I believe that the Indians, like all other Canadian citizens, have a right to take advantage of all of this government's good programs.

Mr. Caouette (Témiscamingue): Mr. Speaker, I do not ask the minister to speak of projects value, but simply whether his department can process important projects submitted for his approval by Indian reserves.

Mr. Chrétien: A number of these projects can be dealt with by my department, but there will always be some that cannot be financed by my department, and I am not against some support from other departments.

* * *

[*English*]

TRANSPORT

MEASURES TO KEEP RAILWAYS, AIRLINES AND TRUCKS OPERATING THIS WINTER

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of Transport. Can the minister reveal the government's contingency plans to keep the railroads, airlines and truck transports moving this winter?

Hon. Jean Marchand (Minister of Transport): I think they are moving and I have not heard they are likely to stop.

Some hon. Members: Oh, oh!

Mr. Paproski: I have a further question to the Minister of Transport, the Père Noël of Quebec. Is it true as outlined in Walter Stewart's book that he has directed $270 million in DREE grants—

Mr. Speaker: Order, please.

[Mr. Macdonald (Rosedale).]

THE CANADIAN ECONOMY

INFLATION—EFFECT OF OIL EXPORT TAX

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, my question is to the Minister of Finance. It has been the minister's contention in the past that the greatest part of domestic inflation is international in origin. A corollary to that might have been the minister's statement as to the need for international co-operation in the fight against inflation. Does the minister believe that the $1.90 export tax on crude oil is a positive contribution to the fight against inflation?

Mr. Speaker: The Chair has serious doubts as to the form of the hon. member's question. Perhaps the minister might reply, in fairness to him, but it seems to me the question is more in the nature of an argument than an inquiry.

The hon. member for Wellington-Grey-Dufferin-Waterloo.

Mr. Beatty: I had merely stood up for a moment, Mr. Speaker.

Mr. Speaker: I thought the hon. member would recall the undertaking I gave the other day that he would be given a chance. The hon. member for Calgary North.

* * *

HOUSING

STUDENT CO-OPERATIVE PROJECTS—REQUEST THAT INQUIRY REPORT BE TABLED

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. It is related to the undertaking given by his parliamentary secretary as recorded in *Hansard* at page 5872, part of which I read and part of which the hon. member for Peace River read. Is the minister now prepared to table the report of the inquiry into certain co-operative colleges and the scandal involving the developer, the contractor and the architect?

Hon. Ron Basford (Minister of State for Urban Affairs): The report is a report to me on the granting of those five loans. It has, in accordance with my undertaking of July 13, been referred to the proper authorities which include the Association of Architects of Ontario and, of course, those responsible for law enforcement. If I might say so, Mr. Speaker, it would be grossly unfair to publish a report which is not based on evidence or the cross-examination of witnesses. It would be grossly unfair to the people involved.

Mr. Woolliams: Maybe I can assist the minister. Bearing in mind that the minister has now gone back on his word, would he be prepared to hold a judicial inquiry so that the witnesses in question could be examined and cross-examined in accordance with his wishes and the public could be made aware of the scandal that went on involving not only the colleges but the Trefann Court project in the city of Toronto?

Mr. Basford: Without accepting any of the premises in the question, I repeat that the report has been referred, in accordance with my undertaking, to the proper authorities for whatever action may be deemed appropriate by them.

APPROVAL OF LOAN FOR TREFANN COURT PROJECT, TORONTO

Mr. Eldon M. Woolliams (Calgary North): Since the report is now in the minister's hands, would he answer this question? Has CMHC approved a $412,350 loan to Trefann Court Homes Corporation for the construction of 17 houses in the first phase of a five block urban renewal project in the city of Toronto?

Hon. Ron Basford (Minister of State for Urban Affairs): Yes, it has, Mr. Speaker. A loan of $412,000, which is a 100 per cent loan plus a 10 per cent grant, was made so that this phase of the very important Toronto urban renewal scheme the hon. member has mentioned can be carried on. I am pleased that the corporation has made this loan. It is subject to the city of Toronto approving a contingency grant to cover any increase in costs so that if there are any cost increases they will not be passed on to the residents in these houses. Through this method we can provide low-income housing in the centre of Toronto. I think this is a meaningful, worth-while project—

● (1530)

Mr. Speaker: Order, please. I suggest that with the co-operation of all hon. members the Chair be given a chance to recognize some hon. members who have been trying to be recognized for a while. It was brought to the attention of hon. members and the Chair yesterday that when I called orders of the day there were a large number of members who had been trying for a few days to ask questions. I hope hon. members will take that into account, for the moment in any event. Perhaps I should recognize the right hon. member for Prince Albert.

* * *

ENERGY

OIL AND GAS—REDUCTION OF EXPORTS TO UNITED STATES IN EVENT OF SHORTAGE IN CANADA

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I do not often do this, but I want to commend the Minister of Energy, Mines and Resources for the manner in which he has answered questions during the last several days.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: It is worthy of the best traditions of parliament. Because of that I ask him this question, which arises out of answers that he gave yesterday in respect of the export of oil or gas. Did he intend yesterday to have the House and the country believe that, in the event there was a shortage of oil or gas within Canada that would be serious for consumers, to the extent necessary exports from Canada to the United States would be reduced?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, basically the position that has been taken by the government during the year through the various export control mechanisms we have put in place is that first priority should be given to meeting the requirements of the Canadian market. I might say that while we will make every effort, of course, to meet the requirements of the Canadian market, we do recognize that we have had longstanding commercial relationships with the United States and we will do our best to try to minimize any effect that such redirection might have on the American market.

Mr. Speaker: The Chair will recognize the right hon. member for a supplementary, then the hon. member for Brant, and I will return eventually to the hon. member for Trinity.

Mr. Diefenbaker: I take it therefore, that, as far as Canadians are concerned, to the limit this government can go it will go, while preserving our trade relationships with the United States, so as to prevent Canadians facing a cold, difficult and dark winter ahead?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker. The limitation is one of physical facilities rather than the decision as to where the product will be directed.

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UNEMPLOYMENT INSURANCE

DESTRUCTION BY FIRE OF FORMPAC CANADA LIMITED—REQUEST THAT WAITING PERIOD FOR BENEFITS BE WAIVED

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In view of the fact that Formpac Canada Limited in Brantford, Ontario, was completely destroyed in a $5 million fire yesterday, throwing out of work approximately 220 workers and office personnel, will the minister waive the two-week waiting period so that employees can receive UIC benefits as quickly as possible?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I doubt very much whether it is within my authority to do so, as sympathetic as I would be to the conditions caused by this disaster. But I will certainly do everything else in my power to alleviate the situation, including having Manpower and Unemployment Insurance Commission people talk to these workers on an emergency basis.

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COMMUNICATIONS

AGENDA FOR MEETING OF FEDERAL AND PROVINCIAL MINISTERS—COMPOSITION OF GROUP—GOVERNMENT PROPOSALS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of Communications. Has the minister defined the agenda for the important meeting of ministers of communication set for November

26, and what the agenda might be? Has the composition of the group been decided; is it strictly to be government to government, or will there be any parliamentary observers or other observers, such as from the CRTC? Also, has the federal government any specific proposals to present to the meeting, other than the generalities contained in the green paper published last February?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I admit that the number and speed of questions are beyond me and I make my apologies to the hon. member if I do not remember them all.

The meeting will be held on the 29th and 30th of this month. The provinces gave us an agenda in very indefinite terms but I could nevertheless describe it to the hon. member. Each province will state its position once they have outlined the common matters on which they already agreed at their own meetings, then there will be an exchange of views. Provinces prefer not to specify further the agenda although we have pressed for more details.

As for the last question of the hon. member, I sent a letter this morning asking the provincial ministers to explain their views in more detail. The provincial ministers have passed behind closed doors a resolution asking that the federal-provincial meeting be entirely held in public. We are prepared to comply with that but as the secretary of the council of communications ministers committee told me he would admit only the media, I asked him if this included also some observers which we would like ...

Mr. Speaker: Order, please. I regret to interrupt the minister and I remind the ministers and hon. members who are asking questions that the question period will soon be over.

* * *

[*English*]

FISHERIES

SPORTS FISHING IN WATERS OFF VANCOUVER ISLAND—REQUEST FOR GOVERNMENT ASSISTANCE

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of the Environment and Fisheries. This has been a disastrous year for sports fishing in the waters off Vancouver Island, the commercial netting of fish in the Strait of Juan de Fuca being the main reason. Does the minister plan to do anything to help restore sports fishing in that area?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, as the hon. member knows, it has been a very good year for the commercial fisherman. Unfortunately, the runs of species that sports fishermen rely on, namely the cohoe, are down. We have, as the hon. member knows, been building hatcheries and we hope to improve cohoe runs in that way.

Mr. McKinnon: A supplementary question, Mr. Speaker. Does the minister intend to do anything to curtail the netting of fish before they get to sports fishing grounds?

[Mr. Nowlan.]

Mr. Davis: Discussions along those lines are proceeding, Mr. Speaker.

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ENVIRONMENTAL AFFAIRS

OIL SPILL ON B.C. COAST—GOVERNMENT INVESTIGATION—CONTINGENCY PLANS TO PROTECT COASTS

Mr. Harry Olaussen (Coast Chilcotin): Mr. Speaker, my question also is for the Minister of the Environment and Fisheries. In view of increasing oil spills along the British Columbia coast, and in view of the recent one near Powell River in British Columbia two weeks ago which has yet to be investigated by Environment Canada, can the minister advise the House when his department intends to investigate this spill?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, Environment Canada is on the job within minutes after each spill is reported.

Mr. Olaussen: A supplementary question, Mr. Speaker. After the *Arrow* spill Dr. McTaggart-Cowan recommended that clean-up task forces be located on both coasts. When can British Columbia expect the minister to do something about staffing, facilities and equipment, and to reveal his contingency plans to protect the shorelines and beaches from oil despoliation?

Mr. Davis: Mr. Speaker, we already have staff on the west coast which is being expanded, but our basic approach is that the polluter or polluting agency bears the cost and provides the men and equipment to contain oil spills and to clean up any oil that gets away.

Mr. Speaker: The Chair will recognize the hon. member for Coast Chilcotin on a further supplementary, and immediately after will recognize the hon. member for Charlevoix, the hon. member for Provencher and the hon. member for Saint-Hyacinthe.

Mr. Olaussen: Mr. Speaker, I should like to ask the minister how large is the staff on the west coast that has to deal with these particular oil spills?

* * *

● (1540)

[*Translation*]

SPORTS

MONTREAL OLYMPIC GAMES, 1976—SALE OF COINS—MEASURES TO AVOID A DEFICIT

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I wish to direct a question to the Postmaster General.

Last night on the CBC there was a report on the Munich Olympic Games one year after that event. Could I ask the Postmaster General, in order to avoid in Montreal deficits such as those incurred in Munich, by what date he intends to bring out the Olympic coins?

Hon. André Ouellet (Postmaster General): Mr. Speaker, the first coins should be on sale in the first week of December.

[*English*]

Mr. Speaker, may I add that a very charming and attractive Canadian athlete from Saskatoon, Miss Diane Jones, who is helping us with the Olympic coins program, is with us today in the gallery.

Some hon. Members: Hear, hear!

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UNEMPLOYMENT INSURANCE

PROGRAM FOR 1974—ACTION BY DEPARTMENT TO CO-ORDINATE JOB OPENINGS WITH UNEMPLOYED PERSONS

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration. In view of the minister's statement today regarding the 1974 program for the unemployment insurance fund, would he indicate what steps have been taken and what instructions have been given to officials of his department in order that there be closer co-ordination between job openings and those seeking employment who are now unemployed.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I indicated previously in my statement that this closer co-operation is the objective and that it was being met. I think it would take considerably longer than the question period to elaborate. But I would be glad at the first opportunity to do so and can say now that our best efforts are being committed to that end.

Mr. Epp: I have a supplementary, Mr. Speaker. Will the minister indicate whether a specific instruction has been issued by him to the officials of his department to give specific job opportunities to those presently receiving UIC benefits?

Mr. Andras: Not in those precise terms, Mr. Speaker. The co-operation and the measures by which co-operation can be effected are constantly being examined and improved. However, the Manpower Department has an over-all obligation to assist all people whether they come off unemployment insurance rolls or from other sources for counselling and job placement, and we must consider that too.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

QUEBEC—EFFECT OF MEASURES ANNOUNCED BY ENERGY MINISTER ON WORKING PAPER AND NEGOTIATIONS WITH PROVINCE

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to direct a question to the Minister of Regional Economic Expansion.

In view of the fact that the departmental working paper published last April suggested among other things that the petrochemical sector in Quebec seemed to offer great economic development potential and the desirability of developing that potential can the minister say whether the recent steps announced by his colleague, the Minister of Energy, Mines and Resources, represent a change in the policy contained in the DREE working paper as it affects the province of Quebec in particular, or even affect the negotiations between Quebec and the federal government with respect to the signature of an agreement in respect of the new economic expansion program for the province of Quebec?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Yes, Mr. Speaker. There has in fact been considerable discussion with the government of the province of Quebec and also, of course, interdepartmentally between the Department of Regional Economic Expansion and the Department of Energy, Mines and Resources. I think the expressions by all three are consistent, and I see nothing in any of the comments from the Department of Energy, Mines and Resources that would in any way detract from the observations in the working paper on DREE.

[*Translation*]

Mr. Wagner: A supplementary question, Mr. Speaker. Could the minister tell us when the terms of the agreement on the new regional economic expansion program will be disclosed?

[*English*]

Mr. Jamieson: Mr. Speaker, I am happy to say that the timetable is quite a bit more firm than when the hon. member asked the question before. I would anticipate that the federal draft will be completed by November 25 or 26. If that timetable is achieved, then I will be inviting the province of Quebec to sign early in the month of December or by the middle of the month.

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LABOUR RELATIONS

HALIFAX, N.S.—REQUEST THAT GOVERNMENT MEDIATE IN DOCK LABOUR DISPUTE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Labour arising out of events this morning on the Halifax waterfront involving a disagreement between the Maritime Employers Association and the International Longshoremen's Union about the appropriateness of discussing five points in connection with the agreement. I would ask the minister whether he would use his good offices to provide mediation or some other appropriate service leading to an agreement in a port that has never yet had a longshoremen's strike.

● (1550)

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I am aware of the long record of lack of any work stoppage at the port of Halifax. We want to keep that

record intact so the answer to the question is yes, we will provide all services necessary.

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ENVIRONMENTAL AFFAIRS

CANADIAN POSITION RESPECTING INTERNATIONAL CONFERENCE ON CONSERVATION OF POLAR BEARS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I wish to direct a question to the Minister of the Environment. It refers to the International Conference on the Conservation of Polar Bears being held in Oslo, Norway, from November 13 to November 15 and the agreement to be signed by the five countries involved, of which Canada is one. Could the minister tell the House if the Canadian position takes into consideration the recommendations and the proposals made to him by the Inuit people of Canada, the people most directly affected by this agreement? Also, will the minister indicate whether Canada will press for a postponement of the signing of the agreement until such time as the representations made by the Inuit people about the sports hunting of polar bears have been agreed to by all signatories?

Hon. Jack Davis (Minister of the Environment): The answer to both those questions, Mr. Speaker, is yes.

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AGRICULTURE

CROP LOSSES IN ALBERTA—REQUEST FOR GOVERNMENT COMPENSATION TO FARMERS AFFECTED

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Have the minister or his officials yet had an opportunity to assess the magnitude and effect of the crop losses caused by adverse weather which has curtailed harvesting operations and resulted in some 5 million acres of grain crops being snowed under in Alberta? Also, can he advise us whether the federal government is considering any form of assistance program such as a cash payment similar to that announced last year under similar circumstances?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the government is having a survey made of the damaged crops. It is working very closely with the Alberta officials. I spoke to the Alberta Minister of Agriculture last Friday and discussed the problems these people were facing. As soon as all the information is compiled and we receive an official request in writing from the province of Alberta, we will consider it.

Mr. Mazankowski: As a supplementary question I ask the Minister of Agriculture whether it is the intention of the government to amend the regulations under the Prairie Grain Advance Payments Act in order that advance payments may be applied for in respect of a crop that is unharvested.

Mr. Whelan: Mr. Speaker, under the provisions of the act now, it allows the minister to make advance payments for grain that is unharvested, covered by snow. We did that last year. Of course, we all realize that the whole act is going to be amended. Whether the farmers in this situation can wait that long, because of the higher costs involved and the need for more money this year, remains to be seen.

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PUBLIC SERVICE

RECOMMENDED SALARY INCREASE FOR DEPUTY MINISTERS—REASONS THEREFOR

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a question to the President of the Treasury Board. Have the recommendations of the advisory committee which studied the salaries of senior civil servants and recommended a top salary of $60,000 a year for senior deputy ministers been implemented and, if so, what were the reasons for this decision?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think that some time ago an announcement was made relating to the implementation of that report and the adoption of the ranges recommended by the advisory committee for implementation not in a one-year but in a two-year sequence.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

PROPOSED OIL PIPELINE EXTENSION TO MONTREAL—POSSIBLE CONSTRUCTION OF ADDITIONAL REFINERIES

Mr. Maurice Dupras (Labelle): Mr. Speaker, I would like to ask a supplementary question to the one asked to the Minister of Regional Economic Expansion.

Could the minister tell us whether the pipeline extension to Montreal could result in the establishment of additional refineries in Montreal?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I am afraid I cannot answer that question in specific terms. However, I think it is fair to say that the provision of a pipeline from Toronto to Montreal would probably considerably enhance the petrochemical projects to which I referred earlier.

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IMMIGRATION

LANDED IMMIGRANT STATUS GRANTED TO APPLICANTS BEFORE RCMP CLEARANCE RECEIVED

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. It centres around stage B of the recent 60-day amnesty period wherein the RCMP do a security check on the criminal activities of immigrants to

this country in their country of origin. Is the minister aware of a confidential directive sent by the department on September 17, or thereabouts, instructing immigration officers to grant landed immigrant status to certain applicants before clearance was received from the RCMP?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, there are circumstances in which the stage B performance to which the hon. member referred is not absolutely necessary, and judgment is made in those cases. I do not think the incidence of error is significant. If the hon. member has any specific problems, or names, places or facts to put forward, I would be delighted to investigate them.

Mr. Beattie (Hamilton Mountain): Mr. Speaker, there are many instances of illegal immigrants being granted landed immigrant status and this is in direct contradiction of the statement made by the minister when he announced the 60-day amnesty period. Through you, Mr. Speaker, I would like the minister to clarify his earlier statement, that before they were given landed immigrant status there would be a security check and the results—

Mr. Speaker: Order, please.

Mr. Beattie (Hamilton Mountain): —from the RCMP—

Mr. Speaker: Order, please. The minister might be allowed to rise on a point of order.

Mr. Andras: On a point of order, Mr. Speaker, I would be very grateful to the hon. member if he would identify precisely where there was a commitment to do a security check of everybody, and precisely the particular cases that seem to be bothering him, rather than making these general allegations.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member might like to ask a further question and the minister will be allowed to reply briefly.

Mr. Beattie (Hamilton Mountain): On the same point of order, Mr. Speaker, I put this question to the minister. Is he suggesting now that landed immigrant status would be granted to illegal immigrants without an RCMP check?

Mr. Speaker: Order. That is not a point of order. I believe the hon. member for Gander-Twillingate has a supplementary, following which I will recognize the hon. member for Bruce.

ASIANS REFUSED IMMIGRATION TO CANADA

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I address a brief supplementary question to the Minister of Manpower and Immigration. Does he have anything further to report on the Asians who were apprehended at Gander over the weekend and apparently were refused admission as legitimate immigrants to Canada?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I have nothing further to add to the answer I gave the hon. member the other day, although as a result of an indication he gave in his question that there might be some other problems inherent in that decision I have written to him, and I repeat here, that I would be very grateful for any evidence he has. In the meantime I am asking my department to check further. At the moment the indications are that they were not granted entry to Canada on the simple basis that the evidence showed they were not genuine non-immigrant visitors to Canada but rather intended to stay.

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FINANCE

DEFICIT OF UNEMPLOYMENT INSURANCE FUND—GOVERNMENT'S NET DEFICIT FOR 1973

Mr. Ross Whicher (Bruce): Mr. Speaker, I wish to direct a question to the Minister of Finance. We have heard this afternoon that the estimated payments for the year 1973 from the unemployment insurance fund are $2,050,000,000, with a substantial gross deficit. Has the minister any estimated figure of the amount of money that will be collected in income tax from payments from this fund which will allow us to calculate the net government deficit for the year 1973?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, for 1973 it would be in the order of $224 million.

Mr. Speaker: Order. The Chair will recognize the hon. member for New Westminster, the hon. member for Trinity, and there are other hon. members who are seeking the opportunity to ask questions. I will try to recognize as many as I can.

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ABORTION

THERAPEUTIC ABORTIONS—REQUEST THAT HOSPITALS BE ENCOURAGED TO FORM ABORTION COMMITTEES

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the answer given by the Minister of Justice to this House yesterday, that he is now taking steps to encourage a more strict interpretation of those sections of the Criminal Code dealing with hospital committees and therapeutic abortions, and in view of the fact that out of 1,022 hospitals in Canada only 247 have abortion committees, would the minister encourage those hospitals which do not have abortion committees to form committees so they can also have an opportunity of looking at the minister's directive on interpretation of the Criminal Code?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the Minister of Justice and myself are of the same mind, as are all members of the cabinet, on this matter.

Oral Questions

HOUSING

TREFANN HOMES CORPORATION, TORONTO—STATUS OF JOHN JORDAN—CMHC LOAN TO CORPORATION

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. Is John Jordan still an officer of Trefann Homes Corporation or connected with the project in any way?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, my recollection is that he is only a consultant for the association, but I will determine this. My knowledge is that he was a consultant. I will determine whether he has become an officer.

Mr. Hellyer: Can the minister say if this is the same John Jordan who signed a lease to a private company for the first floor commercial space at Rochdale College for $1 a year for 30 years, as a consequence of which tens of thousands of dollars are siphoned off which otherwise would have been available to repay the principal and interest on the Central Mortgage and Housing Corporation mortgage?

Mr. Basford: Mr. Speaker, I am not able to comment on whether that is the case with respect to the lease and the circumstances as reported by the hon. member.

Mr. Hellyer: Isn't it in your report?

Mr. Basford: I cannot comment whether the man the hon. member is talking about, a consultant for Trefann Homes, is the same man who was involved as an officer with the co-operative colleges at one point.

Mr. Hellyer: I have one final supplementary. Is the minister satisfied with the explanation for the difference of $110,000 between the lowest bidders and the ones he will be financing who are the pre-selected friends of Trefann Homes Corporation?

Mr. Basford: Mr. Speaker, the loan that has been made to Trefann Homes Limited has been examined very carefully by the officers of the corporation and has been made—

Mr. Hellyer: After you punched them on the head.

Mr. Basford: —subject to the city of Toronto approving a contingency grant. I only hope that hon. members opposite could be of like minds. The hon. member for St. Paul's criticizes me for not approving the loan; the hon. member for Trinity, and other Conservative colleagues of his, for the last few months have done nothing but harass the attempts of Trefann Homes Corporation and nothing but harass a group of people in Toronto.

Mr. Speaker: I was hoping we would have—

Mr. Hellyer: On a question of privilege—

Mr. Speaker: Order, please. I will recognize the hon. member if he will be patient for just a moment. I was just saying that I was hoping we could have one question period without getting involved in questions of privilege, but now we are arguing this matter and I will recognize the hon. member for Trinity.

[Mr. Lalonde.]

Mr. Hellyer: Mr. Speaker, I cannot accept the innuendoes of the minister—

Some hon. Members: Oh, oh!

Mr. Hellyer: —because what this party has been trying to determine, without the co-operation of the government which obviously is trying to hide the facts and keep them secret from the public, is whether or not the people of Canada are going to get value for public funds expended on this project—

Some hon. Members: Hear, hear!

Mr. Hellyer: —whether or not in fact the applicants and the manager of this project are competent people to manage it in the public interest, and whether or not in fact their record, the record of some of them in particular, in previous projects with which they have been associated is such that under no circumstances should they ever again be trusted with public funds raised from the taxpayers of Canada. These are the things we are trying to get at, and frankly I am surprised that the minister would go ahead and adopt the unique procedure, unheard of in the history of the corporation, in asking the corporation of the city of Toronto to guarantee any overrun.

Mr. Speaker: Order, please.

Mr. Hellyer: It is just unbelievable.

Mr. Speaker: Orders of the day.

* * *

HOUSE OF COMMONS

CENTENNIAL OF ALEXANDER MACKENZIE BECOMING PRIME MINISTER OF CANADA

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, before we take up the next item of business I think it would be remiss of me as the member for Sarnia-Lambton if I did not remind the House that 100 years ago today a stonemason from Sarnia, a true Grit, became Prime Minister of Canada. I refer to the Right Hon. Alexander Mackenzie.

Mr. Bell: True Grit? You mean John Wayne.

Some hon. Members: Oh, oh!

• (1600)

GOVERNMENT ORDERS

[*English*]

FOREIGN INVESTMENT REVIEW BILL

PROVISIONS RESPECTING ACQUISITIONS OF CONTROL OF CANADIAN BUSINESS ENTERPRISES AND ESTABLISHMENT OF NEW BUSINESSES

The House resumed, from Tuesday, November 6, consideration of Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and motions Nos. 2, 3, 4, 5 and 6.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, with regard to Bill C-132, to control foreign ownership in Canada, I followed with much interest the remarks made yesterday evening, especially those of the minister and members of the Conservative Party. Although I listened intently to the members of the Conservative Party, for the life of me I could not figure out their position on this bill. Many said that the bill went too far, and a number of others said it did not go far enough. Over the past month in this House I have noticed that the Conservative Party speaks with many voices and it is hard to understand their position.

I asked a member of the Conservative Party how a new member finds out what that party's position is. He said that their lead-off speaker is the official spokesman for the party and that he voices party policy. With regard to this bill, Mr. Speaker, we have two critics, the hon. member for Edmonton West (Mr. Lambert) and the hon. member for Don Valley (Mr. Gillies), and they do not agree.

Mr. Lambert (Edmonton West): How do you know; neither of us has spoken?

Mr. Symes: The minister looked at our amendments and rejected some very crucial ones. Later I should like to go into his arguments and comment on them, as well as some of the Conservative amendments. We proposed amendments to this bill with a view to strengthening it because we find that it does not go far enough in certain areas. The minister tried to give us the impression last evening that he is concerned about foreign ownership in this country and that he would look at some of our amendments and accept them. Our amendments are based on what is happening in this country with regard to foreign investment.

For years the opinion has been held by many Canadians and many members of this House that foreign investment is a blessing and will always be so. I agree, Mr. Speaker, that in the past as a developing country Canada did need foreign investment, but the position has changed. Look at what foreign investment has done over the years. Although it has provided some jobs for Canadians, it has developed the kind of economy that is now working in the interests of the multinational corporations rather than in the interests of the Canadian economy and the Canadian worker.

When we look at the pattern of foreign investment in this country, we see that it is mainly oriented toward resource industries and exploiting our raw materials for the benefit of another country which will refine and process them. If we become locked into that kind of economic development, not only do we export resources but we export jobs because the job-intensive areas of an economy are where the raw materials are refined and manufactured. That is not what is happening in Canada. As we ship our iron ore, pulp and other minerals out of the country we are exporting both resources and jobs. One has only to consider the oil and energy crisis today to know what that means. We are now locked into the position of a shortage of oil because of a resource-based philosophy of exporting oil via pipeline to the United States rather than having a pipeline that would be reversible and would bring western oil to eastern Canada or vice versa if need be.

Because we depend so much on foreign investment, we have been in the position of having economic decisions made outside the country. In the second reading debate I gave detailed examples of how American corporate laws apply to industries in Canada and how American corporations' policies have caused closure of branch plants in Canada when an industry slackens in the United States in order to protect American workers as opposed to Canadian workers. I do not intend to go into any further detail on that matter.

Mr. Speaker, I think we also need to toughen this bill because of the other disadvantage related to foreign investment. So much of the research and development for subsidiary companies in Canada is done outside this country that our young scientists and engineers are losing jobs. If the branch plants were Canadian-owned, or at least were forced to do some of their research and development in this country, then jobs would be available. In 1970 alone we lost 882 engineers and scientists from Canadian universities; they went to the United States because jobs in research and development were not available with subsidiary companies in Canada. When we look at our trade balance we find that most of the component parts that foreign subsidiaries use in Canada come from other countries; parent companies provide 70 per cent of the components used by their subsidiary companies. This reduces the number of jobs created in Canada for the production of components.

When we look at the other aspect of foreign investment in this country we see that the bill could be strengthened by following some of this party's amendments. Canadian companies have been bought up at the rate of 170 a year, and there are loopholes that will allow this to continue. I shall deal with them in detail, Mr. Speaker, when I deal with the amendments. We now find that because of foreign investment we export more money than we bring in. The old argument for foreign investment was that we needed foreign capital. One has only to look at the statistics to see that between 1960 and 1969 we had a net export of $2 billion. In other words, taking into account the amount of capital that enters the country as opposed to the amount that went out in dividends and profits, we ended

up with a deficit of $2 billion. The figures for 1972—these are not net export figures—show that $2.35 billion in dividends went to the United States. Obviously, foreign investment is not the blessing it seems to be.

Another matter that worries me very much, Mr. Speaker, is that the foreign subsidiaries already in this country are expanding at an enormous rate. They are competing with Canadian industry and they are buying up Canadian industry. Where do they get the capital for expansion? I have just pointed out that more money is leaving the country than is coming in. When we look at this question we find that these foreign companies are financing their expansion with Canadian money which they get from Canadian banks, insurance companies and other financial institutions. We have the capital in Canada for our own expansion, but Canadians are not using it; the foreign firms are taking advantage of it. In 1971, 94 per cent of all the capital expansion of these companies was financed in Canada; only 6 per cent of the capital came from outside the country.

We see, then, the state of our economy because of foreign investment and the crucial need to do something to control the economy, to prevent further erosion of our economic independence and also to promote future development of Canadian investment in our country. When we look at the bill we see that it moves in this direction but there are some limitations. One of the major weaknesses is the fact that existing foreign corporations account for more than 80 per cent of foreign investment in this country, so the bill was designed to control the expansion of these companies in related areas. Yet that is where the difficulty arises. How do you define what is a related or an unrelated area of business?

● (1610)

Unfortunately, our first motion to amend the bill was ruled out of order. It seems that the bill, if passed in its present form, will cover only 20 per cent of the growth of foreign investment in this country. Therefore ITT, which has invested in 58 companies, hotels, communications, manufacturing companies and the like, which to a layman appear unrelated to its main business, can claim that these companies which it controls operate in related areas of economic concern. If that definition is accepted, such takeovers will not be covered by the bill.

The same holds true for oil companies. For example, they can claim that the manufacture of plastics, which appears to be unrelated to the oil business, is related to the oil business because the plastics industry depends upon petroleum products for raw materials. That demonstrates the real weakness of the bill. As I say, only about 20 per cent of foreign expansion will be covered. That will be the situation because our amendment was ruled out of order.

The minister and members of the Conservative Party discussed other amendments last night. The minister spoke last night about our motion No. 4 and Conservative motion No. 3 which have to do with the assets of a company and the threshold above which they will be subject to review. The minister rejected both these motions to amend and said that the figure in the bill is adequate. The Conservative amendment sought to increase the amount of the threshold and thereby exempt more businesses from review. I reject that stand. I argue that the House ought to adopt motion No. 4 which has the support of my party. That motion seeks to reduce the $3 million limitation to $1.5 million. It deals, of course, with assets. Our reason for bringing forward the amendment is that a very significant proportion of corporations in Canada have assets of under $1 million. Actually, 81 per cent of all Canadian corporations have assets of under $1 million. So raising the financial threshold would not protect these companies. The bulk of Canadian corporations would still be subject to the actions of foreigners who might compete to buy them up or invest in them.

The same holds true of foreign corporations. Forty-five per cent of foreign corporations operating in this country have assets of under $1 million. Therefore I cannot accept the assurance that the bill as it now stands will protect the bulk of Canadian business from foreign competition and foreign exploitation. This is especially true because our motion No. 4 has not been accepted.

I also wish to discuss motion No. 5 which has been moved by the Conservative Party and deals with provincial consultation and provincial involvement in the screening process. The argument put forward is that there are disadvantaged areas of Canada which want foreign investment and they would not want the federal government prohibiting, controlling or restricting it. Consider the economic development of Canada and the areas of the country that are still poor. For example, what has foreign investment done for the Maritimes? Up to this point there have not been controls; however, foreign investment in such areas has been minimal.

Foreign investment takes place in areas where there are economically viable natural resources or where a manufacturing base already has been established with a market. The Conservative amendment, which seeks to relax controls in certain areas of the country, with a view, no doubt, to encouraging foreign investment, will not work to the advantage of the people in the areas concerned. Foreign investment has not worked to their advantage in the past and I cannot see that it will in the future.

Conservative members should consult the hon. member for Kingston and the Islands (Miss MacDonald). She grew up in the Cape Breton area and she will tell them what happens when there is not some control over foreign investment. Provinces compete with one another and try to make the best deal with foreign companies. This happened in the Strait of Canso, in the deal involving the Gulf Corporation. Provincial governments compete with one another; they give all kinds of tax concessions and indulge in all sorts of giveaways to multinational corporations in order to attract them to their area. If there is to be a national economy of benefit to all Canadians there must be a strong national government presence in this area. There must be provincial consultation, agreed—but there must not be a provincial veto power. It is the Canadian economy as a whole with which we are concerned. We must look at it as a whole and not fragment it into parts.

I believe we ought to strengthen the bill in the manner suggested by our amendments. If we do not, we shall see the Canadian economy being eroded in the sense that we shall lose control of our economy and of our ability to decide our own future and provide jobs for Canadians.

This is a most crucial bill. If the minister is really serious about doing something with respect to foreign investment in this country, he should know that he will not accomplish his aim by accepting the bill as it now is. He should re-examine it and accept some of our amendments. I urge all hon. members of the House who really believe in the Canadian economy and in the Canadian ability to move ahead and plan our future to look seriously at our amendments and accept them.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, as I rise to take part in the debate on the report stage of Bill C-132 let me first put on record the title of the bill. According to the order paper, it is "an act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons".

The amendments which I shall discuss deal with consultation with the provinces and, of course, certain notice to the provinces. I might say that in dealing with the control of our economic environment in Canada the subject is not an easy one to discuss. It is not a matter about which one can be glib. All of us agree that Canadians must control their economic destiny if they are to maintain and sustain their national identity and national sovereignty. I use the phrase "national sovereignty" in the context of our approach to national and international affairs.

How is this to be accomplished? Can we accomplish it and still maintain our standard of living? The answer to these two important questions will differ not only as between parties in this House but as between members who make up the various parties in the House. I have said before in this House that the differences between the men and women in the House stem not so much from differences in party philosophy as from regional differences. For example, members from the Maritimes discuss the problems of the Maritimes and how certain amendments to a bill will affect the Maritimes. I say again that differences in viewpoint stem not so much from party affiliation as from differences in the regions which the various members represent.

Today I wish to discuss a matter pertaining to my home province, Alberta, and to Calgary. The whole economy of Alberta is geared to ranching. That includes farming of all kinds. That industry, really, is our primary industry. Our second most powerful industry is the resource industry which brings about the secondary industries, known as the tertiary industries, all of which depend on the two main industries, farming on the one hand and the resource industry on the other, or energy and food. We in Alberta are fortunate enough to produce both food and energy in large quantities. I shall deal for a few minutes with energy.

● (1620)

I do not believe, and I hope I will be able to prove this before I am through, there is actually a shortage of energy in Canada. We in Alberta have enough crude petroleum and natural gas to supply the needs of Canada this winter and for winters to come. One of the great troubles has been lack of planning, particularly by this government, in the transportation of that energy from its source to urban and other centres. I will have something more to say about that later. When we wrap it up, it may be a case of scarcity on the market but not scarcity at the wellhead.

When dealing with this subject we have to ask ourselves a second question. How do we encourage more Canadian dollars into our two industries, agriculture and the resource industry? These are some of the suggestions that I have. I have said this before in this House but the government has paid very little attention to it in dealing with the question of taxation. First, we should make certain the Canadian tax law that affects agriculture and the resource industry is such that enough dollars will be left in the command and control of people in Alberta and, indeed, the people of all Canada so they can invest in their own industries.

The new tax act places the Canadian investor in Canada at a disadvantage to foreign investors. We hear a lot about United States dollars in Canada. We hear very little about the amount of money that Japan has now invested in Canada. We hear very little about the amount of German money invested in Canada. I am told that Japanese money is coming into the Pacific coast for the hotel industry, and so on. Too often when dealing with this subject we speak about American dollars. It may be because there seems to be a group in Canada that is anti-American. If they can use a club on them, even through this bill, they seem to get great satisfaction.

There appears to be in the House panic and a crisis with regard to the supply of crude petroleum and natural gas. I repeat, there is no shortage. It is a question of transportation. We have interrogated this government since 1968 in reference to a national energy policy, transportation and pipelines, but nothing is done until there is a crisis. When this government, which is now withering on the vine, was elected in 1968 they said they were pragmatists. They are pragmatists. They go from crisis to crisis. If anyone is cold in his bed or living-room this winter, the responsibility will be on the shoulders of the government.

Guaranteeing large Canadian participation in the development and ownership of Canada can only be done by equitable and reasonable tax incentives so that Canadian developers and the resource industry can compete with foreign investors. Let me direct my attention for a few moments to the resource industry in Alberta which is continually under attack by this government and the people who like to kick hell out of the United States because it sounds good on the hustings and is more political than logical and sensible. First, I want to refer to the source of funds for independents. Resource industries, Canadian corporations and Canadians must be given, within Canada, a greater tax advantage and incentive than our foreign competitors. Then Canadians will soon own and control their resource industry and resource development.

I listened to my friends on the left who joined the government. They endorsed the new tax bill. When foreign investors come into this country, they have large depletion allowances and large write-offs. The same does not apply to Canadian investors. I recall a bill that was brought in not too long ago which permitted pipeline companies and other corporations to drill wells, but individuals forming a syndicate in Canada who might want to put their savings

into drilling a well cannot get even the same allowances or incentives as Canadian-owned corporations. That kind of tax law is drying up the funds for the development of our resource industries. Because of the high degree of risk inherent in the search for oil and natural gas, funds required by exploration companies cannot be borrowed.

Why, I might ask, have American dollars found their way into the resource industry? You cannot go to the bank and get a mortgage to drill an oil or gas well. Out of every ten wells drilled in the province of Alberta for oil and gas, I am told that nine are dry. Any capital that finds its way into the resource industry is high-risk capital. That is why tax incentives are necessary such as higher depletion allowances and higher write-offs. These will encourage free enterprise—I am not afraid to use that expression—to drill for oil and gas.

If it had not been for American dollars which came into Alberta and brought in Leduc No. 1 and developed the first field, there perhaps would not be any oil and gas industry in Alberta. I do not say that as a complaint. We did not find that the people of eastern Canada, who have the large pools of capital, came forward in the forties and fifties to invest in our resource industry. Therefore we had to rely on foreign investment. That is how foreign investment gained control of the resource industry of Alberta.

I want to compliment a government that was defeated by the Conservative Party, the government of Premier Manning. This is where you can differentiate from Saskatchewan. When the leases were let to developers, that government set up a royalty system which was copied by other provinces, including the province of Saskatchewan when Mr. Douglas was premier, whereby pools of money found their way into the treasuries. Because of those agreements and plans made by our former premier, now a senator, Alberta is the only province without a sales tax. We are proud of that record. We have to take that into consideration when dealing with this bill.

As one who was born in western Canada, I would be very happy if all the dollars in all our resource industries were Canadian. The only way to get Canadian dollars in there is to have an incentive and taxation plan to leave the money with Canadians. Unfortunately, that has not been the plan of this government. In history they will be written up as a giveaway and high tax government. I hear my socialist friends groaning. They ought to groan, because while we are drilling for oil and gas in Alberta and developing our resources, the same drilling rigs left Saskatchewan because of the socialistic philosophy of its government during that period.

Mr. Lalonde: Shame.

Mr. Woolliams: I am glad to hear the Minister of National Health and Welfare (Mr. Lalonde) say "Shame". As a general rule, Canadian independents do not have sufficient internal cash flow to undertake required exploration programs. They must rely on the continued inflow of new risk capital from investors, both Canadian and foreign, either through the form of new equity issues or through drilling fund types of arrangements. It is estimated that in excess of 50 per cent of the funds expended on wildcat drilling in Canada by independents

[Mr. Woolliams.]

come in the form of new risk capital obtained each year by the independent companies.

There is a need for consistency of government policies. According to recent technical papers, Canada, at current rates of production, is considered to have undiscovered reserves equivalent to 100 years of supply for oil needs and 250 years of supply for gas needs. In addition, the Alberta tar sands are estimated to contain 250 billion barrels of oil, of which 26.5 billions barrels are recoverable by current processes. As I see it, the government is bound to depend on foreign crude because it has scared off the parties ready to participate in the great Syncrude project or, if it has not, only the integrity of the government of Alberta has saved the situation. Without consultation, the Minister of Energy, Mines and Resources (Mr. Macdonald) imposed a surtax, first of 40 cents and then of $1.90.

• (1630)

We know from all the reports on the Syncrude project that the extraction of the oil is an extremely expensive process. The cost of processing and extraction is very high. The move the government has made will, I am sure, hamper the prospects of development. I remind hon. members that we should be considering not only our present needs but Canada's needs in the future. Foresight and vision are required, and these qualities cannot be exercised without capital. On November 5 I directed the following question to the minister:

> In view of the cabinet leak to the effect that the government intends to nationalize or is considering nationalizing one of the corporate parties to the Syncrude project, is the minister now in a position to encourage or to discourage the immediate development of the Syncrude project to assure supplies of crude petroleum for all Canadian needs now and in the future? That is the question today; we are all talking about supply.

To which the minister replied:

> I should like to confirm a statement made outside the House, namely, that a *Globe and Mail* report of a proposal to acquire either Gulf or Shell is totally without foundation.

At this point an hon. member, not named in the report, interjected "Oh, yeah?" The parties to the Syncrude agreement are Imperial Oil, Canada-Cities Service Limited, Atlantic Richfield and Gulf (Canada) Limited. At the same time, it does seem strange to me that a newspaper as well-known nationally and internationally as the *Globe and Mail* would print a story unless there was some foundation for it. I believe there is a fight going on in cabinet at the moment over that situation. In such a climate of uncertainty, how can we be assured that a development so important to Canada's future will continue in order that our energy reserves may be maintained? The minister went on to say:

> With regard to the Syncrude position, I would point out that it is a rather fundamental matter of taxation policy whether a special change should be made in our taxation law affecting the Syncrude project, and this is a matter which the Department of Finance now has under study.

Well, I hope it does not keep it under wraps for years like the government's national energy policy. This project cannot wait. It is very well put together. Eventually, 60 per cent of the profits will go to the people of Alberta. And I should like to remind hon. members, especially those from Ontario, that we spend between $100 million and $200

million a year buying from the tertiary industries of Ontario. These huge amounts are spent in the purchase of steel, tubing, facing and all the other equipment required to drill for oil and maintain the wells. We should remember, too, that if it is kept healthy this is an industry which will help solve the problems of unemployment in the future.

The hon. member for York South (Mr. Lewis) said no tax incentives had been provided in connection with the project. Some hon. members interjected with cries of "oh!" and then the Minister of Finance (Mr. Turner) answered:

Mr. Speaker, both the Minister of Energy, Mines and Resources and I said to the Alberta ministers that it was in the interest of this country that the Syncrude project go forward. The problem is not only how to reconcile the Syncrude project, or the agreement between the consortium and the Province of Alberta, with the existing tax laws, but of developing and announcing guidelines for federal tax resources policy. To that effect we are reviewing our position and, indeed, in the light of information supplied to the Alberta ministers, they are also reviewing their position. I will be meeting with the Syncrude people later this month.

The ministers from Alberta were down here. They visited the appropriate ministers of this government. They had hardly got on the plane home and taken off their coats before a new tax of $1.90 was imposed. What effect did that action have on the prospects for development? I see the Minister of Regional Economic Expansion (Mr. Jamieson) present in the chamber. I understand he will speak later and I hope he will answer some of these questions. The hon. member for Calgary South (Mr. Bawden) put it very well, I thought, as reported at page 7515 of *Hansard*. He said:

In view of the fact that the only secure source of oil supply to Canada must lie in the Canadian oilfields and that Canadian oil reserves at present are down to somewhere in the order of a 12-year life, will the minister say why all the government's recent policies have aggravated the Canadian oil supply problem and why no consideration has been given to security of future supply by way of stimulating the search for and development of energy reserves in Canada?

My comment is this: you can only stimulate the search for more energy and the development of more energy through appropriate tax incentives operating in a proper atmosphere. The minister began his answer by saying he would not accuse the hon. member for Calgary South of a conflict of interest in the situation. I assume he said that because the hon. member for Calgary South was at one time an entrepreneur in one of the drilling companies. I might say, in passing, that 95 per cent of the drilling companies in Alberta are owned by Canadians, financed by Canadians and drilled on behalf of Canadians. The minister went on:

I would point out that in July and again in discussions the government has held with the governments of both Alberta and Saskatchewan we have pointed out that substantial funds can and will be made available for the purpose of developing non-conventional sources of oil particularly and, in addition, for the development of other sources of oil and natural gas, and it is our intention to have this development by and for Canadians.

The hon. member for Calgary South went on to ask a further question:

The minister has made some vague statements about the federal government trying to find ways of directing the $70 million a month that is being creamed from the western provinces into heavy oil development. In view of the fact that the National Energy Board projects production from the Alberta tar sands in the amount of some 500,000 barrels a day by 1980, which is an almost impossible target date, will the minister promise that before the end of this year the matter will be concluded so that private enterprise can get on with this job?

This is why there is an energy crisis today. It is because we have a government which believes in high taxation, a government which believes it can handle other people's business better than they can. The other day we asked the minister whether it was his intention to set up a national oil corporation. I think this was two days ago. The Prime Minister (Mr. Trudeau) said later that the idea was being considered. Are they going to take over some of the companies in Alberta?

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired. He may, however, continue if there is unanimous consent. Is it agreed?

Some hon. Members: Agreed.

Mr. Woolliams: I thank hon. members. Continuing his answers to questions on November 5, the minister replied:

I think it would be desirable to conclude it as soon as possible and I look forward to early conversations with the government of Alberta in an attempt to nail this down.

Mr. Speaker, the government of Alberta must be frightened to negotiate with the federal government. On the last occasion when the ministers left for the west, no sooner had they done so than the whole plan was changed. I want hon. members to consider this question carefully. If the development had not taken place in Alberta, where would Canada be this winter? It would be depending entirely on supplies of oil from Venezuela and from the Middle East, where the trouble is.

In the past year the government has done everything in its power to discourage the development of the industry. While the potential reserves postulated by the various geologists are large, they will only become a reality as a result of exploration. Only through risk exploration can Canada become assured of a lasting supply.

• (1640)

In undertaking this risk exploration, it must first be recognized that compared to Middle East supplies, or in fact any other reserves worldwide except those of the United States, Canadian oil and gas are high-cost in terms of finding, developing and transportation costs. This is why energy is an expensive item. Some of our wells produce only 100 barrels a day, where the same sized wells in the Near East may produce 10,000 barrels a day. Yet it takes the same capital to sink the same kind of shaft. You are dealing not only with high-risk capital but with high-risk projects.

Secondly, it must be recognized that these risk investments are generally of a fairly long-term nature, in that there is a long lead time before an idea is transformed into reserves and possible return. In settled Canada, it probably takes five to seven years to do the necessary geological and geophysical work and the drilling required to develop a specific play and start selling oil and gas. In the frontier areas the lead time is even longer.

Gas was found at Sable Island in 1967, the year before this government took office. Close to 70 wells were sunk. Six years later this gas is still a considerable way from being produced and transported. Is this foresight? Is this the kind of government thinking and government direction that is going to guarantee us an energy supply? Of course it is not.

Gas was found at Drake Point in the Arctic in July, 1969, and it is unlikely that any gas from there will be marketed before the 1980s, if at all. Day after day I personally, as well as other members from Alberta and western Canada, have asked the Prime Minister and various ministers of energy, mines and resources whether they are negotiating with the United States to build a pipeline down the Mackenzie delta. During the last election it was almost built, with a highway alongside. We have action on the hustings but inaction in parliament.

The industry needs to work in a climate of relatively stable legislative and regulatory conditions. It cannot operate in a legislative vacuum, under conditions where great uncertainties exist, or in circumstances where legislative or regulatory guarantees are unilaterally changed without regard to the guarantee, or where legislative changes are made retroactively, or where legislative changes are quickly made without allowing for a phase-in period to allow industry adjustments.

I do not trust any government—and this is what I worry about in connection with this bill—to be the determining factor regarding where and when money should be invested, particularly in the resource industries where risk money is needed. Here I quarrel with my friends the socialists. They say that we can improve the bill. When they drilled the first well in Alberta, they took a chance. They drilled many wells at Turner Valley and other areas and finally they found oil. After finding one field they took further chances and made other discoveries and went from field to field. In this way you develop your pools of energy.

Has the government the vision to do this with taxpayers' money? That is the thought that I want my good friends to my left to think about when they talk of a national corporation that will be financed with the taxpayers' money. We talked today about CMHC and the fact that the government has been putting its hands in the taxpayers' pockets. Even though there is corruption, you cannot clean it out. Do we want the same thing to happen in the resource industry, particularly when it relies on risk capital?

If Alberta had depended on certain Toronto or Montreal investors, we would have no surplus of oil and gas today in Alberta. Those investors preferred to invest elsewhere. That was their privilege and their right, and they developed one of the greatest industrial triangles anywhere in the world. I am told that the industrial triangle of Ontario is one of the most wealthy areas anywhere in the world. Ontario has built within 100 years a powerful industrial base, and they are to be congratulated for that. I find no fault with them for not coming west and putting their money in our gas and oil wells. But had we not had money from elsewhere, there would not be the gas and oil wells in Alberta today to supply energy to the industries of eastern Canada.

[Mr. Woolliams.]

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

Mr. Deputy Speaker: Order. The hon. member is rising on a point of order.

Mr. Nesdoly: Several minutes ago when the hon. member had permission to speak beyond his time, I yelled out "No," but apparently I was unheard. He has now gone beyond his time by about eight minutes. I think it is time to call a halt.

Mr. Deputy Speaker: I did not hear the hon. member say no. If I had, I would have done what I have not had to do with any other participant in this debate; I would have refused to permit the hon. member to continue. The hon. member has been given the right to continue and the Chair assumed that it had the right to extend this courtesy to the hon. member, as it has to others. Having made a mistake, the Chair will do what it has done in other cases where people have been allowed to continue, and that is wait for the end of the hon. member's speech.

Mr. Woolliams: I might say this, Mr. Speaker. I do not want to argue with my good friend who rose, but I must be saying something that bothers him or he would not want to turn off my voice.

We are developing a strong energy base. I say that what makes confederation is to have Ontario and Alberta scratching each other's backs. I hope this government does not try to stimulate an election issue by leaving the impression that instead of scratching each other's backs they are scratching each other's eyes. The energy pool complements the industrial pool. I hope that Canada's nationalism does not boil down to the price of a barrel of crude petroleum.

What do I mean by that? When we could import crude petroleum from the Near East and Venezuela and we had the Ottawa Valley division line, with imported oil coming as far as that and west of the Ottawa Valley being supplied with oil from Alberta and Saskatchewan and other places where resources industries were developed, they did not want a pipeline. Now there is a shortage, they do want a pipeline.

I say on behalf of the people I represent—and I have represented the province of Alberta in this House for 14 years—that they take the position of Canada first for Canadians. We think we are part, and a big part, of Canada and have a great contribution to make to this nation. That is why I support the amendment. We believe that this all-powerful government—it is really a majority government; both parties are together—surely could consult with the provinces and give them sufficient notification. I should not like to hand over our resource industry, financed by high-risk capital, to a government that says, "No, you cannot put money into Alberta; we don't like their premier or their government". I like a society that is governed by laws rather than by people. I am frightened when people make decisions that are made outside the rule of law. This is why I think our amendment should be supported, and I ask the government to take a hard look at it because it is to the government's advantage.

The government put a surtax on our crude petroleum. What would have been the reaction if they had put a

surtax on steel in Ontario, or on Ford or General Motors' cars? What would happen if the resources of some other province were taxed, such as the good province of Quebec or the maritime provinces? Why was poor old western Canada picked out? I say this because our resource industry and our wheat and cattle industries have been discriminated against.

● (1650)

I might say that not only Alberta but Saskatchewan also is losing millions of dollars through the tax. I am surprised that the Premier of Saskatchewan has not spoken up about that. Is it because there is some relationship between the party national leader and himself? I do not know.

To be fair to the Minister of Energy, Mines and Resources, I must say that he said Ontario did buy our crude when it was more economic to purchase it elsewhere. Ontario did that for years. Everywhere west of the Ottawa Valley really did pay more. That was worked out as the national oil policy. It was introduced by a Conservative government and carried on by the Pearson government and by the present government.

Recent actions by the Canadian government have created uncertainties in the petroleum industry which may erode its ability to attract sufficient capital for the longer range development of oil and gas in Canada. Policies should be developed to provide consultation between the federal government, the provincial government and the petroleum industry, and to establish a political climate conducive to the reinvestment of funds generated from the production of our remaining proven assets of oil and gas, and as encouragement for new investments in the development of oil sands projects, exploration plays and technological research into recovery methods.

As I said, we are reluctant to the turning over of our risk capital to a group who will oppose our interests. Nor do we want to operate in a climate where it is harmful for the country to have U.S. dollars but investment by the Japanese is not questioned. Here I would also mention West Germany and Britain. Just remember that companies like the Ford Company of Canada and General Motors are under the control of the United States, but I never hear our friends in the NDP complain. Maybe the hon. member for Oshawa-Whitby (Mr. Broadbent) does not want to rock the boat in his constituency in that regard.

I am told by the hon. member for Calgary South that the Canadian Association of Oilwell Drilling Contractors is comprised of 187 companies—83 contractor companies, and 104 service, supply and manufacturing companies related to drilling operations. Member companies employ 10,000 taxpaying Canadians, providing an annual payroll in excess of $90 million to employees located throughout Canada. As a direct result of drilling operations in Canada, an annual payroll of $188 million is generated for drilling and service rig crews, employees in manufacturing, service, supply, transportation, construction, and for field consultants. Contractor members of the association are 95 per cent Canadian-owned and operate 341 drilling rigs and 205 service rigs.

Any reduction in exploration or development drilling has an immediate and adverse impact on the number of persons employed in the contracting industry. When drilling rigs are not operating, income is not generated and personnel are laid off. We know that the Syncrude project will give immediate employment to an estimated 10,000 Canadians. That is how important this industry is to Canada. Oil and gas well drilling has been carried out in every province, including the Territories and the Arctic, within the past year, creating jobs in these regions and adding economic benefit to the local, provincial and federal economies.

I am concerned that recent federal policies in respect of the crude oil price freeze and the imposition of an export tax on petroleum have created uncertainties in the Canadian petroleum industry. Today a question was asked by the right hon. member for Prince Albert (Mr. Diefenbaker) as to whether exports to the United States would be cut off in the event that supplies were not enough for Canada. The minister replied that certainly exports would be reduced in such circumstances. I endorse that. I think the industry endorses it. But at the same time, Mr. Speaker, when those decisions are made, either with the provinces or with our neighbour to the south surely consultation is not out of the question. Surely we are neighbourly enough to go to the United States and say, "We are having our troubles." Negotiations could then take place in an atmosphere of good will on both sides of the border.

While I am vitally concerned with the maintenance of a viable drilling industry and the retention of our highly skilled Canadian labour force, I am also deeply concerned that the application of the recent policies will severely limit the discovery of additional hydrocarbon reserves, to the long-term detriment of all Canadians. I would hope that the minister or the Prime Minister would sit down and consult with the provinces before making any long-term decisions. They announced a pipeline. Quebec said no. Surely they should have first gone to Quebec and talked it over. The government has a national responsibility to supply energy across the country, but it also has a national responsibility to keep confederation together.

Our proposed amendments will tidy up a very bad bill, a bill which will cause the drying up of risk capital, capital that is necessary for the economic health of the provinces, of my province in particular, and of other provinces which depend on it for the energy they use in the manufacture of goods and the provision of services.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, this has been such a wide-ranging debate that it would be quite impossible to touch on all the matters that have been commented on by hon. members, even if I were to get the extra allocation of time which we so generously gave to the hon. member for Calgary North (Mr. Woolliams) to wind up. But looking at the clock I find his wind-up was a heck of a sight longer than his pitch.

Some hon. Members: Hear, hear!

Mr. Jamieson: I propose to spend the majority of my time dealing with those aspects of this bill which relate to my special responsibilities in the field of regional economic expansion. But I cannot resist commenting on the speech of the hon. member for Calgary North, which for

one reason alone I suggest is historic in this chamber. He is the only man I ever heard who sang "O Canada" to the tune of "God Bless America."

When the hon. member gets an opportunity tomorrow to look at his speech in *Hansard*, I suspect he will find it is a remarkable mixture of non sequitors, clichés, a fair amount of patriotism and a lot of dangling participles, because he has the habit, which we are getting accustomed to now from a certain group of members of this House, of saying, "We would dearly love to have everything under Canadian control and owned by Canadians" while the damning thing we never hear is the great big, capital letter "But," because in the rest of their speech they go on to say why this cannot be done and why it is impossible to do it.

Some hon. Members: Hear, hear!

Mr. Jamieson: I must say, too, that when the hon. member's remarks are transcribed for history they will lose all credibility when the reader comes to the line which says of a minister of the Crown who, after all, is entitled to some respect, even from the Official Opposition, that his word is not to be taken because in fact a rumour to the contrary appeared in the *Globe and Mail*.

Some hon. Members: Oh, oh!

Mr. Jamieson: Therefore we have government by rumour, presumably, or by any other kind of speculation. The hon. member certainly illustrates how weak are the bases of many of his arguments when he says the minister is not to be believed because the *Globe and Mail* says it is not true. I call attention to the fact that that newspaper did not go that far in assuming they were omnipotent and omniscient in that regard. In fact, I will send the hon. gentleman a large package of clippings of items which have appeared in the *Globe and Mail*, and which appear every day under the heading "Our mistake."

Lest I fall victim to the temptation to try to respond in detail to what was essentially a legitimate but of course special pleading on the hon. member's behalf in regard to the oil industry, I return to my first theme. I feel my responsibility is to talk about what is a legitimate problem in all of the underdeveloped regions of Canada with regard to this whole question of investment of a foreign nature or non-Canadian nature.

● (1700)

I have read with considerable interest the comments made not only before the parliamentary committee but also those of some of the premiers of the Atlantic provinces—I believe they were all aligned on these things—and those of certain of the other so-called have-not provinces who expressed some fears and concerns about the possibility, or at least the threat or the danger that a more positive national policy with regard to control and ownership might be harmful to their developmental efforts.

As someone who comes from one of those have-not regions of the country and who has spent a great many years involved in various forms of developmental activity, I appreciate this concern. I have no hesitation in saying that it is important in those have-not regions of the country that legitimate developments are not hampered by a

failure of Canadian capital and Canadian initiative. I would rather put it in that context than say it would be important that these fail because there is no foreign investment. I should like to develop that point as I go along, Mr. Speaker, but before I do let me point out to people who are so very much concerned about the threat of foreign ownership in the underdeveloped parts of the country that even in these have-not areas it has been a mixed blessing to have such a heavy emphasis on foreign control and investment in industry.

In the region that I know best, the Atlantic provinces, the whole area—all four provinces—are littered, quite literally, with the remnants of foreign-controlled industries that milked the region for whatever they could get out of it and then departed and left us to clean up the mess.

Some hon. Members: Hear, hear!

Mr. Jamieson: I have merely to point to the iron mines of Belle Isle or to Devco Corporation which was established in Cape Breton when a foreign-controlled organization abruptly decided to withdraw. I could give many other examples throughout Atlantic Canada of this danger that has existed all along, of the domination of the economy of the Atlantic provinces and other have-not regions by foreign-controlled corporations. To those who would say, in what has now become something of a cliché, that we have to embrace developers and entrepreneurs from wherever they come in the world simply because they hold out some hope of development of our resources, I say that they ought to qualify that against this history.

There is another reason why even in the have-not areas of this country it is not always wise for us to welcome every foreign investor who comes along.

Mr. Woolliams: Like Joey Smallwood.

Mr. Jamieson: My hon. friend from Calgary North says, "Like Joey Smallwood." Well, I do not use it in the same context as he, but I would say that the Newfoundland experience in the first 20 years of confederation shows that in your enthusiasm for development you can frequently be too generous in the concessions that are made.

Some hon. Members: Hear, hear!

Mr. Jamieson: I repeat, therefore, that the whole question of development has to be measured in terms of what the trade-offs are, because you could wind up making enormous concessions with insignificant benefits to the people of the region or of Canada as a whole.

The third reason this whole question of open-handedly accepting foreign investment ought to be examined is the fact that experience shows that it sometimes leads, particularly in the have-not regions, to excess interprovincial or interregional competition. This, of course, reflects on the second reason that I gave, which is that in those kinds of circumstances the promoter can play one against the other. The only winner in the long run, in many instances, is the promoter. The ultimate loser is probably the public purse which comes in and tidies up after the cream has been skimmed by those people who have no further interest in Canada or Canadians.

There is another reason why this question needs to be examined with a degree of caution. As long as we have this almost total dependence upon foreign investment in the have-not regions of the country, there is the danger, and frequently the reality, of a somewhat less than total development of the resource. The reason for this is that the international or foreign company is usually concerned with getting the basic raw material from Canada. We can see across this country, whether it be northern Ontario, Atlantic Canada, Quebec or British Columbia it does not matter, outside of the built-up regions that once foreign investment comes in the resource is usually taken out in the most raw state possible for transportation and is upgraded at some other point where the jobs are created. We can see that not only in the mining industry but also, in my own province, in the fishing industry where the basic thrust of what might be described as an international interest is to get the raw material and process it elsewhere.

We have very short memories, Mr. Speaker, if we do not recall that as recently as three or four years ago there were two or three large international corporations that were hailed when they moved into the Atlantic provinces in the fish processing business. But they disappeared from the scene the instant the price went down to the point where it was not profitable for them, at precisely that moment, to keep going. That reminds me of the Newfoundland fish merchant, Mr. Speaker, who during the depression went into his bank and asked his banker, "What do you know about the fish business?" The banker replied that he knew nothing, to which the merchant responded, throwing his keys on the desk, "You had better start learning, because you are in it."

Some hon. Members: Hear, hear!

Mr. Jamieson: Time after time foreign companies have come in at the height of a market or a demand and then provincial governments, or in some instances the federal government have found themselves caught with that expression, "You had better start learning, because you are in it." We ought to differentiate between sound foreign or international investment and those problem areas which are inevitable unless we keep a close eye out for them and unless we have an alternative.

Mr. Speaker, I have made what I hope will be recognized as jesting remarks with regard to the hon. member for Calgary North, but there is one thing about which he is absolutely right; that is, we can join hands from the Atlantic provinces to the west and say that the biggest failing, in terms of Canadian control of the Canadian economy, over the past 50 years or so has been the lack of initiative and entrepreneurship and the timidity of a great deal of Canadian capital.

Some hon. Members: Hear, hear!

Mr. Jamieson: This has been one of our real errors, Mr. Speaker. It is all very well to spar back and forth in adversary debate and to talk about government policies and what they might or might not have done to maintain control of the Canadian economy. But the facts speak for themselves; the evidence is there, that indeed in what might be described as the perimeters of the country, the parts away from the heartland, there has been a woeful lack of enterprise and a woeful lack of guts on the part of well-heeled Canadian investors to do something to develop other regions of the country.

My hon. friend from Calgary North spoke of some of the things that did not happen in the west or would not have happened in the west because of the failure of Canadian investors. We can point to the Atlantic provinces or Quebec in the same way. The whole fishing industry had its genesis or growth through the interests of various foreign operators. Many of the Canadians to whom I have spoken personally on many occasions, who simply could not get themselves excited about the prospects, now that prices are about four times what they were three or four years ago are falling all over themselves to get into the business. The fact of the matter is, Mr. Speaker, that we cannot blame any resident, any premier or any leader in any backward part of this country for saying that he is going to get capital wherever he can lay his hands on it. What he is really saying is, "I cannot get it from Canadian sources." So it is important that we find techniques and means by which we can induce the private sector to put money in, and perhaps we could include public moneys as well, as a means to offset this negative attitude toward the regions to which I have referred.

● (1710)

In summary on this point, I say that it is not merely a question of saying that we do not like an overdose, as it were, of foreign investment; I think I have shown that there are dangers in that. There is no point in making that kind of case unless you point out the other flaw, which is this: Canadians, by and large, until fairly recently at least, have not been prepared to invest as they should in their own country. Lest, by the way, that is taken as a criticism wholly and solely of what might be described as the financial establishment of central Canada, let me say that within the have-not regions of this country there is every bit as much of this chicken-hearted approach to investment in Canada as there is in the big financial centres.

There are in this day and age a lot of people in the have-not regions of this country who are making good incomes, by which I mean profit incomes, from those regions. However, time and time again, as the record shows, their investments flow back to the centre. So instead of building up the have-not regions of this country, what happens? A man makes his pile, say in the Atlantic provinces, and then decides to get into something lucrative and he invests in a venture in the good old province of Ontario. That is something for us to consider. Therefore I say it is not merely a question of criticizing lack of entrepreneurship on the part of those who might be described as the well established; we must also consider the lack of entrepreneurship of those in the regions.

Another point which worries me considerably about the present state of affairs—and we hope to be able to correct this through the policies of the Department of Regional Economic Expansion—is this: speaking in terms of regional development, whether it be undertaken by foreign investors or by Canadian investors, by established companies or by new companies, I say that it is absolutely essential that the provinces themselves and the federal government, to the extent of its involvement, are satisfied

that enterprises undertaken are sound and that they have a degree of viability that gives them at least a reasonable chance of success.

A few moments ago I spoke about the areas of deprivation being strewn with the failures of certain economic undertakings. Those failures have arisen because a good, hard look was not taken at each and every case and no one determined adequately whether the project could safely be put in hand with a reasonable chance of success. As long as you depend either on foreign entrepreneurship, which almost inevitably is going to be opportunist by the very nature of things, and there is nothing wrong with that, or on domestic entrepreneurship, there will be a need for us to do what we are now trying to do, work with the provinces in order to establish what are the major developmental opportunities in each of those regions and which of those opportunities has a reasonable chance for growth and development.

If I may speak in terms of the bill, let me say that the concerns which have been expressed about the concept of our working with the provinces are, in my judgment, the best assurances that can be given that this measure is not going to work against the interests of the have-not or less developed areas of the country. I point out to hon. members and to you, Mr. Speaker, that the entire regional economic expansion program, as we visualize it now, will be implemented on the basis of an agreement with the provinces. Furthermore, no enterprise will be undertaken under this plan unless it is the subject of a further federal-provincial agreement of a subordinate nature.

The implications of this are, first, that it is a commitment on our part to reinforce provincial priorities; that is, how a province uses its resources or, in the general scheme of things, how those resources are to be developed is something that the province will need to decide in the first instance. Second, once we have identified a major developmental opportunity on which we are prepared to work, the very fact that the federal and provincial governments agree on that and sign an agreement to that effect will, of course, be as strong an assurance as you can get that that enterprise is going to be acceptable within the criteria set down in this bill.

As I am not aware of many, if any, provincial undertakings that have not involved in one way or another some type of federal involvement, some type of federal financial contribution, it seems to be axiomatic that the more major developmental opportunities of any significance that are covered by this bill will be ones in which the federal government will have not only a strong commitment but will require a considerable amount of federal contribution.

The hon. member for Calgary North referred to Alberta. What he said sounded familiar, as I have had the same sort of experience with other provinces as well. There is no reluctance so far as the federal government is concerned to discuss these matters with the provinces. Furthermore, it seems to me that 99 times out of 100 the shoe is on the other foot. I have never yet heard any member get up in this House and say he was deeply upset because some province had moved unilaterally. Yet I can say to hon. members that it has been my experience, and I am sure this is true of many of my colleagues, to hear on the radio or television, or read in newspapers even as reliable as the *Globe and Mail* that a province has taken a significant initiative involving the federal government but has not bothered to advise us that it was even contemplating such a step.

Some hon. Members: Hear, hear!

Mr. Jamieson: Let us remember, therefore, that this is a two-way street. Furthermore, let me say this. I doubt very much if there is an exception to this well established rule involving federal-provincial relations. Let a province start out on its own on that project and, regardless of its feelings about wanting to act alone, or regardless of its feelings of wanting to wrap the whole thing up in a provincial package, within a few months that province will be here knocking on the door of some federal department. This applies, for instance, to Alberta with its oil development, to Quebec with its steel development, to Nova Scotia with regard to its development of deep water ports and to Newfoundland with regard to its fisheries plan. Say what you like, I think it can be recognized that the provinces recognize the necessity of doing these things in some federal context.

We, for our part, are glad that this is so because it seems to me that without some kind of overview which only the federal government, only the federal parliament, can provide not only will Canada become a balkanized country but there will be so many economic distortions in the total scheme of things that only the federal government will be able to extricate all kinds of subsidiary provincial undertakings, wherever they may be, from their difficulties. The provinces may not be able to extricate such undertakings for themselves, naturally. So the underpinning to my own approach to regional economic expansion and development is that this must be done in total concert with the provinces, but not with their imposing measures that would be harmful to our objectives. We are really saying to them, "Tell us what you want and we will try to put a federal input into it, in our attempt to make it successful."

An hon. Member: It will not work.

Mr. Jamieson: An hon. member says that it will not work. I say to you that if it will not work, confederation is in a heck of a sight more trouble than I think it is. This has to be made to work. I am very pleased with the co-operation we have had from provinces with regard to general development agreements and the identification of major developmental opportunities. I repeat, because I think this is essential to the concerns which have been expressed, that by working with us through these agreements in order to develop the various economic prospects in the regions of Canada, the provinces are given strong assurance that provincial interests and provincial rights will be taken into account.

I am not suggesting, of course, that this is the whole answer. I am not saying that regional economic development will solve all the economic and all other difficulties in this country; that would be naïve and would be flying in the face of history. However, I do not think there is the slightest doubt that we can get a great deal more Canadian investment into the underdeveloped parts of this country. This will not necessarily be done through tax policies and the like, although these have their place, or through trans-

portation policies. We have been tinkering with these for 50 years.

● (1720)

The hon. member for Central Nova (Mr. MacKay) is mumbling something. We have now put it at the stage where we have 50 per cent of the freight rates, for instance, on manufactured goods coming out of Atlantic Canada. If we put it at 100 per cent, it would not be the total solution to the problem unless we did other things as well.

Some hon. Members: Hear, hear!

Mr. Jamieson: Therefore, while these one-dimensional solutions may be appealing in the long run and may be great things on the stump in an election, they nevertheless ignore the fact that if we are going to get development in the perimeters of this country, the slow growth regions—and that constitutes by far the bulk of our geography—and if we are going to ensure there is a greater Canadian input into this kind of development, we must take a multi-dimensional approach. That, I believe, is what members will see the Department of Regional Economic Expansion doing. I believe it is in complete concert with the bill now before the House.

Mr. Nystrom: Mr. Speaker, I wish to ask the minister a short but serious question. I was impressed with some of the minister's comments about the underdeveloped areas of this country. In view of the fact Canadian banks and financial institutions lend half of their money to foreigners either in Canada or outside the country, and 38 per cent of our Canadian mutual funds are invested in the United States, I wonder whether the minister, to achieve some of his ends, would recommend foreign exchange controls or some mandatory investment controls, so that the banks and financial institutions would be required to invest more of their money in Canada and perhaps more in the areas which really need it. I would like to hear the minister's comments on this suggestion.

Mr. Jamieson: Mr. Speaker, it is obvious I cannot answer all of the implications of that question in short order. I can say this. If our federal system permits it in some way or another, I believe we have to find some means to make capital more available. For the past several months we have been carrying on a study to discover whether in fact it is true there is a shortage of capital from the lending institutions in the slow growth regions. At the moment we are getting some rather conflicting stories.

Mr. Hellyer: Surely you do not need a study to know there is a shortage.

Mr. Jamieson: I think if I had said that off the top of my head, the hon. member would have asked how I could say something like that without having a study. In trying to answer the hon. member and not take up the time of the hon. member for Meadow Lake (Mr. Nesdoly), all I can say is that this is a matter about which we are certainly very concerned. We are trying to find techniques to get at some of the things he mentioned. I will be glad to talk to the hon. member about this later.

Mr. Symes: Would the minister permit a further question?

Mr. Jamieson: I do not mind, if your colleague does not.

Mr. Symes: The minister pointed out that as far as his department is concerned, the province would set the priority and the Department of Regional Economic Expansion would work with the province in fulfilling that priority. If in a province such as Ontario, the provincial government set a priority such as the Toronto centre region plan which discriminates against regions such as northern Ontario, would the federal government take the initiative in doing the kinds of things which would give us the kind of development our people deserve?

Mr. Jamieson: Until I see evidence that that is so, I think the question is hypothetical. My negotiations are still going on with Ontario. I can say that I see no indication at the moment that they have a lack of interest in northern Ontario. There are, of course, some projects which we can undertake unilaterally under the incentives development act and things of this kind. There are others purely within provincial jurisdiction.

Without a specific example I could not say whether we could move on this or not. My opinion is we would not be able to do that. Nevertheless, there are tools that we have for encouraging industry and the like. If it was our conviction there were good programs and they did not conflict with provincial autonomy or the constitutional rights of the provinces, we would go ahead. We could not, for example, build roads in northern Ontario unless there was some agreement with the province of Ontario.

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, I appreciate some of the comments made by the Minister of Regional Economic Expansion (Mr. Jamieson). I hope his department will see fit to be a little more generous with Saskatchewan and the other have-not prairie province, Manitoba. I am getting a bit sick and tired of Saskatchewan being referred to as the poor socialist province, and all the rest. I will have more to say about that later.

I also hope that all of Saskatchewan will come under the Department of Regional Economic Expansion and qualify for grants, particularly the small cities and towns which do not qualify at the present time. In this way we could start to build up Canadian equality and maybe gradually overcome some of the effects the multinational corporations have on us. I also hope that in the future this department will not hand out money too readily to foreign-owned corporations.

I listened with interest, and sometimes impatience to the hon. member for Calgary North (Mr. Woolliams) who represents Imperial Oil interests. He made an interesting speech. It was the Alberta lobby at work. I do not blame him. Yesterday the hon. member for Peel South (Mr. Blenkarn) praised the Conservative government of Ontario. He took a swipe at Saskatchewan. I wish to quote from an article entitled "Foreign-ownership Rule Broken?" which appeared in the May 5 edition of the *Financial Post*:

> Effective control of another sizeable financial institution has passed out of Canada—right under the noses of Ontario Premier William Davis and his cabinet.

It's Ontario Trust Co., the tenth largest trust company in Canada. While by no means a giant in the industry, Ontario Trust nevertheless has assets of $141 million and is an important trust and loan company in Ontario, where it does most of its business.

The article goes on to state who acquired it, who has the controlling interest, and so on. It further states:

Yet six months after control of Ontario Trust has left Canada, the Ontario government has done nothing about it, even though the change clearly violates the intention of its Loan and Trust Corporation Act . . .

One reason for Davis' lack of action, some observers surmise, may be the apparently friendly associations he and his cabinet have with the Ontario Trust group:

FP has learned that legal business generated by Ontario Trust is referred to Davis, Webb, Hollinrake, the Brampton law firm in which Davis was a partner.

It elaborates much more, but I think that is enough to indicate the gist of the article. What I am trying to say is this: very often governments and people in high places have deliberately sold Canada out to foreign interests.

● (1730)

A number of speakers have talked about the inefficiency of Saskatchewan's socialism. I want to remind those hon. members who have been taking potshots at socialism in our province that we own more of our province than is the case with most of the other provinces. For example, we have no natural gas problem in Saskatchewan right now because our gas resources and our distribution system are provincially owned. It has been that way for 20 years. If other provinces had adopted similar long-term plans, perhaps we would not be faced with the prospect of a fuel crisis in Canada today. We set up an auto insurance plan and used the money which flowed from it to build schools and hospitals and to help local industries, instead of exporting those funds to Winnipeg or Toronto or New York. The plan was successful and other provinces are now in the process of copying it. I believe hon. members should be reminded of this once in a while.

Several months ago there was a danger that one of the meat packing plants in Saskatchewan would pass into United States' hands. The Saskatchewan government bought a 45 per cent interest in it.

An hon. Member: You got sucked into it.

Mr. Nesdoly: An hon. member says we got sucked into it. I would point out to him that after we followed through with this plan two other Canadian companies indicated an interest in setting up packing plants in the province because we had indicated we were not interested in exporting our beef to Winnipeg and elsewhere. A lot of people say we got sucked into things, but time is proving us right. Someone mentioned the box factory, a socialist enterprise which was a complete flop. But the type of government we had in Saskatchewan between 1944 and 1964 was experimenting, and not all its experiments were successful. Some of them were flops. But over-all, the Crown corporations of Saskatchewan have earned more than they have ever lost, and they operate for the benefit of the people.

We have been accused by some hon. members to my right of not possessing much business experience, and the conclusion they draw is that we should not be talking about the corporations. Heaven help our country if we leave the destiny of the nation strictly to businessmen and presidents of corporations. A multinational corporation is not guided by philosophical considerations or love of country. Such corporations have sold Canada down the river on more than one occasion. They have no pride in our country, no national purpose or vision. Yet this is what we need. We need a sense of direction, a sense of destiny in this country. We need a national purpose, and I think the Canadian people have lost it because we are so split up into regions and ideologies.

Multinational corporations are inhuman. They are formless figures which can break the law with impunity as, apparently, Ontario Trust did when it sold out to a foreign corporation with the help of the government of Ontario. Multinational corporations are very often beyond the laws of any nation. They know no national boundaries. They operate quite often in areas where labour is cheap, pay taxes where taxes are low, and sell when the price is right. They are able to switch their huge assets and resources from one country to another, thereby frustrating government policies and even altering the value of currency. Multinational corporations have to accept a great deal of responsibility for the inflation we face in this country as well as for some of the unemployment.

Multinational corporations have blamed labour for many things. I am not saying labour is all saint and no devil; it is a mixture of both. However, one can understand the concern which is expressed when wages received by labour increase by 7 or 8 per cent, and this is denounced as an inflationary trend, whereas salaries paid to executives in 1972 went up by 8.4 per cent—and 8.4 per cent on $100,000 represents a great deal of money, in addition to bonuses. That is one way of rewarding executives. They fly them to Hawaii and see that they get extra bonuses. In 1972 their bonuses were up by 34.2 per cent. This is something people in Canada do not often think about.

Several days ago mention was made on one of the networks of the Columbia River sell-out. I do not know when that happened, but I believe both Conservative and Liberal governments were involved. It was stated that the people who were negotiating this sell-out of the Columbia River were people involved with Canadian Pacific and Cominco. They were negotiating because it helped their own self-interests. They were not interested in Canada but in the welfare of Canadian Pacific and Cominco.

Crown corporations have come in for a lot of criticism in the course of this debate, but I believe that if properly run they can be of great benefit to the country, especially when no conflict of interest arises among the people who control them. Very often, however, conflicts of interest have arisen affecting the directors of Crown corporations. One example which comes to my mind is that of Eldorado Nuclear. I know that the directors of Eldorado Nuclear are also involved in some private companies. When Eldorado Nuclear left Great Bear Lake, it left behind equipment which I am told was worth over $1 million. They sold it to a private company for $150,000. Not only that, Eldorado Nuclear was sitting on top of a rich silver mine and did not even know it. Even more suspicious is the fact that after Eldorado moved to the Lake Athabasca area, within several years some of the key figures resigned and joined

the Echo Bay mines group and went back to the Great Bear region and became involved with this silver mine. So it is not only a question of conflict between Canadian corporations and foreign corporations. We have to be very careful, when we set up Canadian-run agencies, that there are no conflicts involving those who control these government-run agencies vis-à-vis private corporations whether Canadian-owned or American-owned.

I intend to support this bill. It is unfortunate that the government did not see fit to extend the screening process to apply to the expansion of existing foreign-owned companies. We tried to get this done, but it appears we have lost that battle. We shall wait for another day. I feel confident that some day we shall win this fight. Many nations are concerned about the whole question of foreign domination of their economies. Sweden, only 60 years ago, was controlled to the extent of 60 per cent by German and British companies. Yet I understand the government of that country has taken steps which have gradually brought back the whole of the Swedish economy into the hands of the Swedish people. It took 40 to 50 years, but they are there now.

● (1740)

We are not saying as a political party, as New Democrats, that we will be able to do this overnight, as it were, in a matter of two or three years. It will probably be a 50-year process. But as I said in one of my speeches earlier this year, we will wait patiently. Even the United States is getting a little concerned about the multinational corporation and foreign investment in the United States today. An interesting article appeared in the *Financial Post* for September 22, 1973, the headline of which is "Dark U.S. threats about foreigners buying up firms". The article reads:

> Incredible as it may sound to the rest of the world, the U.S. is beginning to talk about restricting foreign investment in its own country.
>
> In what must rank as one of the great reversals of modern times, some U.S. Congressmen are suggesting that Canadian, Japanese and other foreigners should not be allowed unchecked freedom to enter the U.S., take over U.S. companies, and run them in their own way.
>
> The example of the Canada Development Corp. takeover bid for a major interest in Texasgulf Inc., is being cited as the very kind of investment which poses potential dangers to U.S. jobs and contains other economic or political dangers.
>
> One bill has already been introduced in Congress that would virtually prevent any foreigner from gaining control of any U.S. firm.

It seems to me we have been talking about this matter for the last 15 to 20 years, yet the United States, which apparently had not been plagued with this problem hitherto, is further advanced than we are and prepared to take more drastic measures than we are.

> Other less extreme bills, which would nevertheless restrict and control the growth of foreign investment in the U.S. are being considered, FP was told.

I was born and raised in a have-not province. I suppose my own personal philosophy of life has been partly tempered by poverty in my younger days, though I must say that I am fairly comfortably off now. But we hear a lot of talk about welfare funds, unemployment insurance funds and everything else. As an individual and citizen of this country, I have never received a handout from any government, any province or any other person in this country, and I am proud of it. However, I am always willing to pay a few extra bucks in taxes and to give a few dollars here and there if somebody needs it, and I do not begrudge it at all. That has always been my philosophy. Canadians are selling out their own country. And worse, they are very often financing their own sell-out. If we do not reverse the trend soon, we are not going to have a Canada and my children are not going to have a Canada that we all love so dearly.

I should like to quote several paragraphs of a report of remarks made by the president of the Committee for an Independent Canada, a chap by the name of Hurtig. I was rather impressed with his ideas. I think there are some former Liberals and Conservatives in this group; it is a sort of an all-party committee. It is a pressure group, the one pressure group I listen to with interest. Some months ago he spoke to a group of teachers in the province of Saskatchewan and cited the following percentages of foreign ownership and control in Canada. Undoubtedly the House has heard these figures before. Manufacturing, 60 per cent foreign-owned; mining, 60 per cent; petroleum refining, 99.9 per cent foreign-owned—I ask my hon. friend from Calgary North to write that figure; the oil and gas industry, 83 per cent; primary metal smelting and refining, 87 per cent; the automobile industry, 97 per cent; rubber industry, 90 per cent; chemical industry, 78 per cent; the computer industry, 90 per cent; and the aircraft and aircraft parts industries, 92 per cent.

According to Mr. Hurtig, these statistics prove that Canada has a branch plant economy. With that assumption he developed the following syllogism:

> A branch plant economy produces a branch plant society, which produces branch plant social values, which produce branch plant culture, which produces branch plant mentality.

This is what we have in Canada today, a branch plant mentality. Our news media, radio stations and television stations have the mentality of a branch plant. Our approach to investment has a branch plant mentality about it. Our people have no faith in their own country as a result of this branch plant mentality. It is time we took stock of our resources and made up our minds that we are going to get Canada back in the hands of Canadians. It could be done if we put our will to it.

Several years ago the government of Saskatchewan introduced legislation to prohibit foreign ownership of Saskatchewan land. There was a real outcry about it and the legislation was withdrawn, but I hope they will be bringing the bill back again. It is not only a question of foreign ownership of Saskatchewan land, but even Toronto and Vancouver ownership of our land bothers us. In one area of Saskatchewan, 50 sections of prime farmland is owned by Ontario interests. All of the profit derived from that farmland goes back to Ontario—

The Acting Speaker (Mr. Laniel): Order. I regret interrupting the hon. member, but the time allotted to him has expired.

Some hon. Members: Continue.

The Acting Speaker (Mr. Laniel): Does the House agree to the hon. member continuing his remarks?

Some hon. Members: Agreed.

Mr. Nesdoly: Thank you, Mr. Speaker. On two previous occasions in the House I was not permitted to complete my remarks, so I appreciate this very much. This is a "first" for me.

Hurtig went on to say that it is not too late to do something about it, but time is running out. Unless we very soon turn our country around, and in a dramatic manner, the future of our country is in danger, he said. He claimed that in the decade from 1961 to 1971, foreigners had bought up Canada to the tune of $21 billion but only 19 per cent of that money was foreign money; 81 per cent of the amount was borrowed from Canadian sources. The article continues:

> During the Trudeau years, said Hurtig, American firms sent back to the U.S.A. over $8 billion more than the entire amount of capital brought into Canada.

I believe reference to this was made earlier in our discussion. The article continues:

> The sale of Ryerson Press was a specific example of Canadians financing their own sell-out, he said. The 140-year old Canadian company was sold to a U.S. firm for $2 million borrowed from a Canadian bank.

I feel the question asked by the hon. member for Yorkton-Melville (Mr. Nystrom) about Canadian financial institutions financing our own sell-out is very pertinent at this time.

I should like to thank the House very much for giving me extra time so I could conclude my remarks. An hon. member has sent me over a poem, but I do not think I will read it. I understand parliament is supposed to recess some time in December and there will be a new session after January 1. I hope the New Democratic Party amendments are supported by all sides of the House. We are going to oppose the Conservative Party amendments because they would weaken the bill. I also sincerely hope that as a measure of good faith in the Canadian people—this is a very important matter for them; they feel Canada must regain its own independence—this bill will pass before the House recesses.

● (1750)

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, the bill before us is one which I am sure all Canadians can endorse for its general principle, that is, preserving Canada for Canadians.

Perhaps I should call it six o'clock since we are so close to the hour.

The Acting Speaker (Mr. Laniel): This could only be done with unanimous consent. Hon. members have heard the suggestion of the hon. member. Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): It being six o'clock, this House stands adjourned until tomorrow at 2 p.m.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, November 8, 1973

The House met at 2 p.m.

[*English*]

PRIVILEGE

MR. REYNOLDS—DISPATCHING OF CERTAIN MAIL BY HOUSE OF COMMONS POST OFFICE AS THIRD CLASS

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I rise on a question of privilege, of which I have given you notice, regarding the Post Office and a letter received by me on October 27 from the Postmaster General with regard to the mailing to my riding of some 5,000 pieces of mail. This mail took approximately four to five weeks to reach my constituents, which has caused me severe embarrassment.

I wrote to the Postmaster General, explained the matter to him and asked for an explanation as all these envelopes left my office franked and were delivered to the Post Office. His answer was that he understood the envelopes were all of brown Manilla, approximately 6 by 9 in size, and would have been processed and dispatched by the House of Commons Post Office as third class mail. I was quite concerned about this because I was under the impression that all mail of Members of Parliament that is franked leaves the House of Commons as first class mail.

As you know, Sir, I wrote to you and asked if this was so. Today I received a letter from you saying that this is so, that franked mail leaves the House as first class mail and only the mail of householders may be set aside as third class mail. This has disturbed me greatly and caused me embarrassment. I know that other hon. members have also been caused embarrassment.

If Your Honour agrees with me that I have a question of privilege, I would move, seconded by the hon. member for Brandon-Souris (Mr. Dinsdale):

That this matter be referred to the Standing Committee on Elections and Privileges.

I do so in order that the Postmaster General can be given a set of guidelines as to how mail is to leave the House of Commons and so that mail that leaves this House will be treated at least on the same basis as that of other citizens of Canada. When a letter is posted before eleven o'clock it is supposed to be delivered the next day.

Mr. Speaker: The hon. member has given the Chair the notice required under the Standing Order, so that I have had an opportunity to consider the difficulty to which the hon. member has alluded. I assure him that I am very sorry and regret very much that he has been put to this considerable and very real embarrassment. On behalf of the staff of the House, myself and all those who may be responsible in some way for the difficulty, I apologize to the hon. member.

At the same time, my understanding from the subsequent inquiries I have made is that it has been the practice to forward by third class mail bulk mail including, more particularly, brown envelopes when they come to the post office in the thousands. It has been the practice of the Postmaster in our Post Office and his staff to consider these as third class mail unless there is a specific request by members. I was not aware of this regulation, and I feel that hon. members are entitled to have the matter looked into. It may well be, because of the large volume of mail that goes out for the purpose of serving members adequately, that the practice followed until now is one which should be followed, and if that be the case, we should certainly make sure that all hon. members are made aware of it.

I regret very much, as I said, the embarrassment caused to the hon. member for Burnaby-Richmond-Delta. I will look into the matter further, if the hon. member will allow me to do so, and try to advise all hon. members as to the procedures which are followed at present and which might be improved on the basis of advice and counsel from hon. members.

ROUTINE PROCEEDINGS

[*English*]

HOUSING

STUDENT CO-OPERATIVE PROJECTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, in view of the statement by the Minister of State for Urban Affairs (Mr. Basford) that a departmental study of student co-operative housing in Ontario has been referred to law enforcement officers, and in view of the minister's refusal to table this report, pursuant to Standing Order 43 I ask leave to move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That the Prime Minister be requested to appoint a public inquiry into this matter.

Mr. Speaker: The hon. member's motion is proposed under the terms of Standing Order 43 and requires the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

Canadian Broadcasting Corporation

ENERGY

RESTORATION OF DAYLIGHT SAVING TIME TO CONSERVE USE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, under the terms of Standing Order 43 I wish to move a motion on a matter of urgent and pressing national interest. Having in mind the North American need for energy conservation and the necessity, if this is to be achieved, of federal leadership and, further, the reported consideration now being given by the United States to such a step, I move, seconded by the hon. member for Assiniboia (Mr. Knight):

That the appropriate department of the government give immediate consideration to encouraging the re-establishment of daylight saving time in order to conserve the use of electrical energy by means of shortening the period of the day when lighting is required.

Mr. Speaker: This motion also requires the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

* * *

● (1410)

[*Translation*]

CANADIAN BROADCASTING CORPORATION

COVERAGE OF QUEBEC ELECTION CAMPAIGN—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to discuss an extremely important matter for the safeguard of Canadian unity.

I move, seconded by the hon. member for Champlain (Mr. Matte):

That the estimates of the CBC be referred to the Committee on Miscellaneous Estimates to enable hon. members who still believe in confederation to ask questions to the directors of the corporation concerning their frankly PQ attitude during the last provincial electoral campaign in Quebec.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

[Mr. Speaker.]

[*English*]

CENTRAL MORTGAGE AND HOUSING CORPORATION

DISMISSAL OF EXECUTIVE DIRECTOR, POLICY PLANNING DIVISION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43. This motion arises out of the recent dismissal of Mr. Walter Rudnicki, Executive Director of the Policy Planning Division of Central Mortgage and Housing Corporation. Since it has been suggested that Mr. Rudnicki was dismissed simply for carrying out his duties, specifically by consulting with native peoples concerning native housing, it is essential that the Minister of State for Urban Affairs (Mr. Basford) give a full explanation of the circumstances justifying the dismissal of such a senior person working on such an important matter. I therefore move, seconded by the hon. member for Broadview (Mr. Gilbert):

That this House instruct the Minister of State for Urban Affairs to make a statement on motions at the earliest possible occasion which will provide a full explanation for the dismissal of Mr. Rudnicki.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

* * *

BROADCASTING

NORTHLAND CABLE TELEVISION APPLICATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of very serious and pressing necessity. This situation results from an application by Northland Cable Television to the Canadian Radio-Television Commission for cable rights in Sudbury and the fact that Northland Cable Television is owned by Cambrian Broadcast, which is now owned by Multiple Access of Montreal, which is in turn owned by the CEMP Investments Limited, which is owned by four Bronfman Children, three of whom are non-resident in Canada, that is Edgar Bronfman, Minda Bronfman and Phyllis Bronfman. I therefore move—

Mr. Speaker: Order, please. I was just going to suggest to the hon. member that perhaps he had reached the point where the motion ought to be put.

Mr. Rodriguez: That is what I am about to do, Mr. Speaker. I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House instructs the Minister of Communications to inform the CRTC of a possible breach of CRTC regulations with respect to Canadian residence and citizenship requirements.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion cannot be put.

ORAL QUESTION PERIOD

[*Translation*]

EXTERNAL AFFAIRS

MIDDLE EAST PEACEKEEPING FORCE—ALLEGED PARTICIPATION OF POLISH FORCES WITH EGYPTIANS IN WAR—CANADIAN POSITION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to direct a question to the hon. Secretary of State for External Affairs.

Can he give the House the assurance that, before allowing our forces to serve along a Polish contingent, he will make sure that soldiers of the Polish armed forces did not fight side by side with the Egyptians during the recent conflict?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the hon. member knows, there has been some problem about Poland's participation in the peacekeeping force. This is the first time I have heard that the objection would relate to any such charge. I do know, however, that Israel has expressed some reluctance to accept as members of the force those states which do not have diplomatic representation with both sides in this conflict. However, while I was in New York the United States withdrew its opposition to Poland and it was on that basis that the Secretary General proceeded.

[*Translation*]

Mr. Wagner: A supplementary question, Mr. Speaker.

Will the hon. minister seek information from the Israel and UAR governments to ascertain whether Polish fighters took part in the last Middle East war and, if so, can he assure the House that Canada will refuse to be part of an impartial peacekeeping force with a group which actively engaged in this war?

[*English*]

Mr. Sharp: While Canada would, of course, be prepared to accept an invitation to undertake a task of this kind, I think it would be more appropriate for the Secretary General of the United Nations, who has responsibility under the Security Council for the membership of the force, to make the necessary inquiries. I do not think it would be for Canada, unless we have objection to being a member of that force, not to agree to participate.

MIDDLE EAST PEACEKEEPING FORCE—REPORTED PROPOSAL TO CONFINE CANADIAN ELEMENT TO ISRAELI SIDE OF CEASEFIRE LINE AND POLES TO EGYPTIAN SIDE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, will the minister assure the House that the government will resist a proposal—I admit I have only seen it as a proposal—that the Canadian component of UNEF be confined to the Israeli side of the so-called ceasefire line and that the Polish component be confined to the Egyptian side, an arrangement which would surely compromise the effectiveness of the peace-keeping role, be it logistical or otherwise?

Hon. Mitchell Sharp (Secretary of State for External Affairs): When this idea was first put to me in New York I expressed the gravest misgivings about it. I do not think it is a practical proposition, and I agree with the hon. member that it is most undesirable from the point of view of setting up a sound international force.

* * *

CONFLICT OF INTEREST

ALLEGED CONFLICT OF INTEREST ON PART OF DEPUTY MINISTER OF ENERGY, MINES AND RESOURCES

Mr. David Lewis (York South): Mr. Speaker, I have a question or two for the Minister of Energy, Mines and Resources. I appreciate that he was not the minister in charge of this department in May, 1970, when his present deputy was first appointed, but is the minister aware that for about a year after his appointment Mr. Austin had interests in M.N.S. Investments, later acquired by St. Maurice Capital Corporation whose name was changed to Commerce Capital Corporation, and that these interests included mining and exploration ventures? Has the minister discussed with his deputy this question of his interests in related areas?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker, I have had discussions with my deputy in this regard. He advises me that his purchase of shares in M.N.S. Investments was simultaneous with the merger of that company with another one, so that he was not in fact a shareholder for a year in M.N.S. Investments. The corporate merger resulting from this was a company called Commerce Capital Corporation Limited, and I am advised that its line of business was and is not in the area of resource development but in the area of financial services. The rest of Mr. Austin's assets, I am advised, were deposited in a frozen trust at the time he took on his job as a public servant. He advises me with respect to his investment in Commerce Capital Corporation that the company has not been operating in any sphere to which his departmental responsibilities relate.

Mr. Lewis: I should like to ask the minister whether in his discussions with Mr. Austin he was made aware that Commerce Capital Corporation is interlocked with Power Corporation which does have interests in the energy field, notably its control of Northern and Central Gas Limited. If this item has not been brought to his attention, would the minister look into it further?

Mr. Macdonald (Rosedale): I must say I did not know that Commerce Capital Corporation was interlocked, if indeed it is, with Power Corporation, but I will undertake to inquire further in that regard and report.

INQUIRY AS TO REFERRAL OF GREEN PAPER RELATING TO MEMBERS OF PARLIAMENT TO COMMITTEE AND STATEMENT ON PUBLIC SERVANTS

Mr. David Lewis (York South): In the absence of the President of the Privy Council I would like to address this question to the Prime Minister. On July 17 the President of the Privy Council made a statement and filed a green paper with respect to conflict of interest as it affects members of this House and senators, and on July 18 the Prime Minister made a further statement with respect to members of his cabinet. I should like to ask the Prime Minister, first, when the green paper relating to Members of Parliament of both Houses will be referred to the appropriate committee of the House as the President of the Privy Council undertook to do and, second, when, if ever, may we expect a statement regarding conflict of interest in regard to senior public servants?

● (1420)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in reply to the first question, I reiterate the undertaking made by the President of the Privy Council, which was quite clear and supported, I believe, by the House, that this paper would be referred to a committee. I believe the appropriate committee would be the committee which is at present looking at the bill on election expenses. We are anxious to have that bill come out of committee, not only to have it before the House but in order to be able to refer the paper of the President of the Privy Council to that committee.

In reply to the second question, I know that work has gone forward and the general guidelines have already been accepted by me. I shall have to verify when the statement will be made public; I am informed it might be before Christmas.

* * *

[*Translation*]

FINANCE

POSSIBILITY OF BALANCED BUDGET IN LIGHT OF INCREASED EXPENDITURES

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to put a question to the hon. Minister of Finance.

In view of the fact that government expenditures will exceed $1 billion this year, can the minister tell the House whether the revenue of the government will be sufficient to balance the budget without increasing taxes.

Hon. John N. Turner (Minister of Finance): I think that would constitute a fascinating prediction, Mr. Speaker.

Mr. Latulippe: Mr. Speaker, I should like to ask a supplementary. Can the minister tell us where he will find the additional revenue required to balance his budget?

[Mr. Lewis.]

Could he also say whether he is counting on inflationary measures to find the required capital or whether he will be satisfied with another deficit?

Mr. Speaker: This debate may perhaps be continued when the minister tables the budget.

* * *

[*English*]

ENERGY

POSSIBLE CHARTERING OF TANKERS TO MOVE OIL FROM WEST COAST TO EASTERN CANADA—RESTORATION TO SERVICE OF TORONTO-MONTREAL PRODUCTS PIPELINE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to question the Minister of Energy, Mines and Resources as to what success he is having with regard to some of the means he indicated last week he was exploring to move additional oil into Quebec and/or the Atlantic provinces. With particular reference to his statement that the Trans Mountain pipeline can carry an additional 50,000 barrels a day, has the minister succeeded, either directly or indirectly, in chartering additional tankers with a view to moving any such oil from the west into areas of possible shortage? If so, how much capacity has been chartered?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. gentleman is referring to my statement on Monday night. I would have to check to see what success there has been, either in my ministry or the Department of Transport, in making that kind of charter arrangement.

Mr. Stanfield: I should like to ask the minister whether he has made arrangements to load any such tankers from the Trans Mountain pipeline at Cherry Point in the state of Washington, which I understand is the only point in the pipeline that can be used for loading ships? I ask this question particularly in view of the fight that the Secretary of State for External Affairs is conducting to keep shipments of oil out of those waters.

Mr. Macdonald (Rosedale): I will check that question as well.

Mr. Stanfield: A further supplementary question, Mr. Speaker. Perhaps I can do better on this one, or perhaps the minister can.

Mr. Baldwin: He has no energy left.

Mr. Stanfield: My question is with regard to the hopes the minister expressed about moving some petroleum products through the petroleum products line running between Toronto and Montreal. What plans has the minister made to put back into operation the approximately 50 miles of that products pipeline that are completely out of service and unusable? Can the minister indicate to the House what plans he has afoot to be able to use that pipeline for the purpose he indicated?

Mr. Macdonald (Rosedale): Mr. Speaker, this is one of the questions that my officials have had under discussion with the pipeline companies.

ALLEGED ARAB UNDERTAKING TO SUPPLY QUEBEC WITH UNLIMITED QUANTITIES OF OIL FOR PROPOSED REFINERY AT RIVIÈRE-DU-LOUP

Hon. Paul Hellyer (Trinity): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. Can he advise the House if during the course of his discussions with Premier Bourassa the premier mentioned to him the Arab undertaking to supply to Quebec, at Rivière-du-Loup and the proposed refinery there, unlimited quantities of oil on the undertaking that they not be made available to other parts of Canada?

Right Hon. P. E. Trudeau (Prime Minister): I am sorry, Mr. Speaker, but I will have to repeat to the House for the third or fourth time that these conversations I have with the premiers of the various provinces are, by agreement between us, to be held in confidence by each participant. The premier, of course, is free to make public his views on any of the subjects we discussed, but I am not in a position to reveal what Premier Bourassa told me in any part of that conversation.

Mr. Hellyer: Would the Prime Minister be good enough to give us the view of the Government of Canada in respect of this proposal, which would have the effect of driving such an obvious wedge in the relationships between Quebec and the rest of the country?

Mr. Trudeau: Mr. Speaker, if the rumour on which the question is founded ever became anything like a real prospect, probably we would have to decide our policy position on it, but at this stage it is more than a hypothetical question; it is purely a rumour.

CHARTERING OF TANKERS TO TRANSFER WESTERN CRUDE OIL TO EASTERN CANADA—MOVEMENT BY RAILWAYS AND TRUCKS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I would like to direct a supplementary question to the Minister of Energy, Mines and Resources regarding the transfer of western crude to eastern Canada to meet the situation there this winter. First, may I ask whether the cabinet has authorized the chartering of tankers for this purpose or is that still awaiting cabinet decision? Second, what is the outcome of the meeting which officials of the Department of Transport and the Department of Energy, Mines and Resources have had with the railroads and the trucking firms regarding what amount of tank cars and trucks would be available to move oil products into eastern Canada this winter?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, my understanding is that the Department of Transport does have the authority to enter into charter contracts. I cannot, unfortunately, give the details of any possible charters or, indeed, a full analysis yet of the discussions with the land carriers.

Mr. Douglas: I hope the minister will make such a report.

POSSIBILITY OF PURCHASING VENEZUELAN OIL TAKEN BY THAT COUNTRY IN LIEU OF ROYALTIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I also ask the minister about his statement on Monday night that there is a mission from his department now in Caracas discussing with the Venezuelan government the possibility of purchasing oil which it would take in lieu of royalties from the oil companies operating in that area?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in answer to a question from the Leader of the Opposition yesterday in that regard I said it is our diplomatic mission in Venezuela which is making the contact. As I said, to the moment the Venezuelans have not decided whether to take their sixteen and two thirds per cent royalties in kind or not. That is apparently a question for the government there. In answer to the previous question I said I did not have a report on the meeting with the land carriers.

PROPOSALS FOR MOVING OIL FROM WEST TO EASTERN CANADA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in view of the fact that when the minister spoke on Monday night he obviously had not checked out the business of shipping oil by tanker from the west coast, or using this products pipeline, has he checked out in any way any of the other proposals he put before the House that evening with regard to the movement of oil into areas of shortage?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I was speaking on the basis of the advice I had received from my officials and from the National Energy Board, and I have no reason at the moment to believe that their qualified advice in this regard should not be taken.

POSSIBLE DEVELOPMENT OF COAL PRODUCTION IN CUMBERLAND COUNTY, NOVA SCOTIA

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I would like to ask the Minister of Energy, Mines and Resources a supplementary question. Among the alternate forms of energy development he suggested are coal developments in Nova Scotia, and more particularly the 40 million tons of coal that are in reserve under the ground at Springhill in Cumberland County. Would the minister indicate just exactly what the government has done, is doing or plans to do regarding the possible development of this coal field?

● (1430)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have had some discussions with the premier of Nova Scotia regarding the possibility of reactivating the Cumberland coal belt. I believe the

government of that province has this under more active consideration. It being a provincial resource, I think they may be reflecting again on the possibility of developing it.

LOWER CHURCHILL FALLS, NEWFOUNDLAND—POSSIBLE DEVELOPMENT AS ALTERNATE POWER SOURCE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. It is in line with the question of the hon. member for Cumberland-Colchester North regarding alternate sources of power. I wonder if the minister has had any discussions with the province of Newfoundland on the development of the lower Churchill Falls which could be an alternate source of power?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Yes, Mr. Speaker, I have. While we were requested at the time to preserve the confidentiality of those discussions, some news reports have been published since which I think indicate the general trend of those discussions. My colleague, the Minister of Energy, Mines and Resources, and I are continuing our negotiations with Newfoundland.

* * *

CONSUMER AFFAIRS

FOOD PRICES, MERCHANDISING IRREGULARITIES AND GASOLINE RETAILING—REQUEST FOR REPORT ON INQUIRIES

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. It is now just about a month since the minister undertook in the House to report on the investigation which is being conducted by his department under the Combines Investigation Act into the 159 retail merchandising irregularities reported to him by the Food Prices Review Board. Is the minister now in a position to tell us if and when charges will be laid?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, my information is that the officials are completing their work on these files and I should be in a position to report to my hon. friend more substantially very shortly.

Some hon. Members: Oh, oh!

Mr. McGrath: I should like to ask the following question by way of a supplementary. In September the minister undertook to cause an investigation under the Combines Investigation Act to be made into the food industry in Canada, and again on October 30 the minister undertook to investigate the effect of the increases in energy costs on the cost of food production in Canada, and again in February of this year—

Mr. Speaker: Order, please. I do not believe the hon. member is on a point of order, and he should ask his question as quickly as possible.

[Mr. Macdonald (Rosedale).]

Mr. McGrath: I am coming to my question, Mr. Speaker. In February the minister undertook to look into gas retailing practices in Canada. May I ask the minister if he is now in a position to tell the House just exactly how these investigations stand at the moment, and is he in a position to report on any of them?

Mr. Gray: I will have to check exactly what was said in this regard—

Some hon. Members: Oh, oh!

Mr. Gray: I want to say with respect to the third point that this investigation is being carried on within the ambit of the inquiry into the petroleum industry. Under the provisions of the Combines Investigation Act, it is not possible to give detailed comments until the inquiry is terminated either by going to the Restrictive Trade Practices Commission or to the courts, or else the report has been terminated, and so stated by the director.

Mr. McGrath: On a point of order, the Minister of Consumer and Corporate Affairs has statutory responsibilities to this House under the act. The act states as follows:

> The duties, powers and functions of the minister extend to and include all matters over which the Parliament of Canada has jurisdiction, not by law assigned to any other department, branch or agency of the government of Canada, relating to
>
> (a) consumer affairs;

Section 6 reads as follows:

> In exercising his powers and carrying out his duties and functions in relation to consumer affairs under this act, the Minister shall
>
> (a) initiate, recommend or undertake programs designed to promote the interests of the Canadian consumer;

This minister has abdicated his statutory responsibilities by refusing to answer questions in the House.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. McGrath: The record is full of undertakings by the minister to cause investigations to be undertaken into various aspects of food retailing and merchandising in Canada, and they stand on the record merely as empty undertakings. The minister hides behind a totally useless, totally ineffective Food Prices Review Board. He should resign.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Gray: Mr. Speaker, I want to assure you and all hon. members that when I give undertakings I carry them out.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Gray: The Leader of the Opposition has found that out with respect to the handling of the report on monitoring of the budget. I have to carry out these undertakings within the requirements of the laws passed by parliament,

such as the Combines Investigation Act. I can certainly show the House pieces of evidence, such as the bill I tabled the other day to implement the first stage of the competition policy that my efforts for the consumers have far exceeded the empty and meaningless volume of words uttered by my hon. friend.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. It seems to me that we have again embarked on a series of points of order and questions of privilege which take up so much of the time of the question period. I would hope we could go on to the next questioner. The hon. member for Gander-Twillingate now rises—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I believe the hon. member is not rising on a point of order but on a supplementary to the first question. He will be recognized for this, and I will see the hon. member for Winnipeg North immediately after.

ALLEGED EXCESSIVE INTEREST CHARGES BY BANKS ON GOVERNMENT GUARANTEED LOANS—REQUEST FOR REPORT ON INQUIRY

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a supplementary along the lines—

An hon. Member: Same old story.

Mr. Lundrigan: —of ministerial investigations into consumer price increases. On the 24th of October the minister indicated—

Mr. Speaker: Order, please. I am just wondering whether the hon. member is arguing the same point of order or rising on a supplementary question. Perhaps I should have allowed him to go ahead, but the beginning of his question gave me the impression he was on the same point of order. I was obviously wrong. The hon. member may ask his question.

Mr. Lundrigan: On October 24, when a member of this chamber asked the minister to inquire into a charge that the banks were charging in excess of the legally permissible interest rates on a number of government loan programs, the minister indicated he was making an inquiry. Can he tell us what happened to that inquiry in view of the fact he has indicated he accepts and assumes his responsibilities?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker. As the first step I was in touch with my colleague, the Minister of Finance—

Some hon. Members: Oh, oh!

An hon. Member: Did he whisper in your ear?

Mr. Gray: —who has asked the hon. member for Humber-St. George's-St. Barbe to provide us with information on which he based his question. I do not know whether my hon. friend, the Minister of Finance, has received it yet, but it certainly has not been provided to me.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I do hope we can go on to the next question. The hon. member rises on a supplementary question.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Hon. members will not be doing the House any good or helping the situation by shouting as they are doing now. The hon. member for Gander-Twillingate has the floor. He will be recognized on a supplementary, and eventually I hope to be able to recognize the hon. member for Winnipeg North.

Mr. Lundrigan: Mr. Speaker, we could have had two or three questions in that much time. Can the minister tell the House why it is that since he made his undertaking on October 24 the hon. member for Humber-St. George's-St. Barbe who raised the question has not received—

Mr. Speaker: Order, please. I have to interrupt the hon. member. The hon. member for Lotbinière rises on a point of order.

Mr. Lundrigan: I rise on a point of order—

Mr. Speaker: Order, please. The hon. member for Lotbinière has the floor on a point of order, and I will hear the hon. member's point of order afterwards.

• (1440)

[*Translation*]

Mr. Fortin: Mr. Speaker, I shall be very brief. I want you to know that we, of the Social Credit Party of Canada, are beginning to be most impatient because of the waste of time by the Progressive Conservative party during the oral question period—

Some hon. Members: What is your problem?

Mr. Fortin: Mr. Speaker, our problem is the following: there are too many Progressive Conservative members and not enough true members on the other side of the House.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker—

[*English*]

Mr. Speaker: Order, please. I ask for the co-operation of hon. members. We have had a point of order and the Chair is entitled to hear the views of hon. members on the point of order raised by the hon. member for Lotbinière.

[*Translation*]

The Leader of the Opposition.

Mr. Stanfield: Mr. Speaker, I feel that you—

An hon. Member: In French!

Mr. Stanfield: Mr. Speaker, I feel that you have always granted a fair amount of attention to the Creditiste members during the oral question period, and I suggest to my good Creditiste friends that there are more Progressive Conservative than Creditiste members in this House.

[*English*]

Mr. Speaker: Order, please. Perhaps we might now consider that the point of order has been made, debated and concluded and return to the hon. member for Gander-Twillingate who was attempting to ask a supplementary question. He will be recognized for that purpose, after which I will go to the hon. member for Winnipeg North. But time flies.

Mr. Lundrigan: Mr. Speaker, it is a very serious question. In an effort to ascertain if the minister is assuming his responsibilities as he is charged to do by the Parliament of Canada and the people, can he explain to the House why it is that since his undertaking on the 24th there have been two reports by the Department of Finance to the member from the province who raised the question and there has been no report at all from his department that he has carried out the inquiry in question and he has not carried out his undertaking and has not made any report to the member?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Gray: Mr. Speaker, in a desperate attempt to score a few political points my hon. friend has forgotten that this parliament has given the jurisdiction over several guaranteed loan programs, including the fisheries improvement loan program, to the Minister of Finance. Therefore I think most people would agree that the effective way to carry out an inquiry into this matter would be to work in co-operation with the Minister of Finance, and that is exactly what I am doing.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I think we are being somewhat unfair to other hon. members by continuing this debate.

Some hon. Members: Hear, hear!

Mr. Speaker: I would hope that hon. members might allow the Chair at this point to recognize the hon. member for Winnipeg North.

Mr. Lundrigan: Mr. Speaker, a point of order.

Mr. Speaker: The hon. member rises on a point of order and I must hear him.

Mr. Lundrigan: Mr. Speaker, we are more concerned about being fair to the people of Canada.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

[Mr. Stanfield.]

Mr. Speaker: Order, please. If the hon. member has a point of order he should indicate quickly what it is. He has a responsibility, he says, to many people. I have a responsibility to hon. members and to this House and I am prepared to discharge it. I will hear the hon. member and then make a ruling.

Mr. Lundrigan: Mr. Speaker, the minister just said that he has no responsibility and that the inquiry is being carried on by the Minister of Finance.

Mr. Gray: I did not say that.

Mr. Lundrigan: On October 24 the question raised was that consumers were being forced to pay higher interest rates for loans under several government improvement loan programs that are legitimate under the law and therefore this was adding to the cost of living and to the burden of a great number of people across the country. In *Hansard* at page 7186 for that day, the minister said that he would make an answer. Today he stands up and says that he has no responsibility—

Mr. Speaker: Order, please. Would the hon. member please resume his seat. I seek the co-operation of hon. members who obviously are impatient to the point that they want to leave the House. I invite them to remain and I will try to recognize them. The hon. member for Winnipeg North.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—CRITERIA FOR ALLOCATION OF GRANTS TO CONSTITUENCIES—REQUEST FOR LIST

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration. Within the next few days will he be tabling a list of the amounts of LIP grants allocated to each constituency? Can he also explain briefly the formula used to arrive at the varying amounts allocated to different constituencies?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we are now in the process of advising each constituency advisory group, and/or the member, of the allocation for the constituency. I will ask the indulgence of the House and try to explain the formula. Interprovincially, it is based on absolute numbers of unemployed in the province versus the total amount of unemployment in the country with provision for registration of Indian people on reserves who do not show up in the labour force survey. Within the province itself it is addressed as equitably as possible to high pockets of unemployment, although every constituency has a basic allocation. I can elaborate if the hon. member wishes or tell him in private conversation, whichever he prefers.

Mr. Orlikow: Can the minister explain the reasoning which led to the fact that the constituency of Winnipeg South, which has the highest per capita income of any constituency in Manitoba, is getting three to four times

the amount in LIP grants as the constituency of Selkirk or my own constituency which have much poorer people?

Mr. Speaker: Order, please.

[*Translation*]

I recognize the hon. member for Shefford.

Mr. Gilbert Rondeau (Shefford): Thank you, Mr. Speaker. I should like to put a question to the Prime Minister—

[*English*]

Mr. Andras: Mr. Speaker—

Mr. Speaker: Order, please. I believe the minister is rising on a point of order.

Mr. Andras: Mr. Speaker, I was rising to try to answer the question. The per capita income of a given constituency is not necessarily the basic criteria because, as I explained a minute ago, it is basically addressed to pockets of high unemployment—

Some hon. Members: Order!

Mr. Andras: —but there are many unemployed—

Some hon. Members: Order!

Mr. Speaker: Order, please. I believe the hon. member for Winnipeg North is rising on his own point of order.

Mr. Orlikow: Mr. Speaker, because of the noise I did not hear the last part of the minister's answer. Is the minister trying to tell the members of this House that there is more unemployment and more need in Winnipeg South than in any other constituency?

Mr. Speaker: Order, please. I suggest to the hon. member and the hon. minister that that is debate. The Chair has recognized the hon. member for Shefford.

[*Translation*]

Mr. Rondeau: Mr. Speaker, I wish to direct a question to the right hon. Prime Minister.

Mr. Speaker: I apologize to the hon. member for Shefford, but the hon. member for Saint-Boniface is raising a point of order.

[*English*]

Mr. Guay (St. Boniface): Mr. Speaker, I should like to ask, through you, a question of the minister in charge of the Local Initiatives Program. How come then that—

Some hon. Members: Order!

An hon. Member: That is not a point of order.

Mr. Guay (St. Boniface): On a point of order—that the program for Manitoba last year—

Mr. Speaker: Order, please. Would the hon. parliamentary secretary resume his seat? The hon. member sought the floor on a point of order.

An hon. Member: Go see the P.M.

Mr. Speaker: Order, please. If hon. members will be patient, there are only five minutes left before the end of the question period. That is obviously not a point of order. The hon. member was trying to ask a supplementary question. I have already recognized the hon. member for Shefford so maybe he should be given an opportunity to ask his question.

Mr. Guay (St. Boniface): On a point of order, Mr. Speaker, if the opposition can get up on points of order and questions of privilege and make speeches, surely I have the right to represent the people who elected me.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member sought and was given the floor on a point of order and then proceeded to ask a question. I think it was perhaps too obvious to the Chair that it was a question and not a point of order.

Mr. Guay (St. Boniface): My question is addressed through you, Mr. Speaker, and through nobody else. It refers to the Local Initiatives Program. Out of a total program of $7,859,962 last year for the province of Manitoba with its 13 constituencies, how come the hon. member for Winnipeg North Centre got over $2 million and I only got $125,000?

Some hon. Members: Oh, oh!

● (1450)

Mr. Speaker: Order, please. Hon. members will recall that a while ago I was hoping that the members of the party to my extreme right might be given a chance to ask one question at least. I am still trying to do this. I would hope hon. members would permit me to let them complete one question. We will then return in the last few minutes to all the points of order and questions of privilege that appear to interest hon. members this afternoon.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

ROLE OF CORPORATION IN QUEBEC ELECTION—INQUIRY AS TO ANALYSIS BY PRIME MINISTER

Mr. Gilbert Rondeau (Shefford): Thank you, Mr. Speaker.

I wish to direct a question to the right hon. Prime Minister.

From regional offices and other available sources of information, can the Prime Minister say whether a study of the Quebec vote results has been undertaken and whether the role of the CBC in the election campaign has been considered?

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

Mr. Rondeau: I wish to ask a supplementary question, Mr. Speaker.

Has the right hon. Prime Minister still in his possession the "key" he once thought of using to close down the CBC, and when will he use it?

* * *

[*English*]

CONSUMER AFFAIRS

POSITION OF ADVISORY COUNCIL—APPOINTMENT OF NEW MEMBERS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. In view of the minister's remarks a moment ago about being anxious to help the consumer during these difficult days of rising costs, would he explain to the House why he let the Consumer Advisory Council, which was set up in 1968 with very great representation from the present Minister of State for Urban Affairs and the present Minister of Finance, expire as of June 30, and why he has not taken action either to replace that body or to provide a more important and more useful body?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, first, the basic work of the council is going on. This work is put out under contract to academics and researchers across the country. These contracts were issued by the council itself. I hope to be in a position to make an announcement about new appointments to the council before too much more time goes by.

Mr. MacDonald (Egmont): I find it very difficult, as do other hon. members, to understand how a board can continue to exist after it has expired. The board, which was made up of 24 members, expired at the end of June. The minister has not yet indicated for what reason he allowed it to expire and why he believes that it is more useful to have a board that is not operating than to have one that is operating.

Mr. Gray: Mr. Speaker, I was talking about the basic research work of the board which is carried out by academics across the country under contracts that were issued by the board before the terms of its members expired. I hope to have an announcement to make about new appointments before too much more time goes by.

Mr. MacDonald (Egmont): Mr. Speaker, on a question of privilege—

Mr. Speaker: The hon. member rises on a question of privilege. I believe the hon. member for Fraser Valley West has a supplementary. I will recognize him in a short while.

Mr. MacDonald (Egmont): Mr. Speaker, I regret having to raise a question of privilege on another matter involving the minister, but it seems that the minister acts in disobeyance of legislation passed by this House. Section 7 of the act stipulates or suggests that the Governor in Council may establish a consumer advisory council to advise or assist the minister. The minister now seems to feel that matters related to his department are so unimportant that he can let this particular group expire without giving a proper explanation to the House or to the Canadian people.

Mr. Speaker: Order, please. That is obviously debate between the hon. member and the minister. The Chair will recognize the hon. member for Fraser Valley West and then the hon. member for Crowfoot.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—METHOD FOR DETERMINING POCKETS OF UNEMPLOYMENT—BASIS OF GRANTS

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is supplementary to a previous question directed to the Minister of Manpower and Immigration concerning LIP grants and the reply he gave to the hon. member for Winnipeg North. Since Statistics Canada does not provide a riding by riding breakdown of unemployment figures, how does the minister arrive at those various pockets of unemployment of which he spoke? Does he intend to provide the House with the basis for these grants, since they vary between adjacent ridings from almost $12 per capita in Vancouver Centre to $1 per capita in Vancouver South and $2 per capita in Vancouver Kingsway?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think that the varying opinions about the acceptability of the allocations from all sides of the House indicate that I am approaching this with a considerable degree of neutrality.

Some hon. Members: Oh, oh!

Mr. Andras: And in the process, as one of my colleagues suggests, I am probably being unfair to everyone. The hon. member is quite right with regard to unemployment statistics. The labour force survey does not go into the infinite detail of constituencies or manpower centres. We do use information with regard to the registration and traffic flow through our manpower centres. We adjust this and superimpose it in a particular case over the constituency's geographical area. We are doing this to the best of our ability. I believe that the allocations, basically, are as fair as it is possible to make them.

Mr. Speaker: Order, please. The hon. member for Fraser Valley West has a further supplementary. He will be recognized, as will the hon. member for Crowfoot and the hon. member for Témiscamingue, and then we will have to call orders of the day.

Mr. Rose: Mr. Speaker, the minister has revealed that basically what he has used for input in determining these grants is the crystal ball neutrality method. Will he provide members of the House with the precise formula on which these grants are based?

Mr. Andras: Mr. Speaker, very sadly, there is no precise formula based on statistical evidence. I have said quite candidly that we use the best evidence we can get, which

is the accumulation of unemployed people registered at manpower centres.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I am not sure whether the minister feels that he ought to continue his reply. It is very difficult to hear what he is attempting to say, in any event. It might be easier if the Chair were to recognize the hon. member for Crowfoot.

* * *

CONSUMER AFFAIRS

REQUEST FOR INVESTIGATION INTO WHY RETAIL BEEF PRICE TO BE SO MUCH GREATER THAN INCREASE TO PRODUCER

Mr. J. H. Horner (Crowfoot): Mr. Speaker, possibly I should apologize to you, sir. I want to direct my question to the Minister of Consumer and Corporate Affairs. I assure you and the House that my question will be easy and that he will have no difficulty answering it. Recently the government imposed a three cent surtax on live beef entering Canada, and this caused the price to the farmer to go up by 1½ cents per pound. However, retailers have been saying that beef will cost the consumer an extra 12 cents a pound. In light of that, would the minister turn loose the peerless Plumptre posse and try to ascertain why that 12 cents a pound increase is necessary?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I thank my hon. friend for his very constructive question. Perhaps his colleagues could learn from it.

Some hon. Members: Oh, oh!

Mr. Gray: I will be happy to see that the question is brought to the attention of the body in question.

Mr. Horner (Crowfoot): A quick supplementary question—

Mr. Speaker: Order, please. The hon. member has what he calls a quick supplementary question, we will judge after he has asked his question. Then the Chair will recognize the hon. member for Témiscamingue.

Mr. Horner (Crowfoot): Mr. Speaker, I did not really hear the minister's answer. He flattered me by saying that my question was very constructive, but his answer was less than constructive. I did not hear anything constructive in his answer at all. There is some concern about our food distribution system. Knowing that the part of Canada he represents is close to Detroit, where there are Mafia connections, may I ask the minister whether he has looked into the possibility of the Mafia of the United States being involved in our food distribution industry?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Horner (Crowfoot): On a point of order, Mr. Speaker. I asked a simple question and I should get a simple answer.

Mr. Speaker: Order, please. The hon. member will appreciate that a question asked in those terms is hardly in order, and I do not think the minister should be allowed to answer.

Mr. Horner (Crowfoot): Mr. Speaker, on a point of order, the minister himself said my question was very constructive. Why can he not answer all my questions?

An hon. Member: He answered the first one.

Mr. Horner (Crowfoot): It was the easiest question I could ask. If you cannot answer a simple question, how can you answer the difficult ones?

Mr. Speaker: Order, please.

* * *

● (1500)

[*Translation*]

CANADIAN BROADCASTING CORPORATION

ALLEGED INCORRECT NEWS REPORT CONCERNING ALLOWANCE TO MEMBERS FOR CONSTITUENCY SECRETARIATS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker—

Mr. Speaker: Order, please. The hon. member for Témiscamingue.

Mr. Caouette (Témiscamingue): If the frogs could stop croaking and chattering, I could ask my question.

Mr. Speaker, my question is directed to the right hon. Prime Minister. Last evening, on the CBC network, an "intelligent" announcer of the national news service said that federal representatives had voted themselves a monthly $700 tax free allowance, whereas in fact these increases will be used to pay a secretary in each riding, as is already the case in Quebec—a fact that nobody mentioned.

I ask the Prime Minister whether the government will eventually intervene in the unspeakable conduct of some individuals of the Canadian Broadcasting Corporation.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I shall certainly ensure that this remark is brought to the attention of the CBC president and I shall tell him that I agree with the hon. member, namely that many employees of this corporation do their job very badly, when they do not reflect crass ignorance.

* * *

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker: Mr. Speaker, I wonder if I might ask the acting government House leader to confirm the business

for tomorrow and indicate what the House leader has in mind for the first of the week.

Mr. Faulkner: Yes, Mr. Speaker.

[*Translation*]

Mr. Speaker: Order, please. The hon. member for Grenville-Carleton asked a question; perhaps the minister could answer it. I believe the hon. member for Témiscamingue has a supplementary question. With the consent of the House, he may be able to ask it in a moment, since the oral question period is expired. For the time being, it would be easier to allow the minister to answer the question asked by the hon. member for Grenville-Carleton.

[*English*]

Mr. Faulkner: Mr. Speaker, I can respond as follows. As the hon. member knows, today is an allotted day. Tomorrow we will continue with the report stage of Bill C-132 and carry that through, if it is not completed tomorrow, to next week and then deal with the third reading stage until that is completed. Following that, we will take up the report stage and third reading of the two Canada Pension Plan amendment bills, C-190 and C-224.

The hon. member interjected a remark about the discussion of the Middle East situation. That is a subject for discussion now among the various political parties. I think there will be an announcement on that tomorrow. Following the Canada Pension Plan amendment bills, we will deal with second reading of Bill S-4.

Mr. Macquarrie: Mr. Speaker, may I ask the minister or the Minister of National Health and Welfare wherein lies the reason for the delay in having Bill C-211 on family allowances, which passed second reading here, brought before the standing committee for urgent attention?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as I said in the House at the end of the debate on second reading, I have a number of amendments to move in committee. I expect to have them at hand at the end of the week and I hope it will be possible to call an emergency meeting next week and conclude the consideration of the bill during the week, so that it may be brought back to the House as soon as possible.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, with regard to the business announced for tomorrow, perhaps it might be noted there is an understanding among the House leaders that if any recorded votes are requested tomorrow afternoon on report stage amendments to the foreign investment bill, the taking of those votes will be deferred at least until Tuesday night.

Mr. Faulkner: That is my understanding, Mr. Speaker.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

ALLEGED INCORRECT NEWS REPORT CONCERNING ALLOWANCE TO MEMBERS FOR CONSTITUENCY SECRETARIATS—REQUEST FOR CONSTITUENCY

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to ask a supplementary to the Prime Minister.

Is it possible to ask the CBC to apologize as soon as possible to the Canadian people for having given it inaccurate information on the air last night?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, to my knowledge the CBC president has seriously endeavoured in the last few years to make sure that his branches and services are qualified and, inasmuch as I can see, he has always agreed to have the corporation correct its mistakes whenever possible and in the way indicated by the hon. member. I shall not fail, therefore, to draw Mr. Picard's attention to the hon. member's proposal.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): On a point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Saint-Boniface is rising on a point of order.

Mr. Guay (St. Boniface): Mr. Speaker, I would like to draw to your attention and to that of hon. members that today is the eighth anniversary of the first election of the right hon. Prime Minister of Canada.

[*English*]

Mr. Baker: Mr. Speaker, I rise on a point of order. This is the best spectacle of apple polishing I have ever seen in this House of Commons.

Mr. Speaker: Orders of the day.

● (1510)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO ENCOURAGE PROVINCIAL CONSULTATION TO REDRAFT THE CONSTITUTION

Mr. René Matte (Champlain) moved:

That this House deplores the fact that the government is maintaining the unity of the country through fear, autocracy and oligarchy, and has failed to do anything to encourage the provinces to get together in order to amend or redraft the Canadian constitution, thus protecting the country against national difficulties by meeting the basic aspirations of each province.

He said: It is quite an honour for me today to put forward this serious and realistic motion on behalf of the Social Credit Party of Canada, a motion urging all hon. members to ponder over the constitutional situation in our country, in order to try and find adequate solutions which would favour both the autonomy and development of all regions of Canada.

The surprise, or rather the state of shock, which resulted from the last provincial elections in Quebec should not cause us to delude ourselves into believing that there are no problems any more, the greater majority of Quebecers having chosen the status quo, that is, the federalist option. On the contrary, the analysis of the results show that the people of Quebec, because of the fear and panic systematically nourished by Liberal governments both in Ottawa and Quebec City since 1968, have been unable to make a political choice based on the platforms of the various parties, but rather have indicated their unwillingness to decide the future of their province in an election. The Liberal strategy was pushed so far that the point was reached where the Quebec voter might fear independence more than the mob which might explain perhaps the decision to adjourn the sittings of the commission of inquiry into organized crime during the election campaign.

I must confess, Mr. Speaker, that other political parties in that province unconsciously or otherwise played the Liberal game. They involuntarily pushed part of their own supporters in that Liberal wave that nearly destroyed democracy in Quebec. I do not think that they will become again that shield, that screen, that unconscious instrument that suits those who vindicate an outdated status quo and keep the unity of this nation going through fear, autocracy and oligarchy. The Liberal government of Canada, the quiet owner of constitutional truth, seems to do away with the opinion of opposition parties. That results in a one-way dialogue between federalists and independentists. We have a government that establishes through feelings, fear and false security an authoritarian and dictatorial regime in that area.

At the time of the first colonial conferences which resulted in the BNA Act four provinces decided to form a confederation of autonomous states based on the historic circumstances at that time. The intentions of those commonly known of the Fathers of Confederation were certainly not I think those that are attributed to them at times today. Yet, it must be recognized that the federal government is only the creature of the provinces, and if 106 years later the provinces now numbering ten decide to amend or rewrite that constitution they of course have the priority and they alone may determine jointly the changes that are necessary for the benefit of all the provinces in general or each and everyone of them in particular.

The part played by the federal Parliament is therefore becoming more that of a motivator, observer and conciliator. This is obviously a far cry from that assumed by preceding governments—especially that of the present government with its arrogant paternalism—which have always refused to let the provinces have their autonomy or amend the constitution, thus compelling an impressive number of Quebecers to resort to extreme solutions.

They have forgotten that the Fathers of Confederation had wanted to make the country strong, to have a kind of common market in a position to resist the ravenous and insatiable appetite of the American ogre. It was imperative for that that French Canada remain itself, thus staying by its own originality the attacks of American imperialism and making Canada what it is.

We must therefore recognize, Mr. Speaker, that we are now before a *fait accompli*. Canadian confederation has bit by bit developed into a centralizing and unitary Canadian state.

● (1520)

As a consequence of all kinds of events,—economic crises, wars, and so on—the spirit of the Constitution itself has been distorted. Of course, this Constitution has become outmoded, inadequate, and is at the root of many a dispute. All across Canada, and particularly in Quebec, people are expecting changes. The need for a reform is a priority.

The government could reply that they have made a great effort, while they have found nothing better at the height of the constitutional storm than to offer, or rather to try and impose upon the provinces, in 1971, the famous Victoria Charter that all the political parties represented in the Quebec National Assembly rejected unanimously.

By its action the government has turned a national issue into a matter of political partisanship. In Quebec, if one choses to be a federalist one must indiscriminately be a Liberal. Anyone who feels strongly about the development of Quebec is called a separatist.

I remember that on several occasions, when I was sitting on the other side of the House, the Liberal members never failed to call me a separatist as soon as my observations were in favour of Quebec.

They believe that it is sentimental nationalism to struggle for the emancipation and self achievement of one's fellow citizens. I would say, Mr. Speaker, that the most sentimental are not on the side we think they are.

I find my Liberal colleagues are fond of great epic battles against separatism and they are satisfied with that because they believe that Quebecers will never give away this beautiful and great Canada which belongs to them. You believe that as long as you never cross the Ottawa River. I think they count on people's emotions. They rely on that fear of separatism and they stand on their position.

Mr. Speaker, that is the best way to exasperate progressive people in this country.

We should obviously not minimize the importance of this element since the analysis of the recent election in Quebec has shown that more than 35 per cent of the French Canadians in Quebec voted for the Parti Québécois in spite of the devastating majority gathered by the liberal steamroller.

Mr. Speaker, it is high time that we should say whatever has to be said. Truth has been hidden too long. Let us open our hearts and minds to sincere and friendly discussion. We should no longer fear to face the problems as they really are. Canada is an adult country which can, in all honesty, let every province decide whichever amendments should be made to the Constitution, or whether it should be entirely revamped.

The federal government should be sufficiently conscientious, if not magnanimous, to admit that its excessive centralization policy has been wrong and that it should give back to the provinces the prerogatives which they demand.

As concerns our constitutional future, Mr. Speaker, many personalities have already mentioned various alternatives. At one of the federal-provincial conferences, the former premier of British Columbia spoke of a Confederation of five regions instead of ten.

The now Minister of National Defence (Mr. Richardson) is known to hold the same opinion. The Minister of Transport (Mr. Marchand) has often alluded to this subject. You will certainly remember his statement of November 29, 1970, in which he said:

"A referendum might be necessary because more and more the federal government is heading towards ultimate confrontation with the separatist movement" . . .

This proves again how this government seems to favour and consider separatism as politically valuable.

To support my argument I would like to quote from an editorial by Jean Pellerin published in *La Presse* of Montreal on Tuesday November 6, 1973. Even though I do not agree with all the points raised in the editorial, I think this quotation should back up today's motion. I quote:

Canada has been considering as desirable the repatriation of its constitution and the adoption of a Canadian formula of amendment for such a long time, could it be that the time for taking this historic decision is drawing near?

In Canada, it is difficult to have everyone in agreement. The Canadian opinion is divided on several points but people do agree at least, and almost to a man, on the necessity of repatriating the constitution some day.

Agreement also exists in Quebec. The election of October 29 indicated that most people in this province do not trust separatism. But, nonetheless, this majority is not satisfied with our current constitution. On the contrary, people want a major reform. Aware of their cultural peculiarities, they want Quebec to enjoy the widest possible sovereignty but in view of the economic advantages inherent in the federal ties, they agree to dispense with an impossible absolute sovereignty and negotiate a sovereignty that would be adjusted to the common welfare of this country.

One could also quote a good deal of statements along the same lines, that would show that although in apparent stability, Canada is near the breaking point. Therefore we must come back as soon as possible to concrete autonomy principles. This party has always contended and still contends that there can be neither progress nor development without complete respect for the individual, for the human being. What is true for the individual is equally true for a community. Respect for provincial autonomy is necessary and even essential.

It is with the greatest ease that we can point that out since this party has never known any dissension in that respect. Wherever one meets Creditistes in Canada, one can observe that mutual respect for the individual character of each province. The Creditistes are a big family where everybody feels at home, no matter where they come from; they earnestly hope that the government will at last give the example of a policy based on Social Credit economic principles. One can even believe that all Creditistes would be very happy to help and support an independentist government in any province, if Major Douglas' philosophy were implemented.

We know, Mr. Speaker, that the eventual part to be played by the Banque du Québec in an independent Quebec could be substantially the same as the one the Social Credit Party of Canada would like to be played by the Bank of Canada. This is neither an ultimatum nor a threat; it is a bare fact. To shut oneself in an outmoded and backward status quo is to show a blatant lack of maturity.

● (1530)

Let me also add to my argument the conclusion which the Chamber of Commerce of the province of Quebec came to as regards the reform of the constitution—and which is recorded in the January 1969 issue of its publication, and I quote:

"The form of federalism that we have known will have to be changed: (a) the constitution of Canada will have to be amended or redrafted in order to define clearly the responsibilities of each government level, to enable each to levy taxes to meet these responsibilities and to include a mechanism designed to efficiently prevent abuses of jurisdiction; (b) the tax policy of the federal government and that of the provinces will be developed only after consultation which will have to be of an official and permanent nature; (c) monetary and tariff policies of the federal government will have to be set up through consultation with the provinces and these consultations will also be of an official and permanent nature; (d) the Bank of Canada should facilitate the financing of provinces and through the latter, that of municipalities and school boards. 4.—French Canadians must be convinced that their development depends essentially on their dynamism in every field of the economic and social life. 5.—English Canadians will have to show by concrete measures that they totally accept French Canadians as partners and will not prevent them in any way from acceeding to management positions, in both the public and the private sectors of the economy as well as the administration of this country. It is rather a matter of attitude being shown in everyday's measures that are taken at both government and business levels and related to purchasing, professional services, promotion, advertising and other policies."

Finally the last recommendation of the Chamber of Commerce reads as follows:

"6.—The Chamber of Commerce and other organizations should carry on their studies, in order to enlighten further and constantly the people of Canada on the economic impact of the constitutional structure of our country."

Mr. Speaker, I will dwell particularly on subsections "c" and "d" of the above-mentioned paragraph 1 where it is stated:

The monetary and tariff policies of the federal government should be established in co-operation with the provinces and those consultations should also be of an official and permanent nature: the Bank of Canada should facilitate the financing of provinces and through the latter, the financing of municipalities and school boards."

I do not believe, Mr. Speaker, that we can accuse the Chambers of Commerce of being in favour of social credit, although this attitude is awfully in agreement with what we have been trying for years to make Canadians understand. The basis of the true liberty that Canadians want is this essential material security that can only arise from a logical, scientific and adequate economic system, that is social credit. I think that is the direction that all new attempts to remodel the constitution should take.

It is obvious that we all want unity in this country but it must be the outcome of respect for the independence of the component parts of Canada. Our role in this House is not to show the provinces that we are the masters, but to urge them to be themselves by helping them to better fulfil their commitments.

We can state that there would not be any national problems in Canada if no one had stirred, through all sorts of means, French-speaking Canadians against English-speaking Canadians, or brought about such circumstances that there seemed to be racist animosity. Yet, if there is a man in the world who cannot be accused of racism, it is the French Canadian. For centuries, he has learned to live with other ethnic groups and never or almost never showed racist feelings. Of course, he feels that noble pride arising from a sound nationalism. Our English-speaking friends can certainly not blame him for it since it is because of him that Canada is what it is, that is a distinct entity from the United States.

The more the French Canadian will remain himself, the more his fellow countrymen throughout the country will benefit from it.

Quebecers or French Canadians do appreciate their English-speaking fellow countrymen and all new Canadians; only the Liberal government political action tends, purposely or not, to maintain a pernicious animosity in opposing federalists against separatists.

We have too many serious and urgent problems to settle to keep diluting them in a constitutional dead-end. Let our ethnic differences rather be useful for our mutual enrichment. We cannot however consider that it is only a matter of bread and butter; feelings have their place in every society as an individual cannot live and be happy if he never feels anything.

This minor problem set by the constitutional limits can become—and maybe is already—a major problem, because of the injustices which the French Canadians have suffered for too many years. Acts of contrition and to admission of these facts are not sufficient. In addition to filling these gaps, we must further the real emancipation and the complete development of Canada. Thus, we will objectively and positively consider all the solutions which could make us achieve the end we are seeking. These constitutional matters should therefore be debated and solved without partisanship.

These words may sound tinged with bitterness, Mr. Speaker, following the results of the October 29 election in the province of Quebec. I would answer that it is my duty to mention these circumstances to let the Canadian people know all the consequences of this new situation of democracy in my province.

Let me quote once again from a leading article by Jean-Claude Leclerc published in the November 2, 1973 issue of *Le Devoir*.

> But worse than the distorsion which has victimized both the PQ and the CP is the absence of any sound opposition since 1970 and the continuation of a democratic deficiency; that is what should retain our attention today. After four years of complete freedom, Robert Bourassa's Liberals were due for a sound opposition to challenge them. Nothing of the sort happened. Instead, there will be less parliamentary opposition than ever to do it.
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> The Premier's modesty, the firm resolve indicated by some ministers not to take advantage of the situation may comfort those who are satisfied with words and promises in place of action and evidence. During their first mandate, no Liberal member, no minister could stop being hounded by scavengers and friends of the regime for contracts and jobs. After October 29, the pack will simply be bigger and will have grown bolder by the strength of the victory. That is the first conclusion to be drawn from the Liberal landslide. Unchallenged by any strong opposition, this government will sink faster and deeper into the "sea of power". Independence being more frightening than the underworld, there is good reason to think that neither the next election nor the one after will give us the means to control this government.

This situation could very well be disastrous if a good many of those who advocate independence lose faith in the value of democracy. But I will not labour the point.

Before I conclude, I would like the House to realize that the goal of our motion is constructive and realistic. It is clear that we cannot solve our problems if we are to count exclusively on the fear of separatism like the liberal governments of Quebec and Ottawa do. It was high time that this should be said, particularly in this House, so that all of us will be objective and realistic enough to discuss these questions.

May the discussion on this motion be of some benefit to all my fellow citizens of Quebec and Canada.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I read the motion of the hon. member for Champlain very carefully (Mr. Matte), and also listened with great attention to his speech in which he urged the parties to co-operate and foster good feeling.

Upon reading what he said about the reopening of the constitutional debate, I think that he should have chosen words better suited to feelings of understanding instead of terms such as "fear", "autocracy", "oligarchy", in respect of present federal-provincial relations. The government of the province of Quebec did not try to squash the opposition and to reduce it to silence, it is the people of the province of Quebec who decided. They have understood that Liberals have always been in Quebec as well as elsewhere in Canada the spokesmen of one policy: a strong Quebec in an united Canada. We always stood behind that philosophy in Quebec as well as in any part of Canada.

When they speak about national unity, the Liberals never try to create discord among Canadians.

Some hon. Members: What about Alberta?

Mr. Chrétien: I went myself quite often to Alberta where I talked about the Canadian unity. I spoke in French in Edmonton and Calgary and I must say that I talk about Alberta with a particular interest because I am half Albertan on my mother's side. Nobody in the cabinet has more interest in Alberta than I have because I have 25 cousins there.

All across Canada we always spoke only about one thing: the importance of having a clear and unique policy throughout the country. I hear the hon. member for Champlain (Mr. Matte) say in this House that a party is accused of being separatist if it recommends a Creditist policy inside a province. This is why the people did not vote for the Creditists at the last election in the province of Quebec. It was because of a consistent ambiguity in the creditist views. We Liberals have had the same stand from the day of Mackenzie to those of St-Laurent, Pearson, King, Laurier and the present Prime Minister (Mr. Trudeau); we always preached the respect of every Canadian's right and particularly the linguistic rights of the French Canadians. The hon. member said that the constitutional discussion should resume. We agree with that.

But he should let the provinces take action in this field. He should remember that in 1967 Ontario premier John Robarts and Quebec premier Daniel Johnson decided to hold a provincial conference as the one proposed by the hon. member. At the end of the first conference held in Toronto, the provincial premiers asked the federal government to go back with them to the table and try to give a thrust to the constitutional debate.

After numerous discussions, we almost reached an agreement but in Victoria, at the last minute, Quebec decided not to go along. However, if the Quebec premier has any new suggestion to make, the Prime Minister said it, we will not insist on holding a new constitutional conference but we will be pleased to answer the call because we believe that some basic things must be changed in Canada such as, for instance, the inclusion in the constitution of the Bill of Rights, in order to guarantee linguistic equality and the other rights of citizens.

We Liberals believe that it is abnormal to have to go to London in order to get the constitution amended and that it would be desirable to have an entirely Canadian constitution which could be amended by the provinces or the Canadian government.

Those are known policies and if the Quebec government and the other provincial governments want to resume the constitutional debate, we are prepared to participate.

An hon. Member: Then, resume it now!

Mr. Chrétien: No, because if we do so, the hon. member for Témiscamingue (Mr. Caouette) and his colleague the hon. member for Champlain, would blame us for imposing our will on the provinces but we are prepared to meet their initiatives.

It was my pleasure to note during the election campaign that when premier Bourassa, who had no policy between two stools as the creditists and the Union nationale, was speaking about viable federalism and a strong Quebec within confederation his platform included resuming the constitutional debate.

If the Quebec premier wants to resume talks on this matter the prime minister of Canada will gladly meet his initiative but we have no intention of imposing our views on any provincial government whatsoever.

However, we should be aware of the fact that the protection of the rights of French Canadians and even of the province of Quebec does not consist in always meeting the provincial representations. The federal government has a role to play as we can see today. In fact, in the debate on energy in Canada, for instance, the federal government has a role to play. In my opinion, it is essential for the Canadian government to take the necessary steps to protect all Canadians against crisis such as the energy crisis.

I am convinced that all Canadians agree on the fact that electricity, oil and other natural resources must be shared by all Canadians first and foremost. If we find we have enough, we can allow exports to other countries.

This does not only apply to Alberta oil, but also to the hydroelectrical resources that Quebec can produce, as well as to the development possibilities of Northern Canada, which first of all should benefit all Canadians.

[Mr. Chrétien.]

And now that we are in the hands of the Arab States and other countries as regards energy, I would find it scandalous if the Canadian government who is responsible did not take the necessary means to ensure that in case of a more serious crisis in Canada, Alberta oil is used in Ontario, Quebec and the Maritime provinces, because we are all of us Canadians. This is why there is a Confederation. As the federal government, we must discharge our responsibilities in such matters.

• (1550)

Mr. Munro (Esquimalt-Saanich): Quebec has refused the pipeline.

Mr. Chrétien: No, it is wrong to say that Quebec has refused it. As a matter of fact, after the federal government announced in August that it intended to build a pipeline from Sarnia to Montreal, the provincial government issued a press release a few days ago in which it recognized that it could be essential that such a pipeline be built so that Quebec may have security of supply. And it is in the national interest that we are thinking of carrying out this project, because we would be accused of gross negligence if during the winter, in two or three years from now, for reasons of international politics, none of the countries like Venezuela or the Middle East countries wanted to move oil to Quebec or the Maritime provinces.

And if in the event of such a crisis, we had not built a pipeline from Sarnia to Montreal, we would be accused of not having fulfilled our natural obligations. However, discussions are presently going on with the Quebec government and I know for a fact that the Quebec government understands that it is the role of the federal government to make sure that Canadian energy serves all Canadians first. And I am convinced that if in the constitutional discussions or disagreements there may be between the provincial and the federal governments, being a good Canadian means always saying yes to all provincial governments, a time will come when this country will no longer exist.

What makes me a little impatient is that some people say they want a strong and united Canada and use all their energy to destroy this country. When I hear in the House of Commons of Canada a member state that if a province proposes a Créditiste program and that Créditiste program is related to a separatist program, he will side with them, I say he is a separatist and I will say so in all of the provinces in Canada. The Créditiste theory might be good, but I think that associating separatism with creditism is the sort of mixture that led to the rejection of creditism by Quebec voters in the last election.

We want the province to be strong within Confederation in areas that come under its jurisdiction. We have on several occasions taken clearcut action that displeased many people in Canada. For example, for years now, we have been under pressure exerted by some provinces to have more direct federal government intervention in the field of education. We always said that we must respect the provinces' jurisdiction in such matters, because we believe that education is something essential in Quebec, in order to enable the French-speaking Canadians of that province to free themselves. We have undertaken discus-

sions in a number of areas where we clearly determined certain fields of jurisdiction. For instance, family allowances. This is a problem that has been negotiated to the satisfaction of Quebec as well as that of the federal government and the other provinces. Today, we have set up an improved system of family allowances, without infringing on any provincial prerogatives.

I think, Mr. Speaker, that if the hon. member wants to contribute to improving federal-provincial relations, he should be a little more objective and stop trying to solve the problem by answering yes whenever a province asks for something. We do not intend to force the provinces to do anything in any particular area and we never will. We remain open to dialogue, and whenever the government of Quebec or any other province wants to try, together with all Canadians, to give us a new constitution or improve some clauses of the present Canadian Constitution, we will be pleased to consider it. I suggest that it is not for the federal government to take the initiative at this time. We must do what we always did, namely respond to initiatives taken by the provinces.

Mr. Speaker, I would like to come back to the statement of the hon. member for Champlain—that shocked me a little: he says that in Quebec, independence is feared more than the underworld. During the last election, this matter was not raised and I suggest that it is very unfair to the provincial government to say that they put on the shelf the inquiry on organized crime during the election campaign.

Everybody knows that it was an inquiry carried out by the courts that decided themselves that it was irrelevant to hold this public debate during an electoral campaign.

And the premier of the province of Quebec stated clearly that he had never interfered and that it is quite indecent to suggest that he might have interfered in this matter.

If the people of the province of Quebec have massively voted for the Liberal party and Premier Bourassa, it is because the latter has done what we are doing throughout Canada; he said that the Liberal party favours a united Canada that respects provinces, that federalism had to bring about advantages, that it might help poor provinces thanks to the revenues coming from wealthy provinces, for the richest provinces have often become wealthy because they have had other provinces as captive markets.

As for me, I would rather be in the position of Ontario which must pay without receiving any equalization payment, than in the position of Quebec, which receives equalization payments.

I believe each province considering the geographical features or exceptional economic developments due to the federation, have the responsibility of helping the provinces that have less. And such has been our policy for a long time, as far as family allowances are concerned, for instance. We did not want to give the whole jurisdiction to provincial governments, because with a system under which family allowances, payments of all kinds made to individuals would be the strict responsibility of the provinces, it might happen that in time the poorest provinces would be the ones to pay.

It could be that with a direct tax transfer today, the provinces could provide the same kind of service, but we know, for instance, that one point in corporate taxes brings twice as much in dollars to Ontario than to Quebec. Everytime a corporate tax point is given back to the provinces, Quebec loses. In the long range, Quebec is the loser because twice as much money goes into the coffers of the Ontario government as in those of the Quebec government. And with a system like that, should payments to individuals be administered by the provinces only, the situation would be such that in 10 or 15 years from now, for instance, family allowances in Newfoundland, instead of being $20, would perhaps be $10 and in Ontario, instead of being $20, they would be $40.

Now that is not the distributive justice that should exist in a confederation such as ours. That is why, Mr. Speaker, I believe the French Canadians in the province of Quebec, last week, understood all these things.

If we really insist on raising the problem of independence, let's do it. The Liberals did not ask for this problem. It was rather a political party of the province of Quebec that keeps on preaching this thesis, while we, the Liberals, in opposition to some Creditiste members, we are not sitting on the fence with regard to independence: we are against independence.

We shall keep on fighting independence because we have the firm conviction that French Canadians can play a part at the national level, in Canada. We are not inhibited to the point where we must keep to ourselves. On the contrary, we believe that people from Quebec can be useful to all Canadians.

I am privileged to be in charge of a department which has very few contacts with the province of Quebec, but it is my profound conviction that I play a useful part not only for Quebecers but for all Canadians and this is what the federal government and Canada mean for all Quebecers.

● (1600)

I do not think that being a Quebecer should necessarily mean staying alone in one's back yard with one's own little things. One must have enough self-confidence to take up challenges greater than the province of Quebec. At a time when all European countries are setting up a large common market, at a time when countries throughout the world are trying to regroup in a new union—countries of the third world held an extremely important conference in Algeria a couple of weeks ago to try and regroup too—we in Quebec would be going completely against history in trying to have our little country of our own, with our own national anthem and our own flag. There is more than that to the life of a nation. I think that the important thing for us is to make sure that French Canadians can fulfill themselves not only in Quebec but everywhere in Canada.

I heard on television a few days ago that our fellow countrymen in New Brunswick were celebrating the 10th anniversay of the University of Moncton. I will point out to the hon. member for Champlain that those people are yet better French Canadians than anyone of us from the province of Quebec because they found it much more difficult to keep their French language. I refuse to go along with anybody ready to let down the million and a half French Canadians living outside Quebec. I have a lot more respect for those who lived and fought for their

language like the French Canadians in Cornwall, the Ottawa area, or the Maritime provinces, than for us from Shawinigan, Grand-Mère, or anywhere else in the province of Quebec, where it was relatively easy to do. And I am not prepared to let them down tomorrow.

I believe that as an ethnic group we have made considerable progress in Canada and we must go on being excellent Canadians. It is not impossible to be a French Canadian or a Quebecer and a good Canadian at the same time. Mr. Speaker, when I hear the honourable member for Champlain talking about independence and politics—

Mr. Rondeau: I rise on a point of order, Mr. Speaker.

Mr. Speaker: Order, please. I apologize to the hon. minister but the hon. member for Shefford rises on a point of order.

Mr. Rondeau: Mr. Speaker, before the hon. minister concludes his remarks, even though his time has almost expired, I wish to ask him a question.

Mr. Speaker: This is obviously not a point of order, but if the hon. minister wishes to answer a question, he may do it.

Mr. Chrétien: In any event, Mr. Speaker, I do not intend to go on very long. I think I have clearly stated that the Quebec population made its choice. It decided by itself and it was not the federal government, because we, the federal Liberals, have showed more respect for Quebecers than did the federal Creditist members. Since we were accused in 1970 of having influenced the result of the vote, we did not interfere in the last provincial elections. Yet, the Liberal party won 102 seats out of 110. Obviously within two weeks, some intellectuals particularly in the province of Quebec will demonstrate that René Levesque did effectively win the election and that Mr. Bourassa lost his deposit. Mr. Speaker, the people made their choice. Every party got the same opportunity in every district. But as one of the parties offered a clear choice that met the very aspirations of French Canadians—that is to say the policy of a party which had faith in a strong Quebec in a united Canada—the people voted for that; they did not vote for the Creditist party because of the Creditist or separatist ambiguities advocated by the hon. member for Champlain. That was so obvious that the hon. member with his usual ambiguities went to his constituency to try and explain theories which are neither fish nor flesh. The Creditist candidates have lost their deposit in the ridings of Portneuf and Laviolette and even the party president lost his in Champlain.

The Quebec voters have shown good judgment during the last election. A majority of French Canadians have voted for the Liberal party much more than for the Parti Québécois even though, in my opinion, all those who voted for the Parti Québécois are not necessarily separatists. I think the vote was quite clear even though some problems still exist. I am convinced that the Bourassa government will try to make some progress in many areas and that they are considering resuming the constitutional debate; we shall be open to their views because we sincerely believe that the Canadian constitution should be repatriated as soon as possible. In my opinion, we should find a formula of amendment meeting the aspirations of all the provinces and, at the same time, include the Canadian Bill of Rights in the Canadian constitution.

[Mr. Chrétien.]

We can congratulate ourselves for the outcome of the Quebec election and we can now undertake a serious debate which will settle many problems in Canada. In the near future, if the provinces so desire, we will be able to repatriate the constitution back to Canada and draft another one which will guarantee equality to all Canadians and, as we have been wishing for generations, to the French Canadians safety and promotion of the French language not only in Quebec but throughout Canada.

The Acting Speaker (Mr. Laniel): Order. Is the minister willing to answer a question from the hon. member for Shefford (Mr. Rondeau)?

Mr. Chrétien: Yes, Mr. Speaker.

Mr. Rondeau: My question is this: Does the minister feel that, whenever a French-speaking Canadian from the province of Quebec criticizes this Liberal government, this necessarily means that he is a separatist?

Mr. Chrétien: To this, Mr. Speaker, I shall answer that any member of this House has the right to criticize the policy of the federal government. He has every right to do so, but he should deal with real problems and stop telling fairy tales. He should talk about the problems of concern to the Canadian people, such as the energy crisis and social security, but Creditiste independentism is nothing but hogwash.

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I am greatly tempted to follow the example of the Minister of Indian Affairs and Northern Development (Mr. Chrétien) and to take advantage of this important debate to delight in a useless attack on individuals and to forget the real issue, that is national solidarity and the way to achieve it. I do not intend to yield to temptation.

We owe it to ourselves today as always, in response to the motion moved by my Creditiste colleague,—and precisely on account of the very nature of this motion,—to show maturity, true responsibility, faced with the challenge of national solidarity, and to do so in a tone as airily and as serene as that of the hon. member for Champlain (Mr. Matte).

Mr. Speaker, this Canada of ours, this Canada built by our forefathers whose merits have not always been recognized at the time of their retirement, basically, Canada is wanted by all Canadians from Quebec as well as elsewhere.

[*English*]

I assure you, Mr. Speaker, that I welcome this debate. I consider myself privileged to speak on behalf of my leader and my colleagues of the Official Opposition. My travels throughout this great country of ours, undertaken at the request of my colleagues, have enabled me to grasp the true meaning and overwhelming impact of our Canadian indentity. Whether in Vancouver, Montreal, Cranbrook, Madoc, Saint-Hyacinthe, Edmonton, Dunnville, or Hinton, I have sensed the desire and unanimous will of all citizens

of this country to join forces in an endeavour to build, rather than to destroy. That is why, Mr. Speaker, I shall prefer a positive approach in the course of this debate.

● (1610)

[*Translation*]

Certainly I am talking here of our own country and not of the present style given to the federal-provincial relations and not of the way the national unity objective is coloured at the present time.

It is true that this debate must allow us to document as much as possible our critics against this government, but it should also give rise in this House and among the population to proper considerations on the national solidarity theme.

It is advisable to reopen the federal-provincial relations record more especially as we are right after an election in Quebec the results and stakes of which are known. All this is particularly advisable more especially as we are facing today the whole energy issue, in Quebec as well in Alberta, and the wranglings if prolonged unduly could undermine the very foundations of Canadian unity.

First, Mr. Speaker, I deplore, because I fear their consequences, the very style and direction which inspire the present federal government, and sometimes even the Quebec government, in federal-provincial relations and consequently with their legal creations, the municipalities.

The Liberal governments now in office in Ottawa as well as in Quebec City, being deeply divided concerning the objective of a new constitution and therefore without any common direction, tend to fall into piecemeal consultation without any general plan.

This lack of direction leads us into feverish activism. In April 1973, seven separate federal-provincial conferences have been held and, tell me, what results did we get?

The present rate of these conferences is more impressive than the results that they are willing to communicate to us are or are likely to be fruitful.

We must—and this constitutes another important aspect of the problem—denounce the secrecy which, before, during and after, too often surrounds bilateral meetings or even federal-provincial conferences. With the help of the media, let the government therefore function in the open, let it not be afraid of enlightening the population, let it not fear especially to have the media play their part.

I regretted this afternoon, as many other hon. members, that the Prime Minister of Canada, in a change of mood, used certain scornful words about employees, civil servants, and said of them—and I am quoting the Prime Minister of Canada, a man who has championed personal liberties—"do their job very badly when they do not reflect crass ignorance".

It seems to me, Mr. Speaker, that such a general attack, without any differentiation, any subtle distinction, looks quite like an unfair discrimination towards employees in general. If he had had the guts of giving names, of pointing out at some people in particular, instead of casting all the blame on a whole group of citizens, he would have been much more honest.

In my opinion, Mr. Speaker, these employees do not deserve to be tried on their motives, or to be convicted without trial. Whenever one is concerned with other people's rights, one does not speak this way.

Mr. Speaker, I understand that the Prime Minister (Mr. Trudeau) may have some problems. It is not the fault of the Canada Broadcasting Corporation or the employees who are here, in the gallery or elsewhere, if the Prime Minister is in trouble. It is not the fault of employees if the Prime Minister's prestige is falling. It is not the fault of the CBC if polls prove to be unfavourable to the Prime Minister. It is not the fault of the CBC if his ministers are unable to solve the great problems of this country. It is not the fault of the CBC if the Prime Minister's allies, his left wing, are now reviewing their support. In my opinion, before condemning in an unfair way men and women, we should act with a lucid mind and not give away to panic.

Mr. Speaker, the public is aware of today's problems thanks to the information media. That is why more and more Canadians, in Quebec as elsewhere, are wondering about the nature and form of short term solutions brought to the problems facing our country.

Whether we refer to the hard problem of the rising cost of living, to the humiliating plague of unemployment or event to the record of communications or of energy, too often the elements of the problems are coldly, brutally related to matters of federal and provincial jurisdiction. This is a legitimate and understandable withdrawal or reaction, but out of context because there is no sufficient and objective reference to the national importance of a problem. No consideration is being given to the needs and total priorities of a particular region. Moreover, Mr. Speaker, some ministers over-estimate their strength in Quebec and taking an indecent advantage, as regards Canadian unity, of prejudice in their favour and of an overrated reputation, they allow themselves to become arrogant. It is time to put a stop to this.

In my opinion, by their silence and their slips of the tongue, they unconsciously betray the spirit, if not the letter, of our Constitution, work against Canadian solidarity, and distort the identity of each of the five regions of Canada.

Mr. Speaker, that is why I agree with the spirit, if not with the letter, of the motion before us today. In this House, on September 10, the Leader of the Official Opposition (Mr. Stanfield) commented on the so-called anti-inflationary plan announced on September 4, in the following words:

"—the Minister of Energy himself and the Prime Minister—have given Quebec a half hour's notice of the reversal and change of the federal energy policy, and as far as we know, have not advised at all either Alberta or the other provinces concerned." There was no previous consultation, despite what they may suggest, which indicates not only this government's indifference and disdain for the interest of the provinces, as I have said, but it also indicates that this decision was made, as has become the custom of those gentlemen opposite, off-the-cuff and in an atmosphere of political expediency . . .

But the country ought not to be distracted by this spectacular example of federalism by fiat. We ought to observe the massive, total arrogance but above all we must continue to focus upon the substantive issue.

● (1620)

How do we, in the official opposition, react once the problem has been defined in order to better meet the challenge of Canadian solidarity? Surely if people may be tempted to say that this federal government takes advantage of crises in this country to usurp provincial jurisdictions, we—and it should be the same for all—want merely a realignment of views of the opposing forces in Canada. The two founding races in this country must become again partners in the pursuit of the same objective. Provincial governments must feel involved in the designing of solutions to national problems.

I am persuaded there is enough room in our system for two levels of government, that could both be active and strong and cooperating loyally and effectively. That concept has been lacking for too long and I believe it is the real basis of federalism.

Let us consider for instance the health field. A few years ago, the Liberal government succeeded in thrusting upon the provinces its views and priorities concerning medical services. And as the costs of these programs have reached prohibitive proportions, the government seems to be seeking an easy way out.

These are programs, the principles and methods of which the government designed itself, programs to which it compelled the provinces to comply with after having spoken highly of their merits, and now, it declares that their value is not proportional to their cost. Moreover, not only does the government acknowledge today to be dissatisfied with those programs, but it has the nerve to try to limit its financial responsibilities while compelling the provinces to meet theirs. As far as I am concerned, Mr. Speaker, I do not imagine that a provincial government which is aware of its responsibilities towards its electors can accept that. This is the reason why we must seriously consider the possible alternatives. One of those, as the leader of my party said in Montreal on April 15, 1973, would be the following:

> The federal government must withdraw from shared cost health programs and it must do it by remitting to provinces a larger part of the tax revenues and obviously ensuring an appropriate equalization in this sharing.

Mr. Speaker, I admit that this is not a perfect solution, but it would be more advisable than what this government intends to do. Moreover, it would be an obvious acknowledgement of the right of the provinces to set up their own priorities in an essential area without any federal interference.

If we should adopt this solution of decentralization, we should, of course, ensure that the advantages of the program are transferable from one province to another.

We should also do what is necessary in a context of equalization in order to stimulate consistency in the quality of present services.

One thing is certain anyway: if the government stays in power, the provinces will lose. They will have to maintain the present standards whereas the federal government will limit its financial contribution. I feel this is absolutely unacceptable.

[Mr. Wagner.]

If we are to offer medical care throughout the country according to specific standards, the co-operation of both levels of government is absolutely necessary.

A Progressive Conservative government would not withdraw from the programs leaving the provinces to their fate and it would insist on having its own version of the national standards complied with.

A Progressive Conservative government would proceed to a real consultation to determine the extent to which the federal government should stay involved. This decision would be taken in a collegial fashion. The time when the decisions were taken unilaterally by Ottawa, the time when this arrogant attitude was displayed—the "take it or leave it" attitude—would be long gone. And inasmuch as the federal government would stay involved, it would pay a full and fair share of those programs.

It is in this collegial spirit that we have advocated during the last electoral campaign, the immediate convening, after our taking office, of a federal-provincial conference on the priorities for tomorrow with a view to determine the most urgent problems, to discuss the short-term and long-term solutions and to determine the guidelines of a national economic strategy.

In brief, we want to take another approach to the whole question of joint programs and federal subsidies. And this new approach would apply to regional development as well as social security. As all my colleagues, I would like to see more flexibility, consultation and co-operation in the relations between both levels of government. We will try as much as possible to let the municipalities, provinces and areas determine their own priorities and assume their own decisions. We will show that the central government can act as a catalyst.

The Acting Speaker (Mr. Laniel): Order. I regret to interrupt the hon. member, but the time allotted to him has expired. Unless he obtains the unanimous consent, he cannot carry on.

Is the House ready to let the hon. member complete his remarks? He needs only a few seconds.

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Laniel): There is apparently not unanimous consent. I will ask the question again. Is there unanimous consent to let the hon. member complete his comments?

Some hon. Members: Agreed.

Mr. Wagner: I thank you, Mr. Speaker and I also thank all my colleagues. I will try not to impose upon your kindness.

We will therefore see, Mr. Speaker, that the central government becomes a catalyst of understanding and a factor of unity within confederation.

For the moment, we prefer to stress the urgency of holding a national conference of priorities instead of an early reopening of the Victoria file. It seems to me necessary to move along those lines. The present or future constitution, repatriated or not, is only, with all due

respect to the constitutionalists, a kind of instrument to enlighten the government of our country.

First of all, faced with modern problems such as the supply of resources and the quality of the individual and collective life, and facing the future, we must identify the priorities of each partner in our political system, and then, secondly, proceed with the required juridictional and fiscal sharing. Such a process will prepare the minds to a new Victoria, more assured this time of a real success. If other and faster methods to amend the constitution were found, I, for one, would be most interested.

Mr. Speaker, whatever may be the new approach to federal-provincial relations we must, of course, concern ourselves with the question of the official languages in this country, with the easier access for French-speaking people to the federal public service and with federal services provided in both official languages. All that is part and parcel of the national community of interests. However, such a community of interests would be really and fully achieved only to the extent that we find solutions to the economical and social problems in each of the five major areas in this country. The real Canadian challenge consists in being able to reconcile social and economic interests at the regional level and as this motion points out, "to meet the basic aspirations of each province".

And here, Mr. Speaker, I should like to give the following warning: one must not see more than there really is in the last result of the elections in Quebec. If, on the one hand, we must again rejoice at the victory of the federalist philosophy over separatism, on the other hand, one must not forget that the Parti Québécois increased the number of its supporters to 30 per cent in the vote. And most of all, one must understand that the victory of the federalist option in Quebec does not mean in any way that there are no more problems between Ottawa and Quebec. Let us not bury our head in the sand.

I suggest that as early as the day after October 29, a new chapter of Canadian history opened in Quebec and throughout this country.

[*English*]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I notice that I am the first person to intervene in this debate who is not from the Province of Quebec. I quite understand the reason. This is a subject of very special interest in the Province of Quebec. I hope my intervention is symbolic of the fact that it is also of considerable interest, or, if it is not, it should be, to Canadians from other provinces.

● (1630)

We do not adopt the language of the resolution which has been presented to us, but we do say that the presentation of this resolution performs, in our view, a useful service. It is proper that, from time to time, this House should turn its attention not only to the broad problems of Canadian unity but to the questions arising under our constitution which are unsettled and which require solution in the interest of unity in Canada.

Others in this debate have spoken of the recent election in Quebec. I do not propose to make any political or partisan comments, but I think I speak for people who believe in the federal system throughout Canada when I say that we welcomed its result, not from a partisan point of view but because it demonstrated that, at the present time at least, the option for separatism was not being chosen by the people of Quebec. But I should like to underline that this election is no basis for complacency. The constitutional issue is one that cannot be allowed to drift or be allowed to be ignored by the people of Canada; I believe the constitution of Canada needs changes made to it, and needs careful consideration at the present time.

One of the most disappointing parts of my experience in this House was being a member of a committee of which one of the co-chairman was the hon. member for Windsor-Walkerville (Mr. MacGuigan) and comprised of representatives of all parties in this House and the Senate. This committee travelled throughout Canada, listened to innumerable briefs from learned people, and prepared a report which represented a general consensus of people in all regions of Canada. The committee made 104 proposals in its report, yet the government of the day has seen fit, as far as I can make out, completely to ignore that report. It has done nothing about any of the recommendations that were made. Although the report was a weighty one it has disappeared, just as a very weighty rock might disappear into the ocean, without trace. The report caused scarcely a ripple. I consider this disappointing and I hope the situation will be remedied. The report I refer to represented a useful consensus. We did not all agree about everything, but at least we demonstrated that when people of good will from across Canada sit down to tackle problems, they can reach a high level of agreement and arrive at a basis for the renewal of our constitution.

The report contained one proposal that I think we ignore at our peril. The report states that Canada needs a new and modern constitution which would eliminate much of what is obsolete and inadequate in the present British North America Act. I acknowledge that it is well known that constitutional matters sometimes appear technical and difficult, partly because they are often discussed by constitutional lawyers, such as myself, who are somewhat versed in the legal phraseology of the constitution and its ramifications. Nevertheless, it remains true that the basic and fundamental rights of the people of this country rest upon the constitution. The unity of this country rests upon the constitution. The constitution impinges upon the lives of our people at every level, and if we do not have an intelligent, modern, flexible constitution which is capable of dealing with the problems of the country, we will fail to meet the challenges that lie ahead.

One aspect of the constitution in which we in this party are interested, and have been for very many years, is the question of fundamental and basic rights. We think that these should be entrenched in our constitution. We have long argued that this is fundamental to a free society such as Canada's should be. We have been reminded of the importance of this by a recent decision of the Supreme Court of Canada in the Lavell case in which the majority of that court gave a decision which seemed to indicate that our present Bill of Rights passed by this parliament is totally inadequate to protect large sections of this community against discrimination, such as discrimination against sex. There are many women in this country who are demanding, and I say justly demanding, that we entrench a clear-cut protection against discrimination on

the ground of sex in our constitution. The same applies equally to discrimination on the ground of religion, race or other areas where discrimination is frequent. We want to see these basic freedoms entrenched in the constitution.

There is no better time to set about this. I, and all members of the House, know that for a good many years there has been a series of federal-provincial constitutional conferences which have failed to produce an effective result. One of the reasons for this was that at least four of the provinces in western Canada were represented by governments that can politely be called small "c" conservative. They were opposed to any change in this field and presented an obstacle to proposals such as the entrenchment of the Bill of Rights in the constitution.

As a result of the fortunes of elections, those four governments—I refer to the governments of British Columbia, Alberta, Saskatchewan and Manitoba—have been replaced by governments ready to take a more flexible, may I say more basically Canadian, attitude toward this question. The election in Quebec is now out of the way and Quebec seems to have opted for federalism. I do not think it has opted for a status quo federalism; I think it has opted for federalism that is ready to change, to advance and to accommodate itself in light of present circumstances.

Furthermore, we think that the consitution should recognize the special position of the native people of this country. We agree also that actual constitutional changes in this field should await full consultation with organizations of native people when they have completed their present research. This is one aspect with regard to which there are recommendations in the report of the joint committee to which I have referred.

I should like to say a little more about that committee report because I think it deserves much more attention than it has had. The most essential constitutional question in any confederation is the division of powers as between the federal and provincial legislatures. We accept the basic proposal in the report that the powers of the provincial legislature should be enlarged in all areas touching upon social and cultural policy. The powers of the federal parliament should be clarified and enlarged in regard to important economic policies that affect Canada as a whole.

Perhaps this is not the right place to go into them in detail, but the report refers to income support measures. We think this is an ingenious solution to this particular problem. We recognize the fact that at the present time, so far as we understand it, in the field of welfare the Minister of National Health and Welfare (Mr. Lalonde) has been pursuing a course of very close and fruitful collaboration with the various provincial governments. We think that is an excellent thing. It underlines the advisability of solving jurisdictional difficulties at the present time.

● (1640)

There is a subject mentioned in the report in which I am particularly interested, and about which I am concerned. That is the problem of air and water pollution. Once again we run into a field where the constitutional confusion is tremendous. When the British North America Act was written people did not live in the sort of society where air and water pollution were of serious dimension. But we do,

[Mr. Brewin.]

and yet we are hampered in our efforts to clear up our environment and provide a better quality of life by the confusion that exists as to jurisdiction. The report to which I refer recommends that if national standards are to be set there should be an over-all, paramount federal power. It says that the importance of the contribution of the provinces with respect to air and water pollution cannot be denied, but stresses that the overriding and paramount power to clear up pollution, which so often extends beyond provincial boundaries, should be clearly vested in the federal authority.

I do not think it would be helpful at this stage if I were to go into details about other things in this report. Many of them are important to the people of Canada, and the people of Canada will suffer if we neglect to deal with these things when we have the opportunity to do so. I do, however, want to refer to the battle against inflation. In this particular regard we found the report very inadequate. It said:

> In cases of national emergency, as defined by the Parliament of Canada, the Provinces should delegate to the Federal Parliament all additional powers necessary to control prices, wages and other forms of income, including rent, dividends and profits, to implement its prime responsibility for full employment and balanced economic growth.

Everybody in this House knows that the question of control of wages, prices and other forms of income, profits and so on, is of vital importance in the battle against inflation. Yet anybody who has taken the trouble to look at the facts will know there is immense confusion as to who it is has jurisdiction to deal with this matter.

I know that the hon. member for Windsor-Walkerville (Mr. MacGuigan) spent much time lecturing and talking to people about some of the confusion that exists. The case books are full of cases dealing with this problem and what emerges is still confusion, so that no one knows who is responsible for dealing with many of these matters. While we do not seek greater centralization of powers, if we are to have an effective battle against inflation we must recognize that where it is necessary to deal with important matters which effect the economy at the national level, then this power should be clarified in the constitution. Who can deny that the inflationary spiral has important economic effects at the national level?

There are other challenges facing Canada at the present time. One of the challenges with which we are all familiar, because we hear so much about it every day and will continue to hear about it for some time into the future, is the energy crisis. We in this party want to make it clear that while we recognize the provinces have interests and concerns in natural resources,—they have the proprietary rights in natural resources—yet when a crisis hits the whole national economy there is a federal responsibility to take action in that field. We support what the Minister of Energy, Mines and Resources (Mr. Macdonald) said the other day, that it is the parliament and government of Canada that must act responsibly in dealing with a situation that affects the well-being of all Canadians, and which of course has implications beyond the boundaries of Canada.

I conclude, therefore, by reiterating that the introduction of this subject by this motion in our opinion is a healthy and worthwhile thing, and I urge the federal

government not to waste the opportunity that exists at the present time to deal with and solve some of these problems. The sort of lackadaisical, laissez faire attitude of the Prime Minister (Mr. Trudeau), although he is an expert in constitutional affairs, is not good enough. These problems ought to be dealt with. They may be difficult. They may not arouse great popular enthusiasm in some parts of the country, but if they are ignored they may rise to plague us in the future and make government in Canada less helpful to the people than it should be.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): Order. Before recognizing the hon. member for Témiscamingue (Mr. Caouette), it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Annapolis Valley (Mr. Nowlan)—National Defence—Inquiry as to decision on replacement for Argus aircraft; the hon. member for Assiniboia (Mr. Knight)—Air Transport—Bilateral agreement on routes with United States—Possible renegotiation on one route for Saskatchewan; the hon. member for Scarborough East (Mr. Stackhouse)—Airports—Pickering—Competence of board of inquiry to study need and location.

● (1650)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO ENCOURAGE PROVINCIAL CONSULTATION TO REDRAFT THE CONSTITUTION

The House resumed consideration of the motion of Mr. Matte.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, at first sight, I thought the motion of my colleague, the hon. member for Champlain (Mr. Matte), was perhaps not presented at an appropriate time.

But having heard the hon. Minister of Indian Affairs and Northern Development (Mr. Chrétien) as well as the hon. member for Saint-Hyacinthe (Mr. Wagner), I believe this motion comes in the nick of time and shows an objective approach. My colleague did not try to rouse members one against another, he was very constructive when he said that it was about time Canada should give provinces, through a constitution adjusted to needs, a greater autonomy, more facilities for self-determination

and to determine by themselves their cultural, economic and political destiny.

Mr. Speaker, my colleague from Champlain did not insult anybody. He stated facts, real situations, things we live through and I was surprized to hear the hon. minister make a clear election speech, in a style that has been outmoded for at least 25 years, a pure and simple political speech. First, he said exactly the opposite of what his leader said on the day following the famous October 29 election in Quebec. He said people had voted Liberal, that the Liberal party was the greatest party.

His leader said, on the evening of election day, that Quebecers had voted for Canada and against separation. Here, Mr. Speaker, I would very much like to make a comparison between separatism and provincial independence. There is one difference. Seceding from a country is not like being part of that country and being oneself, free of all kinds of control. Seceding from a country is completely different from remaining part of it and being oneself.

I think the motion of the hon. member for Champlain is clear and specific enough but, as usual, some people will say that maybe Creditistes are separatists. I believe we have shown in this House that we are Canadians, but we want to be first class Canadians and to be respected throughout Canada.

My colleague suggests in his motion that the provinces should be given more freedom. What are the provinces asking for? We hear in this House spokesmen for the various provinces of Canada. I hear the member for Gander-Twillingate (Mr. Lundrigan) speaking day in and day out about Newfoundland. I am sure that people in Peace River do not know much about Newfoundland, but the people of that province are aware of the situation there. They tell us of their problems, and say: Give us this, or give us that. All the provinces are in the same position. It is the same in Prince Edward Island and New Brunswick. What do the members of parliament from the west talk about? Of the wheat in Saskatchewan and the oil in Alberta. In Manitoba and Saskatchewan, people talk about agriculture. In Ontario, they talk about industry.

An hon. Member: In Quebec, about unemployment!

Mr. Caouette (Témiscamingue): Yes, in Quebec, about unemployment.

An hon. Member: It is our first and best industry.

Mr. Caouette (Témiscamingue): Mr. Speaker, from 1946 to 1973, I have sat in this House and heard about the repatriation of the constitution. In 1973, people are still talking about it. It seems that some have gone to London, like the former Solicitor General, now Minister of Supplies and Services (Mr. Goyer), to go and find the constitution; but he has not found it.

An hon. Member: Maybe he is still looking for it.

Mr. Caouette (Témiscamingue): When he came back, he told us: We cannot amend it, we do not have it. But everyone talks about this famous constitution. The Minister of Indian Affairs and Northern Development said a while ago: The federal government is ready to have discus-

sions with the provinces, it was because of Quebec that there was no agreement on the constitution in Victoria, it was because the Liberal government in Quebec did not agree with the Liberal government in Ottawa. But why did it refuse Ottawa's suggestions? The provinces are not asking Ottawa to suggest or order anything, they are saying: Leave us to discuss our problems and for your part, simply act as referees and respect our identity. It is as simple as that. And how can we do this? Surely not by penalizing rich provinces to help the poorer provinces. That, Mr. Speaker, is socialism at the national level. It is taking away from the haves to give to the have-nots, when natural resources, national production, are sufficient to meet the needs of all provinces without penalizing some citizens.

The Minister of Indian Affairs and Northern Development says that the Creditiste solution may perhaps be a good one. During election campaigns, he says all kinds of things against our solutions. He speaks of the problems of provinces, of national unity, and of the October 29 vote. It was a vote of fear, a jittery vote, because during four weeks the whole population was being frightened.

It resulted in the disappearance of the Union Nationale, they had cold feet. We came close ourselves to being swept away, because some people were afraid. The Parti Québécois lost a seat, even though it increased its percentage of the popular vote. On election night, I heard the member for Saint-Hyacinthe (Mr. Wagner) on TV—he likes to go on TV the member for Saint-Hyacinthe—saying that the one who has lost his election is Caouette in the Province of Quebec. What kind of invention is that! It was surely not the Union Nationale and the Progressive Conservatives who won any ground in the province of Quebec in the last election. Out of 17 members, not one is left.

● (1700)

The hon. member for Saint-Hyacinthe (Mr. Wagner) says—

An hon. Member: When you are not there, you cannot lose!

Mr. Caouette (Témiscamingue): No. When they are not there, they cannot loose, that is clear. This is precisely what they did, they have lost 17 members, they have no more left. Therefore they can lose no more. And what is worse they say: Caouette has lost the election. The election in Quebec has been lost by the separatists. However, as the hon. member for Champlain stated when introducing his motion, it is at the same time a warning to the federal government that it should give more freedom to the provinces because Mr. Bourassa cannot have more than 102 members. There is only one way to go after such a victory—down.

An hon. Member: When they fall we pick them up!

Mr. Caouette (Témiscamingue): When they start to fall we shall pick them up.

An hon. Member: We shall not prevent them from falling.

[Mr. Caouette (Témiscamingue).]

Mr. Caouette (Témiscamingue): Let us seriously consider the number of Quebec members in the federal Parliament: there are 74 while in Quebec there are 110 provincial members. This amounts to 184 members from the province of Quebec. Out of this amount, Creditists account for 17: 15 in Ottawa and 2 in Quebec; the Progressive Conservatives have 2 members here and not one in Quebec. I would like the hon. member for Saint-Hyacinthe to hear me clearly.

Some hon. Members: How many Creditists did you have elected in Ontario?

Mr. Caouette (Témiscamingue): None. The Tory strength in Ontario adds up to zero.

Six PQ members were elected. We have an independent here.

An hon. Member: Who is that?

Mr. Caouette (Témiscamingue): The hon. member for Joliette (Mr. La Salle).

So we are 26 Quebecers in the opposition of which 17 are Creditists. And I heard the hon. member for Saint-Hyacinthe say on television: We are the official opposition. The official opposition from the province of Quebec in Ottawa is the Social Credit Party of Canada.

An hon. Member: He thinks he is the opposition!

Mr. Caouette (Témiscamingue): On top of that, we are consistent with ourselves, we do not try and lie to the people, we tell them exactly what we think.

Mr. Speaker, I said a while ago that the warning issued to the Liberal party, the central government, is a serious one. In 1970 there was trouble caused by the FLQ, by all sorts of organizations which wanted and still want Quebec to withdraw from confederation. They are even prepared to resort to violence and that violence is not totally extinct. The threats of violence are not totally extinct.

Time will tell, there is still time to save the Canadian ship; nobody more than I wishes to remain a Canadian in the full sense of the word, but in my province I would like the government to have more latitude, just as much as I want the same latitude for any other province in Canada, to allow them to make decisions. That is why we ask, even at the risk of becoming the laughing-stock of everybody, that the Bank of Canada be used in the provinces' interests and set branches in all Canadian provinces, for the purpose of serving them and making financially possible what is already physically possible in each of them. Only then would disappear the risk of destruction which looms over the Canadian confederation, because the provinces would be autonomous and free without being separated.

For that matter, Mr. Speaker, all human beings, hon. members included, want to be independent. Everyone dreams about his independence. We do not want anybody to tell us what we have to do. Provinces and even municipal boards want more freedom, as well as school boards. Mr. Speaker, when are we free, when are we a little independent? When we have a purchasing power. Then we have the permission to choose, to refuse, to decide. It is said that money does not create happiness. No, but it helps a little.

All provinces complain about a lack of financial resources; even Ontario complainseabout it although it is the richest province in Canada. The province of Quebec lacks financial means. It meets with federal authorities. The latter make us sing all day long the song of the lack of money. Mr. Speaker, independence exists for each and every province and each of them would be much more interested in building up Canada as we want it, namely a united, strong and free Canada. Beside, Canadian independence does exist. We can hear hon. members of the New Democratic Party especially continuously speak against American imperialism, say that we are ruled by the Americans who control our natural resources. That is true! Ottawa does not do anything about it. In the province of Quebec, the Bay James development project is now under way, and who is financing it? The Americans. With what? With American dollars. In wheelbarrows? No. With some figures written down on a promisory note. Why do they not use the Bank of Canada to arrive at figures based on the same wealth that give the value to the monetary system?

Mr. Speaker, during the election, we heard about the famous P.Q. budget, for an amount of $11 billion dollars. When we referred to the guaranteed annual income, it was a real scandal. A television debate was held on Year 1 of separatism and on a budget prepared by Mr. Parizeau, a guy who I think advised two or three premiers of the province of Quebec, and he led the whole gang to defeat because he had no good advice to give. Mr. Speaker, we heard of this project and I already hear the Liberal answer: Your dollar will only be worth 50c. Mr. Loubier says: I think that it will only be worth 30c. They frightened people with that.

What gives money its value? The will of the Prime Minister or the capacity of people to produce in their country or in their province? And what is preventing this? I do not believe in the separatist argument that a Bank of Quebec should be set up, separate from the rest of Canada. Not at all. We produce in Quebec about 30 per cent of what we consume, everybody knows it. However, what is preventing us from using the Bank of Canada to help all provinces, including Quebec? You would then see, during all future federal-provincial or provincial conferences, that no one would complain about the lack of money. They would rather speak of the mutual development of natural resources, which would be much more logical than the stupidities that we are now witnessing during federal-provincial conferences.

Mr. Speaker, American imperialism is not enough. Soviet imperialism is coming. The New Democratic Party does not talk as much about it. That is not known, but it is another kind of imperialism.

• (1710)

When the Soviets impose their administration, their decisions on other countries, including Cuba—at a certain moment it was on Chile, today it is on other countries—we do not hear the NDP protest against it. No, it is normal. It is called the revolution set to save human beings. As for those who oppose it, we are told that they take to repression. Then, the NDP oppose repression and are in favour of revolution. In China, it is the same thing: the Chinese who were all considered as bandits by Canadians ten years ago are now considered as saints in frock coat. What can we do? It works now.

Mr. Speaker, we do not want American imperialism. We want co-operation between countries. We want an independent Canada. We do not want to lose our Canadian identity. In Quebec, we do not want to lose identity as Quebecers either. We don't want the British Columbia people to lose their identity and it is rather amusing to find they don't want to be dictated to by Ontario. The same applies to the provinces of Alberta, Saskatchewan and the Maritimes. Mr. Speaker, those are the provinces that should incite not political speeches like the one delivered by the Minister of Indian Affairs and Northern Development, but positive action. If we want to save Canada, the time is now, tomorrow will be too late. And it is not in blood that we should do so but through reasoning, the good will to remain free people in a country respected by the whole world.

Mr. Raynald Guay (Parliamentary Secretary to Minister of Justice): Mr. Speaker, like many members, I had the opportunity to read the motion of the hon. member for Champlain (Mr. Matte). It makes us think a great deal. I find it somewhat surprising that a few days after the Quebec election that took place on October 29, people would criticize that election. They want to challenge the result. They want to say that people were afraid.

I say to this House, as I lived through what went on in Quebec, as I was involved in the election campaign, that Quebecers are not timid people. If the Creditistes want us to believe in this House that Quebecers are fearful people, I say it is the opposite. Quebecers have common sense. They were offered certain very clear political options, some others that were indistinct and others thouroughly nebulous. The Liberal party said: What did Mr. Bourassa's team offer during all that election campaign? Profitable federalism. He showed throughout Quebec what profitable federalism meant. Figures were given in support of that. They did not present a Year 1 budget in which a good deal of things were forgotten. A billion dollars was forgotten and they did not know how to get it back. One can recall the television debate, where Mr. Parizeau tried to defend his budget.

Therefore, Mr. Speaker, what was offered to the Quebec people? Physical security. As the hon. member for Champlain said a while ago: What do people look for in a system? They look for physical security. I should like to add that they also look for social security. They also seek political security. But they seek above all—and that is what the Quebec Liberal party and their leader Mr. Bourassa offered the Quebec people—order and justice.

Referring to the October events, we saw a minister of justice who asserted himself, who assumed his responsibilities and who restored order in Quebec.

Another thing, Mr. Speaker, in connection with the first-year budget of the Parti Québécois. The federal government was blamed during the entire electoral campaign for having imposed the war measures.

In the "National expenses" item, mention is made that in an independent Quebec, 8,000 soldiers would be maintained. Why 8,000 soldiers? Merely to protect our territory. To my knowledge, Canada has been existing for 100 years,

and there has never been any militia to protect Canada from the United States. But we were strong and respected. Why do Messrs. Lévesque and Parizeau not tell Canadians that once they are separated, invasion will come?

Second, why a militia of 8,000 men? Simply, they answer, in order to meet a few cases of national emergency. Well, in October 1970, we had a case of national emergency. They themselves even provide for votes to that effect in their own budget.

So, Mr. Speaker, we see what the Parti Québécois has to offer. But what can Social Credit offer us? At a certain time, it favours independence or supports an independentist government, but subject to the condition that they change the monetary system. They also suggest a plebiscite, but I think that the best one that we could have has been given by the people of Quebec last October 29, by saying "no" to the PQ, separation, independence and yes to a profitable federalism.

In my opinion, Mr. Speaker, even though Mr. Bourassa was reelected premier of Quebec with 102 seats, there are still going to be problems in the province of Quebec. During the last provincial campaign, the Parti Québécois tried to persuade us of the contrary, suggesting that once independence is achieved, there would be no problems any more in the province of Quebec.

No intellectually honest man would dare make such a statement. As I have stated on many occasions during the provincial elections, I feel that even with a very strong Liberal government, there will still be squabbles with the federal government. What is federalism? It is a dialogue. But before a dialogue can take place, there must be problems. The Trudeau, Pearson and St-Laurent administrations have caused problems over the years because they even refused to dialogue with the provinces to help them solve the problems confronting Quebec and the rest of Canada. But if they still want to speculate on the voting result of October 29 last, I think this is not honest. That vote was not one for the past but for youth, for the future and to enable us to keep on growing freely within all the scope of the word "free". I would certainly put into question the coming into power of a Péquiste government in Quebec because we would then cease to be free.

But we are really living this freedom and, in my opinion, as a Canadian, as a Quebecer I am going on living it. If we compare the economic point of view of federalism with that of separatism what was done during that election campaign, what have the Péquistes done?

They went across the province of Quebec with their Year One budget. They forgot so many facts that they were forced to plan little regional programs. They have established one for my own area. But they forgot merchant marine, the assistance to shipbuilding, and they forgot also the question of a direct link which will cost between $200 and $300 million, and the merchant marine, about $1 billion.

They forgot that in our region. Those people were in such deep trouble by the end of the election campaign that they had even thought of the Progressive Conservative party for Quebec, during the last campaign. Mr. Wagner himself, the member for Saint-Hyacinthe, came in our area

[Mr. Guay (Lévis).]

and told us: If I forgot to promise you anything, to tell you something, I promise you anyway.

That is not the way to act in politics, Mr. Speaker, but we must be honest, and the Liberal party in Quebec made really honest and sensible proposals to the Quebec people, and they gave it an answer.

In conclusion, I would like to quote an article on the economy. This quotation is from *Le Soleil*, April 7, 1964: What do economists think of separatism?

> Even in the most favorable circumstances, they generally agree that it would bring about a decrease in our standing of living. Thus, an economist like André Raynauld, director of the Economic Science Department at the University of Montreal thinks that the standard of living in Quebec, which is presently 28 per cent lower than that of Ontario, would fall to 50 per cent for an indefinite period.
>
> On the other hand, Gérard Filion who is not properly speaking an economist but who is actively involved in the present economic life of Quebec as director of the General Investment Corporation, said two weeks ago in Rimouski that the major obstacle to the separation of Quebec is the decrease in the standard of living. According to him, separation would cause secondary industry to slow down considerably. Referring to two cases of immediate concern to him, the director of this public organization pointed out that the Forano and the Volcano industries, taken over by the G.I.C., would see their turnover reduced by half if Quebec separated. He also gave the example of the Quebec furniture market, 30 per cent of which is aimed at the Canadian market, which would be severely affected. At the same time, the director of the G.I.C. said that with its steel industry, the province of Quebec would exceed the economic prosperity of Ontario. This is probably nothing more than an unproved statement. Yet it was made by someone who is intimately involved in the every day realities of the Quebec economy.

I should like also to mention the editorial of Claude Ryan in *Le Devoir* of Friday, October 26, 1973. This editorial which is entitled "The Choice of October 29, Today's Option" reads as follows:

> The tendency today is towards the establishment of larger social, economic, and even political entities. To abandon the kind of experience that is Canada, it would require imperious and urgent reasons. These reasons cannot be found as yet in Quebec, at least they have not reached a level or a degree capable of gaining approval.
>
> Canadian federalism has been often criticized. There was reason to deplore its difficult adaptation to the Quebec situation, but one should not hasten to infer from that that it is no longer possible for the Quebec community to develop within the federal system.

He concludes his editorial by referring to the silent majority, and I quote:

> —they prefer for the time being that Quebec keeps on seeking its way in Canadian federalism. This preference is the result of some sound realism. We shall see tomorrow how it will express itself through Monday's voting.

Well, this vote was definitely confirmed before the population of all the provinces of Canada—because they were concerned—and before all the premiers. They were all wondering about the result of the vote and, as I said earlier, the people in Quebec answered: We vote not for an adventure, not for some vague promise, but for a realistic system. This is my opinion, Mr. Speaker, and I will keep on defending it in this House.

● (1720)

[*English*]

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I am not going to speak about the Quebec election, except in one sense. However, we have had an interesting afternoon hearing about it. I will just refer in two sentences to the speech of the hon. member for Témiscamingue (Mr. Caouette). I wondered if within the ranks of the Social Credit Party there were those who were classified by any of the rest of my colleagues as being separatists.

I do not want to be pretentious when I say this, but my colleagues and I have had reason to doubt the thrust of the Social Credit Party. However, we have had no reason to doubt their loyalty to this country. I would have thought that separatism would have been the last adjective they would use, including the hon. member for Témiscamingue. He mentioned the futile search some years ago in the halls of Westminster for the constitution of Canada. That was a light-hearted reference. The document, of course, is there in the statutes.

It is not a bad idea to remind ourselves it is an acute embarrassment to our colleagues in the British parliament, and successive British governments, that we in Canada have not yet been able to make the constitutional arrangements so that we can patriate the constitution and find an amending formula that is acceptable. I might say in passing that surely there are many things we want to charge the British government with from time to time, but we could never mount a successful argument that it is they who are resisting the wish to patriate the constitution. When some of our colleagues from European parliaments were here last week, a British member of parliament, Mr. Kirk, said to me, for Heaven's sake when are you people going to find a way to get the document or statute back to Canada? I did not have time to wander through 105 years history, but after a little time we perhaps understood each other better on this issue.

A wise and distinguished Canadian, Robertson Davies, said recently that Canadians are suffering from linguistic inflation. I want it to be clearly understood that has nothing to do with the official languages. Although I wish my facility in French were better, I suspect that Robertson Davies charge would also apply to the French language. If so, I grieve for them. However, he was referring to the English language and the fact that nowadays a good many people lard or load their language with slogans, adjectives and adverbs and in a way have expectations of people about governments almost impossible to fulfil.

I hope the cabinet will not think I have gone soft on them or anything, but I am struck by the fact that almost any government of almost any political stripe is having a difficult time today in fulfilling the expectations of people. I suspect one of the reasons is that many of us, and I suppose we should all say, "mea culpa" or take the blame, are guilty of linguistic inflation. Robertson Davies went on to say:

> Language in Canada today is being broken down and rubbed away by people who care nothing for words . . . They have debased the coinage of language to the point where we have a dangerous condition of linguistic inflation in which thought is clouded and feeling degraded.

I just make the plea, without discussing the arrangement of constitution-making, that we should try not to be trapped by Robertson Davies' phrase "linguistic inflation". It is a difficult subject that is almost trite to us.

The notice of motion, I say with great respect to the mover, is in a way an example of linguistic inflation. Despite what one's views may be about constitutional evolution in Canada, I do not think reform is helped by the extravagant wording of the motion. My party believes the stars are now in the right position to begin again the consulting process in preparation for the day we all look forward to, the day that we patriate the constitution with an amending formula flexible enough to meet the demands of the future of all the country and yet sufficiently sensitive so as to give no cause for alarm to any of the groups of peoples who make up this country.

When talking about this motion, as far as I am concerned, it would be quite wrong for me to attempt an analysis of the results of the Quebec election and the mandate given to the Liberal government there. All I want to say is that surely it is not an overstatement to state that the premier and government can now speak with the authority that 102 seats gives them in the National Assembly. I am not discussing whether 102 seats is a good or a bad thing. That is for others to discuss or we might discuss it on another occasion. All I am saying is that nobody can say the premier or government of Quebec approaches constitutional amendment with lack of confidence from the people. I think this is a significant change.

I am going to try a paradox because I believe it is not such a bad thing in 1973 that the government of Canada faces constitutional evolution in a minority position. I suspect this situation should be a bit chastening to a government, one which will demand less of what I might call confrontation politics and more consultation politics. It is another paradox about our country that we seem to enjoy an international reputation as peacemakers. Although there is some difficulty about the arrangements, they really are not the fault of Canada. However, we seem to have a terrible time trying to arrange our affairs domestically in a suitable manner.

I am troubled by those who see the future of this country decided by simple slogans like "One Canada". "One Canada" is a copout by people who really do not want to think of the constitutional arrangements. Then, there are those, and I regret to say it, who glory in our divisions. They surely are the traitors in our times. There are also those who pander to bigots. All I can say is that the cup from which they drink contains poison.

I was glad to hear the hon. member for Greenwood (Mr. Brewin) mention the Special Joint Committee of the Senate and the House of Commons on the Constitution. I do not have very much time, but I want to reflect on one or two of the recommendations. I very much hope that some of the recommendations the members of the committee were able to make will not only be useful, and that is not a strong enough word, but will be incorporated in the new constitution of Canada. I have taken the time to underline a couple of them. For instance, recommendation No. 2 reads:

● (1730)

> A new Canadian constitution should be based on functional con-

siderations which would lead to greater decentralization of governmental powers in all areas touching culture and social policy and to greater centralization of powers which have important economic effects at the national level. Functional considerations also require greater decentralization in many areas of governmental administration.

Unfortunately for the country, I have never tried to bore the House with fiscal or monetary theories. I am not informed on this subject. But perhaps the fact that I am not makes it possible for me to say this: I have never understood how a federal government, the national government of the country, could possibly execute useful fiscal and monetary policies when ten provincial governments and many of their agencies, and large agencies at that—I think of Quebec Hydro, Ontario Hydro and others—are able to go to the financial marketplaces of the world without even a bow in the direction of the federal government and make arrangements which obviously could have adverse effects on national policy. This is the kind of thing which recommendation No. 2 would, I hope, seek to prevent.

Then we come to the recommendation about our native peoples. Here we find another of the paradoxes of Canada because we, that is, all of us in our representative capacity, are on a collision course. What we are dealing with is question involving two basic rights, rights which as far as I can see cannot be reconciled at this stage in history. I am thinking now of the Bedard and Lavell case before the Supreme Court of Canada. I do not wish to bore the House by attempting an analysis of the judgment in that case. The problem is that the legitimate aspirations of the women of Canada to have their status at least delineated and dealt with in an entrenched declaration of human rights, or an entrenched bill of rights, is in collision with a recommendation we have made that no constitutional changes affecting native people should be made until such time as their own organizations have completed their research into questions of treaty and aboriginal rights in Canada.

We are all getting a good deal of mail on this subject—letters containing legitimate complaints that we are not moving quickly enough as a government or as a parliament in this field of human rights. Yet the dilemma arises directly when we consider the entrenchment of those rights before our native people have had time to advise the government and the parliament as to the nature of their aspirations. I am raising this matter because, as one interested in this conflict, I do not see how the two ministers concerned can resolve it. Both sides are right. Madame Bedard and Madame Lavell are right. Of course they are right. But the native people of Canada are right as well. While looking to the two ministers to reconcile these points of view, it will do us no harm to raise the issue and talk about it dispassionately.

The hon. member for Greenwood (Mr. Brewin) mentioned the recommendation of the special committee on regional disparities. We were not able to put into a fundamental form the rights of people in certain parts of Canada to enjoy equality of opportunity, and so on, but this should not confuse or discourage people. The difficulty we faced was this: we did not feel it was responsible to give citizens a right of action against the government because they might not enjoy each and every right, in the

[Mr. Fairweather.]

economic sense, that their neighbours enjoyed. But I am certain it is equally important in our thinking about constitution-making that men and women taking home pay cheques 40 per cent below those which people in provinces such as Ontario and British Columbia are receiving—60 cents as compared with a dollar—have rights in the economic field just as strong as those of our citizens who properly and wisely treasure their linguistic and cultural inheritance.

There are many other points made in the report of the special committee. There were, in fact, more than 100 recommendations. I, too, welcome this debate because it gives us a chance to take out the report which was tabled in 1972, dust it off if need be, and remind parliament that within its covers are a good many recommendations which if adopted would have a positive effect upon federal arrangements.

Lastly, I would refer hon. members to an interesting statement in an editorial in the August issue of the *Journal of Canadian Studies.* The article was discussing a review which Mr. Claude Ryan made of some of the writings of André Laurendeau. I shall not bore the House with the whole thing, but if I read the editorial describing the review correctly, the point is that it is no longer right or legitimate or fair—here I am chiding English Canadians, so I am on safe ground, I hope—for English Canadians to carry on defining their culture, as the editorial says, in terms of biculturalism, as has been fashionable in certain circles of English Canada, as an excuse for English Canada failing to develop a culture of its own.

Anyone who has listened to the ongoing Canadian debate during the last decade has heard this sort of talk—"We need this special relationship with our French-speaking brothers and sisters because it is the way in which we can be different from the Americans." I think this demeans both sides of this partnership. It is no longer fair and sensible for English Canadians to "cop out" on their side from a federal arrangement which all of us should consider as a very special and treasured possession.

● (1740)

[*Translation*]

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, the only solution put forward by the federal government to the constitutional problem resides in the Victoria charter, this lure for the province of Quebec, which is besides rejected by all the people of Quebec.

The last provincial election in Quebec, which took place on October 29, places us in front of a clear and precise fact, an unequivocal situation and it places the rest of Canada in front of a hard fact: one person out of three in Quebec wants the independence of the province and the proportion goes up to 35 per cent when we consider only the vote of French Canadians.

In the face of such a situation, Canada does not have the leisure to look arrogantly at what happens in the province of Quebec. Canada must have a firm attitude and show all possible objectivity during the coming months. It must not poke up the fire nor provoke violence by reiterating its excessively arrogant and provocative positions. The right hon. Prime Minister (Mr. Trudeau) must not forget that

Her Majesty Elizabeth II is still the Queen of Canada and that he is not on the throne.

If it claims to have reached maturity, Canada cannot shut its eyes on the problems which are raised and understood by a very large portion of Quebec. The issue in Quebec is much more a constitutional problem than one of independence.

I say very coolly that there are a lot more independentists and separatists without the province of Quebec than there are within. I consider that the attitude of English-speaking Canadians towards French-speaking Canadians is much more separatist than that of Quebecers militating within the Parti Québécois. When one sees that French Canadians with equal qualifications earn less then English Canadians, that bilingual French Canadians with equal—and sometimes higher qualifications because they are bilingual—earn less than English Canadians, then I ask, who are the separatists in Canada?

All political parties in the province of Quebec strongly advocated a constitutional reform, and even the Quebec Liberal party—probably to build up political capital—because how can you want the provincial Liberal Party, which is continuously towed by the federal Liberal Party, to have any concern for the French-Canadian nation when its line of thoughts and action are dictated by Mother Superior in Ottawa?

That has always been its main concern no matter what the situation people faced and are still facing. All political parties in Quebec as the federal Liberal Party, the Progressive Conservative Party and the New Democratic Party demanded on several occasions in the last several years a constitutional revision to allow the province of Quebec to fulfill itself in an environment of peace and prosperity. The federal government would always find a clever and hypocritical way of holding back and extending that situation from one federal-provincial conference to another. The federal government has always managed to create hopes and illusions.

The time has come to take our responsibilities and allow the provinces to take theirs. And since confederation was created by the provinces it is up to them to review it.

When in 1864, and finally in 1867, the Fathers of Confederation agreed to create a confederate system so as to meet more adequately the needs of each province they did not need a centralist federal government such as the current one to reach an agreement.

Since the advent of confederation 106 years have gone by; the needs have changed, the country has become bigger, additional provinces have joined to enrich it with their participation. But today's needs are not those of 1867. Each Canadian province has different needs which are often difficult to understand from one province to the other. We note regretfully that British Columbia finds it hard to understand the Newfoundland attitude as does Prince Edward Island with Manitoba or Alberta.

It is well-known that the French-Canadian nation does not understand confederation and federal government as the other provinces do. They do not have the same feelings because the other provinces have progressively been led to believe that the only important, powerful and reliable government is the federal government.

This is understandable since the federal government has always been composed of a majority of English-speaking people and mainly administered by English-speaking people. Outside Quebec the French-speaking reality does not exist.

• (1750)

If you visit western Canada and linguistic problems and bilingualism are brought up, the Ukrainian will say that for him the first language is English and the second, Ukrainian, the German will say that English is the first language and German the second, and the Polish will also tell you that English is the first language and Polish the second. If you try to make them believe the second official language of Canada is French, they will be stunned and will take you for some lunatic or day dreamer.

Mr. Speaker, in 1867 the provinces united to create out of nothing a confederal state. And their discussions resulted in a federal government. The federal government was created by the provinces.

Unfortunately, today we are often witnessing an inversion of values within a family, and now children are dictating the behaviour to their parents. Children determine premises in all discussions with their parents; the federal government thrusts its views on the provinces, the federal government dictates work methods to the provinces as if it had created them and they belonged to it.

It is not unusual for the federal government to interfere with the provinces through constitutional conferences. If the provinces got together in 1867 to create the federal government, they do not need it to amend it according their needs. The provinces must dictate to the federal government what they want to get from it. Unfortunately, because of current practices, we are witnessing a conflict between the federal government and the provinces. We find that the baby is now a teenager, but it has not come yet to maturity, and that perhaps it will never achieve it.

The right hon. Prime Minister himself (Mr. Trudeau) said this at the Victoria Conference, and I quote:

> Our presence here also shows that the work so boldly started in the Atlantic city of Charlottetown in 1864 is still unfinished.

And it is the right hon. Prime Minister who says that the discussions on Confederation started in 1864 are still unfinished. I think the Prime Minister should wait until those discussions are over before poking his nose where he should not. At this Victoria Conference, the Prime Minister also said, and I quote:

> The other English colonies who proclaimed their independence much later learned from our experience; they took their place in the world as full-fledged nations able to implement and amend, if they wished, their own constitution.

Now, Mr. Speaker, when a country is unable to amend its own constitution, it is because it is not a sovereign country but a colony. Mr. Speaker, if we want to be independent on the international level, no longer depend on the British Empire to draw up our own policies, we do not need to review our constitution but rather to draw up a constitution after agreeing with the provinces. What we need is not to amend a constitution that nobody wants, but to bring together the premiers of all provinces, in order to create a federal state that will give satisfaction to all the constituent elements.

What we need is a constitution where there will be no mention of the word province, but rather of the word state, where our political independence will be proclaimed. It must be noted that if people talk about independence in the province of Quebec, on the political level, Canada still does not have her independence. One only has to see, at the opening of each session, the representative of the Queen of England authorizing us to speak to know that Canada's independence does not exist. And if one of the ten constituent provinces of Confederation talks about political independence, that province is certainly not to be blamed for its initiative and it is certainly not us, in the federal Parliament, who have to teach it a lesson.

Mr. Speaker, the provinces, except Quebec, do not care much about the constitution. At the Victoria Conference, for instance, the Premier of British Columbia was heard to state, and I quote:

—the provision of jobs is the most urgent need confronting this Conference and the nation today. The preservation of our natural environment and pollution control are also matters of high priority, and particularly important is the provision of a healthy moral environment in which our young people can grow to maturity.

He also stated that the constitution was not the priority problem that our country had to face and that if such was the situation in February 1968 when the constitutional review was undertaken, this was no more so than in June 1971, in view of the economic recession and rise in unemployment over that relatively short period.

As for the Premier of Nova Scotia, he deals with constitutional review in so far as offshore mining rights are concerned. Obviously, he is not interested in the linguistic problem since, outside Quebec, there is no language problem because everything is done in English.

Mr. Speaker, at the Victoria conference, the Prime Minister of Canada assumed the chairmanship of the conference. The proposal of the federal government was, in my opinion, a fantastic deceit and trickery on Quebec.

Fortunately, the people read his hand and the province of Quebec did not pass under the yolk. Indeed, at the present time, without any amendment to the constitution, Quebec can withdraw any time from confederation, while according to the shrewd proposals of the Prime Minister, Quebec could not dissociate itself from the Confederation Act.

When we read the Victoria agreement, we realize that to amend the constitution, the majority must include in the first place each province whose population before the passage of that proclamation, according to any general census at least 25 per cent of the Canadian people, which means Quebec and Ontario.

The majority must also include at least two of the Atlantic provinces, at least two western provinces, provided the consenting provinces represent jointly, following the last general census preceeding the adoption of this proclamation, at least 50 per cent of the population of all western provinces.

This means that Ontario is in a position to veto any modification requested by Quebec and that British Columbia can also do the same; this is the stumbling block.

[Mr. Boisvert.]

If you refer to article 20 of that same Victoria charter, you will find precisely what Canada is made of. You can read that Canada consists of ten provinces, one of which being Quebec, in addition to the Northwest Territories and the Yukon, which means that if Quebec ever decides to leave confederation, it would need—which is not necessary today—to amend article 20, the agreement of a minimum of six provinces including Ontario or of a minimum of seven provinces if British Columbia disagreed. Therefore, this means that Quebec can now leave confederation and, with the Victoria charter, it would be caught in it.

How is it possible for previously independent States to give up their independence for a mess of pottage. What do the other provinces put in the balance? Mr. Speaker, since there are only two minutes left, I would like to inform you that it is six o'clock.

The Acting Speaker (Mr. Boulanger): Order. I might tell the hon. member that he has about three minutes left. Perhaps he might use the last two minutes of his time.

Mr. Boisvert: Thank you, Mr. Speaker. The nine other provinces should take their role seriously before it is too late. The provinces will have to get together, without the federal government, to labour over a constitution which we do not have at the present time, trumpet forth the independence of Canada, and grant once and for all to all Canadians the right to speak their own languages, share in the country's prosperity and be treated as equals.

[*English*]

Mr. Speaker, the other nine provinces will have to take their roles seriously before it is too late. Those nine provinces will have to withdraw themselves alone, without the federal government, and they will have to arrange a constitution that we do not have presently, one that will proclaim the independence of Canada and will allow all Canadians to express themselves freely in their language, to participate in the prosperity of the country, so they will all be treated on the same level now and forever. In other words, and in practice, so that Ste. Scholastique and Pickering will be treated on the same level.

The Acting Speaker (Mr. Boulanger): Order. I will recognize the hon. member for Windsor-Walkerville (Mr. MacGuigan) at eight o'clock. It being six o'clock, I do now leave the chair.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, at the outset of this debate we heard an impassioned plea for a non-partisan approach to constitutional reform from the hon. member for Champlain (Mr. Matte) who, I regret to say, is not in the House at the moment. However, the words both of the motion he moved and of his speech belied his stated intention. I am willing to give the hon. member the benefit of the doubt with respect to his inten-

tions. His intentions may have been in the clouds of objectivity, but his feet remained mired in the mud of partisanship.

I think it is no exaggeration to say that the hon. member has cheapened the whole constitutional debate by accusing the Canadian government of maintaining unity through fear, autocracy and oligarchy. It is not the Government of Canada which has created the problem of separatism and the fear of separatism; it is the activity of a political party in the province of Quebec which has dedicated itself to the destruction of this country. I would like to hear the hon. member denounce them with the same fervour with which he has attacked the Government of Canada this afternoon.

I am ashamed to have to say that this hon. member not only did not denounce separatism, but said he would support it if along with it there would be a Social Credit government. I was ashamed, as a member of this House, to hear this statement. Not only was it offensive to members of this House; it was also highly irrelevant to the political debate.

We all know, including the hon. member, that the inhabitants of a province are free to vote as they wish. The Social Credit party has even succeeded in gaining office in one of the provinces of Canada. The Social Credit party does not need independence to come to power and, as the hon. member well knows, the independence which the separatist party in Quebec promises would not bring the Social Credit party to power. I was especially embarrassed at that moment for the hon. member for Témiscamingue (Mr. Caouette), the leader of the party, who has gone across this whole country and taken a stand highly in favour of our country.

Some hon. Members: Hear, hear!

Mr. MacGuigan: That hon. member proclaimed his devotion to Canada again in his speech this afternoon. He need not have done so, because no one in the House is unaware of the fact that he is an ardent federalist. But obviously he was embarrassed by the words of his colleague because he spent his whole speech trying to reinterpret what the hon. member for Champlain had said. Skilful debater that he is, he changed the whole context of the notion of independence to try to show that individual freedom and independence of action by provinces are possible and even necessary within a federal structure. He spoke of independence within a truly united Canada. We would all agree with that, of course, Mr. Speaker. He made his point well.

Obviously, there are independent fields of action provided to the provinces even now by section 92 of the British North America Act. It was not this relative kind of independence that the hon. member for Champlain had in mind, but this was undoubtedly the best recovery possible which his leader could make, in the circumstances, after the hon. member's fumble.

The hon. member for Témiscamingue would also have been disturbed if he had been here to hear the remarks of the hon. member for Drummond (Mr. Boisvert). Admittedly, that hon. member did a good job of refuting one of the points of his colleague, the hon. member for Champlain, who had said in his motion that the federal government had failed to do anything to encourage the provinces to get together in order to amend or redraft the Canadian Constitution. The hon. member for Drummond argued that the federal government had no role at all in constitutional reform and therefore, of course, had no business in trying to provide leadership. The provinces, he said, are states which can leave the country at will, at any time and, as befits such entities, it is their prerogative to set the pace of such negotiations and tell the federal government what they want.

The hon. member for Drummond went on to attack the formula for constitutional amendment agreed on at Victoria, on the ground that it would limit Quebec in a way that it is not presently limited; that whereas now it has the unilateral right to secede from this country if it should so wish, it would lose this right if the Victoria accord came into effect. There are many of us who have criticisms of the amending formula which was agreed to at Victoria. I, personally, would hope that with a more sober government in British Columbia, even that province would not wish to press the excessive claims which it had embodied in the earlier version of the formula, and that it would now be possible to reach a formula in which the role and the position of the western provinces was the same as that of the Atlantic provinces and in which the requirement for agreement was merely for any two provinces, without putting in the protective clause for British Columbia.

But the attack of the hon. member for Drummond on the formula was based on what I might call a "funny" constitutional theory which really has no basis in reality at all. In fact, the law is that the reform of our constitution or any changes have to be made by the British Parliament on an address by both Houses of the Canadian Parliament. That is very well known, Mr. Speaker, and it hardly needs repetition in this place. There is really no role legally for any province in constitutional amendments.

● (2010)

The practice which has tended to evolve is that the provinces be consulted, one might say, by indulgence of the federal government. It may be that at some time the federal government will want to depart from that practice; for example, if it is not possible to get agreement from the provinces in any other way, or if one province should be especially obstinate about agreeing on a new constitutional practice. For the moment, however, the practice is that all provinces are consulted and there is nothing which would allow a single province, Quebec or any other, to have a unilateral right to do what it wishes. However, I hope our solidarity with the people of Quebec does not rest on constitutional formulas but, rather, on a shared past and a shared future.

In the circumstances, perhaps we should be tolerant of the hon. members to our right. I suspect that what we are encountering from that party in this debate is really sour grapes as a result of the Quebec election. I believe it is worth pausing for a moment to reflect on that election and the results of it from the viewpoint of our theory of representation. Even some ardent federalists have been calling the results excessive and not representative of the views of the Quebec people. We hear talk of proportional representation being a better system.

Of course, the form of voting which the people of Quebec wish to use is for them to decide, but since the theory is also common to this House I hope I may be permitted to say that the theory of representation on which this House proceeds is that our people live in communities and that these communities deserve representation. They deserve the constant type of representation which they get from having a single member of parliament who will speak for their interests and will represent them in their ordinary problems as well as in the great matters of state. This, of course, is not possible under proportional representation.

The Quebec election showed us that in every part of Quebec and indeed in almost every community in that province the people stood for Canada, and not separation from Canada. It seems to me, Mr. Speaker, that this is a very important point for them to have established and it is indeed a true reflection of what the people of Quebec feel and want.

The hon. member for Greenwood (Mr. Brewin) made the point in his remarks that the government has seen fit to ignore the recommendations of the Special Committee on the Constitution of Canada, of which that hon. gentleman was a member and I had the honour to be chairman from this House. In general, I find myself in considerable sympathy with his position and even with many of his remarks today, but I do not believe I can allow to pass his view that the government has seen fit to ignore the recommendations of that committee. That is not what has happened at all. Let us look at some examples.

The bilingualism policy is possibly not the best example because it has other sources as well, but the President of the Treasury Board (Mr. Drury) has been proceeding with a bilingualism policy which is in accord with the recommendations of the special committee. In the area of multiculturalism, the policy put forward by the government and which is being administered by the Minister of State responsible for multiculturalism (Mr. Haidasz) is entirely the policy which was recommended by that committee. It is true that in this case the government's policy was announced first, but only after the committee had held extensive hearings across the country at which these views had been presented and at which members of the committee had made their views known, and only after our recommendations had been prepared and imparted to the party caucuses. At that stage, our recommendations were common currency and I think we can feel that the government policy which was adopted before the final recommendation was a reflection of those recommendations.

Perhaps in no area has there been so much implementation of recommendations as in the area of housing. The Minister of State for Urban Affairs (Mr. Basford) has instituted trilevel conferences, and has generally encouraged greater consultation at the municipal level. As far as the larger cities in the country are concerned, the federal government has been endeavouring to set up permanent trilevel bodies for consultation. The neighbourhood rehabilitation program is full of consultation procedures with the provinces and the local neighbourhoods.

In his budget last spring, the Minister of Finance (Mr. Turner) presented a broader equalization formula which for the first time would include what happened at the municipal level: a tax base including the municipal level in the equalization formula is something which the committee was urging.

The broadcasting policy which the government put forward, while not one which is entirely acceptable to the provinces at the present time, is one which reflects greater sharing by the provinces, and it was advocated by the special joint committee. Perhaps, above all, the Minister of National Health and Welfare (Mr. Lalonde), whom I am pleased to see in the House, has been following one of the most important recommendations of the committee, that of allowing the provinces to share in the mechanism by which family allowances are granted.

Some hon. Members: Hear, hear!

Mr. MacGuigan: You will recall, Mr. Speaker, that the committee recommended that this should be the pattern established by the constitution for demographic grants in general. The minister has been blazing this new trail in his negotiations with the provinces in regard to family allowances. The legislation which is in the process of receiving final approval from the House will allow the provinces to vary the amount paid, so that while a certain minimum payment must be made across the country, a province will be able to vary, according to certain criteria, the amount of money which it pays to its citizens. A province can therefore have a population policy which is based on the feelings of the people in that particular province.

Far from being ignored, Mr. Speaker, the recommendations of the special joint committee are the everyday stuff of federal policy. At the federal level, we might say that this has been one of the most implemented reports in Canadian history. Naturally, the federal government cannot change the constitution on its own; so if this is where one is looking for implementation, it obviously has not yet been possible to do it at this level.

I do not need to detail for members of this House the reasons for the delay, but obviously the federal government has not been responsible for the breakdown of the Victoria negotiations or the constitutional impasse which followed. The federal government has remained constantly open to further negotiations with the provinces. Several times the Prime Minister (Mr. Trudeau) has urged the province of Quebec to present new proposals since it was the province primarily responsible for the failure to gain unanimous acceptance of the earlier proposals.

I agree with the hon. member for Greenwood and the hon. member for Fundy-Royal (Mr. Fairweather) on the necessity of proceeding with these constitutional negotiations as quickly as possible, but obviously this is not something which is subject to the control of this House or even subject to the control of the federal government. It depends upon the broader political winds in the country. We can here express our hope and desire that these negotiations should take place as soon as possible, that they should be as full as possible and that the federal government should provide the kind of leadership which the report of the special joint committee suggested.

I think it is important to note, lest we get a false emphasis, that constitutional reform is not a one-way street. The special joint committee, it is true, put greater

stress on decentralization and especially on what we call the cultural imperative for Quebec. I would read to hon. members a few sentences from the committee report as follows:

> We acknowledge a cultural imperative for Quebec; it must have sufficient control over its collective life to ensure the preservation and development of French Canadian culture. Put another way, the constitution must guarantee the preservation of the collective personality of French Quebec. In the expansion of provincial powers which we propose, Quebec would gain new powers to achieve these ends.

● (2020)

That was one of the most important objectives of the committee's work, Mr. Speaker. I believe the primary thrust of the committee's recommendation was one of decentralization. We also point out in our report that there must be changes the other way, that the provinces must also allow the federal government greater latitude. This is important in economic areas. The hon. member for Greenwood spoke about these things this afternoon. I agree with the points he made and there is no need to emphasize them further.

In order to present a balanced point of view, I wish to read some further words of the committee's report as follows:

> We have spoken of the need for an increase in both centralization and decentralization, depending on functional considerations. In our view greater decentralization in areas of culture and social policy would benefit all the provinces . . .
>
> On the other hand, greater centralization is necessary in the regulation of the economy.

I hope the time for constitutional reform is at hand. I know the federal government is prepared to lead the way. If I may express my personal hope, it is that the federal government will attempt to consummate these changes in one single package deal. I have always felt, personally, that we are more likely to arrive at a satisfactory result if, instead of bartering on a power-by-power basis and trying to do a few things, we sit down, on the basis of the Victoria charter, to do all the work at once so that there can be complete bargaining and a complete exchange of views and concessions from one side to the other. In other words, this exchange should not be a one-way exchange but should be a two-way exchange, as the committee suggested. It seems to me that this would be the most fruitful way for us to work on constitutional reform at present.

However it is done, I know that members of this House will want to express to the government their feelings, and I think they will say that it is time for our constitution to be reformed or to be revised. It should be changed in such a way that the people of Canada will be able to feel that the constitution responds to their needs of the moment and that they can feel more truly Canadian than has been the case under existing mechanisms.

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I wish to applaud the initiative of the hon. member for Champlain (Mr. Matte) in introducing the motion we are debating. Many members who have spoken before me in this debate have made specific reference to constitutional discussions which have been before us and which have been of concern for some time. I do not intend to repeat what they said or to speak particularly about the direct method of repatriation in a discussing the constitution. I want, instead, to turn my attention tonight and the attention of the House to that atmosphere of co-operation which is necessary before there can be an amendment of the constitution and which is necessary, indeed, before the constitution can be made to work.

I was interested in hearing the hon. member for Greenwood (Mr. Brewin) indicate this afternoon that a debate on this topic is usually a debate which is of special interest to members of this House from the province of Quebec, because in that province there is a special interest in constitutional matters. Sir, it used to be that members of this House from Alberta were able to more or less take a spectator's seat in those discussions on federal-provincial relations. That is not the case tonight.

It is natural that I should view and enter this debate against the context of the current deep dispute about energy matters between Alberta and Ottawa. No Albertan could escape that context because, sir, there is an anger in Alberta now that exceeds in intensity anything in my memory or in the memory of older men than I. It is not anger that other people would want to use our oil, our resources. We want them to. Moreover, we want Canadian consumers to have a better price and better access to our resources than nationals of other countries. The Premier of Alberta has made that clear. Instead, sir, the anger in Alberta is about the methods this government has used to implement a policy which, while it is important to every region of Canada, is most important to Alberta because it affects not only our price of fuel and our prospects of warmth but our capacity to grow and to industrialize.

This is not the place to debate the merits of particular federal proposals regarding energy. Those have been debated on other occasions in this House, and will be again. The debate inspired by this motion concerns, not the merits of a particular case but the methods by which our federal system works. In many ways, this is the most appropriate forum for a review of the Alberta situation, because whatever disagreement might exist about the merits of the actions proposed by the Minister of Energy, Mines and Resources (Mr. Macdonald), what inflames Alberta opinion most is the method by which these decisions, of vital importance to Alberta, were imposed—clearly without consultation and, one must assume, without consideration of the impact the measures will have upon Alberta's capacity to grow.

Whatever disagreement there might be about the things the minister of energy has done, the anger in Alberta today is about the way he has done these things. And the concern for Canada is that the method he has applied here—the method of a bull in a china shop—is a warning of the way in which other provinces might be treated on other issues by other ministers at other times. That warning, sir, is more profound because, while the minister of energy has a special talent for provocation, the style of confrontation which he has adopted toward Alberta is a style which before the last election was becoming a trademark of this government and which apparently now is being renewed.

Sir, no Canadian should need reminding of the diversity of our country. That diversity is the reason we have a

federal system where provinces and the national government distribute most powers and share others. This federal system was not imposed upon Canada. It grew out of our nature and is the only system which can hope to unite a diverse country and yet allow its individual parts to find their own identity and strength. By the very nature of our country, we are bound to have interests which conflict. That means that a particular obligation lies upon our politicians to try to unite differences, not excite differences. And if that is an obligation upon those of us who sit on the backbenches of parliament, it is an obligation with a particular weight for those who occupy ministerial offices. Yet in this dispute with Alberta that is precisely the obligation which the minister of energy has affronted and ignored.

I want to review for this House the sad record of what has happened, in the name of consultation, on this export tax. But first let me try to make this House understand the particular importance of this question to Alberta. What we are worried about here is not simply revenue, although of course that is important. What we are worried about, as well, is the sense—and we have the sense—that control of resources means control of the future of the province of Alberta. It is very much less a matter of price than it is a matter of future.

We have primarily relied, in the province of Alberta, on primary production, on agriculture. We have the opportunity to industrialize and we have begun to industrialize. But we are working with certain regional disadvantages. Freight rates are one, population distribution is another, market distribution is yet another, the habit of investors to invest in central Canada is another. We have one strong card—petroleum. It provides us with the opportunity to develop petrochemical industries and jobs. Sir, this opportunity would help us to turn the corner and become a strong, industrialized province which would contribute to the industrial strength of the whole of Canada. However, we have no reason for confidence that this goal will be accomplished by Ottawa directing policy, and we have no reason for confidence after looking back at the history of tariffs, at the present discrimination in transportation and at a variety of other matters.

What I should like to do tonight is try to convey a state of mind which it would be folly for other parts of Canada to ignore, just as it would have been folly for other parts of Canada to ignore the state of mind that began manifesting itself in Quebec in the early 1960s. This House should remember that the export tax was one of two barrels which hit Alberta in early September. The other was the prospect that Syncrude might be denied the kind of tax treatment which other oil producers in Alberta would receive and that Syncrude consequently might well be held up. Moreover, sir, the export tax seemed to be a device aimed particularly at Alberta and at Alberta's major resources and not applied, as it might have been, to the resources of other provinces. It was a particular attack on a particular province.

● (2030)

In September, energy ministers of the Alberta and Canadian governments were in Ottawa at a meeting which had been arranged some time previously. The apparent attitude on both sides was conciliatory. The first item on the agenda was the need for close and continuing consultation. The ministers discussed that first item and agreed to maintain close contact and consult one another thoroughly. The federal minister of energy made the point that in this field events develop quickly and that consultation could not be considered as constituting a right to veto. Naturally, that position was accepted by the representatives of Alberta.

The discussion progressed to other items on the agenda. Then some time between 11 a.m. and noon the federal minister of energy announced that the National Energy Board would be imposing an export tax of about 40 cents and that the announcement would be made publicly later that day. Alberta ministers had no warning that was coming and no opportunity to make comments or suggestions which would materially affect the decision.

Scant minutes after affirming the need for consultation, the federal minister presented Alberta with a *fait accompli*. That was not consultation. That was mere advice. Any province, treated that way on a matter of such vital interest to its future, would have responded in anger. Indeed, any federal government which enshrined the habit of treating provinces that way would face a breakdown in all of its relations with all of the provinces of Canada. That was the first export tax, the 40-cent tax.

The second act in this charade of consultation began on Monday, October 29—again in Ottawa. Four senior ministers of the government of Alberta came to Ottawa to meet with the federal Minister of Energy, Mines and Resources and the federal Minister of Finance (Mr. Turner). They were briefed by officials of the Department of External Affairs on developments in the Middle East. They had general discussions concerning plans Ottawa might have for a pipeline to Montreal. They discussed the possibility of staging-in price increases.

On the export tax, the Alberta ministers took the position that since they disagreed with the idea of the tax, they saw no immediate point in discussing how its proceeds might be distributed. It is clear there was no discussion at all of any prospect of an immediate rise in that export tax, and certainly not any discussion of a proposal to more than quadruple the amount. Indeed, the federal minister of energy said that events might develop that would mean an export tax might not have to be imposed. The federal minister indicated to his provincial colleagues that, in his view, the export tax proposal "was not written in stone". The ministers then repaired to a joint press conference at which the provincial minister of intergovernmental affairs went out of his way to make clear Alberta's interest in adopting a "Canada first" position.

Four senior Alberta ministers left those meetings agreed on three clear impressions. Their first impression was that serious consideration was being given to the staging-in of increases. The second impression was that there was now a genuine commitment to consultation on the part of the federal ministers. The third impression was that if there was to be any change at all in the export tax, the change would be in the direction of removing the tax. It is conceivable that one of these ministers might have been wrong, but it is surely stretching credulity to suggest that all four ministers were wrong on all three impressions.

Four days later, on Thursday, November 1—a week ago today—the federal minister of energy rose in his place to announce that the export tax had been more than quadrupled. Alberta officials were advised a matter of hours before the public announcement. Again it was advice, not consultation. However, this second case was worse than the first. In the first case, the export tax had come out of the blue. In the second case, it came four days after a meeting in which Alberta ministers believed they received a message that the export tax might go down, or it might go out, but at which no indication at all was given that the tax might go up so exorbitantly.

There might be some members of this House who do not like Albertans. I do not say that there are, but that there might be. That really does not matter because these tactics could be applied to any province, not just Alberta; and on any matter, not just petroleum. I hope that members of this House and of the public generally, no matter how preoccupied they might be about the price of fuel or the extent of foreign ownership of any other extraneous question, will remember that we are dealing here with a method of the application of federal power that could be imposed as arbitrarily upon any province or any interest as it has been upon Alberta.

It is interesting, for example, to conjecture what the response would have been had federal involvement in the financing of higher education been approached in the early 1960s in the spirit which marked the federal imposition this fall of an export tax upon petroleum produced primarily in one province.

I said at the beginning that the purpose of a federal system, and particularly the federal government, must be to unite differences, not inflame them. The reason that is important is that it is easy, in Canada, to inflame differences among regions. Particularly when emotional questions are involved, as emotional questions are involved here, it would be relatively easy to unite most of Canada against one part of Canada. However, that would be a destructive unity which would lead inexorably to the disintegration of the nation.

I utter that caution not simply to my colleagues in this House but also to the press gallery. One problem inherent in our system is the natural tendency of the national press to take Ottawa's view in a dispute with the provinces. That is not due to prejudgment so much as to the fact that journalists are locked in here in day to day contact with one side in a national dispute. I believe it has been harmful to Alberta that this disagreement broke out at roughly the same time that a general election was in progress in Quebec, which meant that several journalists from that province, who have reason to know that Ottawa is not always even-handed in its dealings with the province, were preoccupied at home and thus did not have the opportunity to visit the province and the people of Alberta to learn Alberta's side of this story.

The real tragedy flowing from the methods of the Minister of Energy, Mines and Resources is that it has created an atmosphere of confrontation on a question where federal-provincial co-operation could have prevailed. Alberta wants to co-operate with other provinces and other Canadians to ensure supply and arrange a better price for Canadian consumers. The premier and his ministers have made that clear. They have been calling for some time for a national federal-provincial conference to work out the priorities and the policies that Canada and the provinces might follow to meet the challenges raised by energy questions. However, co-operation is a two-way street. Ottawa must demonstrate a willingness to work with Alberta. That would have been much easier two months ago, before the actions of the minister of energy gave Alberta ample cause to distrust that minister and anyone acting in his name. But it is not impossible to achieve now.

The language of this motion deplores the tactics of confrontation and fear which have marked the approach of this government to federal-provincial relations. Of course we deplore that approach, but we must do more than deplore. We have to turn the practices of this government around and insist, as a parliament, upon an atmosphere of co-operation with the provinces instead of the present atmosphere of confrontation.

It might be more amusing to have the luxury of a full-scale feud between a province and the central government, but that is very literally and clearly a luxury we cannot afford. Not only is there the danger that this atmosphere of confrontation might prolong disagreement about national energy policy; there is also the very real danger that this tactic, if practised continually by the federal government, will lead to a reaction in some regions that will make national unity very difficult to maintain.

However important laws might be in Canada, the thing that finally unites this country is the will to work together. If the federal government indicates by its actions that it would sooner fight than agree, that attitude will become contagious. I hope that the government as a whole, and the minister of energy in particular, will recognize that the leadership they are supposed to offer is leadership in the direction of co-operation, not confrontation.

● (2040)

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, the debate brought up today by my colleague, the hon. member for Champlain, (Mr. Matte) in introducing this motion, has surely roused the attention of several hon. members who spoke on behalf of their parties, but we noticed there was more emotion than anything else. The Constitution of a country, Mr. Speaker, is a guideline which will be respected if the citizens are happy to live under such a Constitution. Otherwise, it will not be respected. This is about what has been happening, for at least a couple of decades, and we see more and more among the population as the years go by that this Constitution is less and less respected bacause there is a struggle between a centralizing party, the federal party, and the provinces which want to keep their autonomy.

There is competition between those two levels of government, that are seeking to reach the electors by all possible means to flatter the electors with social legislation, legislation on public works, legislation of all kinds in order to reach directly the elector.

That is why, especially during the two World Wars and on the occasion of certain troubles, we saw the federal Liberal party, because after all that was the party in power during those circumstances, use such crises to cen-

tralize in Ottawa, in collusion with certain provincial governments, powers that had before been reserved to provinces. We saw for instance at the beginning of the 1939 war, the federal government of the time resort to all possible means at its disposal to defeat in Quebec a government that was not a centralizing government, a government that was jealous of its autonomy and they had it replaced by a Liberal party government with a leader who was not too popular, who was not too strong a defender of Quebec's autonomy. So the government took advantage of that opportunity as well as of the war effort to bring to Ottawa a great number of laws that up to that time had been reserved to provinces according to the constitution and it is being said that the provinces agreed to accept such centralization.

Mr. Speaker, an agreement of that kind is precisely the one that prompts citizens to ask themselves questions and to tend more and more to ignore a constitution that bullies them instead of protecting them. The Minister of Indian Affairs and Northern Development (Mr. Chrétien) said at the beginning of his remarks, this afternoon, that since the early days of Confederation, the Liberal party has always acted in the same way in matters of federalism and that is obvious. He does not need to tell us.

As a matter of fact, the Liberal party has been the most centralizing party in Canada and in reply to the Minister of Indian Affairs and Northern Development, since he referred to the provincial election, I may say that the Quebeckers' vote during the last general election was not a vote of approval of the Canadian constitution, but rather a vote against adventure with a party with a strong socialist tendency, the Parti québécois. Just a few minutes ago, the Parliamentary Secretary and member for Windsor-Walkerville (Mr. MacGuigan), who was chairman of the Special Joint Committee on Constitution, also made some remarks on the motion moved by the hon. member for Champlain. He said that it is not the Liberal party which has caused division in this country. Members on the government side recognize therefore that there is some division. But it is mostly in Quebec and because of a certain political party that this exists.

I will reply to the hon. member for Windsor-Walkerville that what, among other things, gives strength to the separatist party in Quebec is indeed the centralization of the federal government since Confederation, especially on the occasion of both World Wars and other troubled periods. So, Mr. Speaker, in order to find a fair solution to contitutional problems, whether or not it is admitted certain procedures aiming at the reform of the Constitution are being delayed to amend it, repatriate it, make it more acceptable to Canadians.

● (2050)

The solution which may be given to this problem can only be found by groups of men not dominated by a political doctrine. Ever since the question of the reform of the constitution has been raised, the federal Liberal party has used every conceivable means to dominate the debates and have their own views accepted. Therefore, no wonder each constitutional meeting held both in Ottawa or in Victoria or in any place always fizzled out or has been postponed. An agreement was never reached because a group wanted to dominate all the others.

[Mr. Laprise.]

The provinces also have a right to be heard. The federal government exists thanks to the provinces. The provinces were not born from federalism but the federal government was born from the provinces and more and more we feel the need for readjusting the constitution to our current needs because they are different from those which existed one hundred years back. For instance, at the beginning of confederation the problem of municipalities were minor ones but over the last few years with people concentrating in the urban centres those problems have considerably aggravated. I have also been a member of the committee on the constitution which held many meetings in Ottawa, which travelled throughout the country to hear people, listen to individuals criticizing the present constitution, offering solutions, and telling us what they hoped to see in the new constitution or in an amended constitution. Everywhere we have met municipal officials who told us how difficult it was for them to administer their municipality because they have a heavier load to carry and because they are increasingly deprived of the means to support this load.

In a recent commercial letter of the Canadian Imperial Bank of Commerce, giving recent statistics for 1972, with a retrospective of the last ten years, it is said that in 1963, municipal revenues in Canada totalled $2,286 million. These revenues increased yearly to reach $5,022 million in 1972. However, municipal government expenses were, in 1963, $2,373 million and have increased yearly to reach $7,165 million in 1972, which is a deficit of $2,143 million in 1972. It means therefore that municipalities, provinces and the federal government must compete on the debenture markets, with stronger governments, to obtain the funds required to balance their budgets. Municipalities, like the provinces and the federal government, are over-indebted, which compels them also to assign too great a part of their budget to debt interest so that the problems, or at least a large part of the problems, that the municipalities face are mainly at the level of the interests they must pay each year to their creditors.

Well, Mr. Speaker, during the sittings of the constitutional committee municipalities asked for increased taxation powers mainly to be able to meet their obligations and that is becoming a struggle, no longer between two parties—the provinces and the federal government—but between three parties—the municipalities, the provinces and the federal government—to have increased access to the incomes of individuals in order to be able to tax them so as to balance their budgets and meet their obligations.

So, Mr. Speaker, in any constitutional reform or amendment those demands on the part of municipalities should be taken into consideration, and not only simply to give them increased taxation powers. They need it, it is true, but in the present system there is no other way out besides the one offered by the Social Credit. And the Liberal Party which has been in power since 1963 lent a deaf ear to the demands and suggestions made by the Creditists in that area. And we are told that the Creditist doctrine or policy on economic matters is no good. But is the present economic policy of the Liberal Party any good?

Mr. Prud'homme: Not all.

Mr. Laprise: Not all, of course, as the Parliamentary Secretary to the Minister of Regional Economic Expansion just said, and if the economic policy of the Liberal party were sound, the federal government, the provinces and the municipalities as well as the individuals would not be so deep in debt as they are now.

Therefore, this shows that if the Social Credit is not effective, the Liberal party is far from being so itself.

At the committee meetings, a professor of political science and a candidate for the Toronto mayoralty, Mr. Stephen Clarkson, said the following, and I quote:

> The municipal government only has a limited power of taxation on real property which constitutes a regressive tax base. We have great problems which are not of our making: immigration, for example, that from the Maritimes. We cannot cope with them and the power is so much centralized in Queen's Park and bureaucracy is so extensive that we cannot accomplish what we feel ought to be done. Therefore, another level of government, should not be created.

For him, such is not the problem, because he feels that everything is centralized in the municipal field, in provincial capitals, and precisely many other municipal representatives have asked that municipalities be recognized as a level of government and as having their say in all essential budgetary measures taken by higher levels of government to balance their budget.

● (2100)

Therefore, Mr. Speaker, all we are asking in the motion of my colleague from Champlain is that the federal government urge the provinces to get together in order to amend or redraft the Canadian constitution, and the constitution must exist for the provinces. Therefore, they must have the right to draft this constitution.

Thus, the provinces that have no control over others will be able to draft the necessary sections in order to protect the country against national disturbances by fulfilling the basic aspirations of each province. It is something that the federal government cannot do, because by dictating the sections that must be included in a new constitution, it will seek to have accepted sections which protect the central government of the country, and in protecting itself in this way, it would be difficult to fulfil the basic aspirations of the provinces.

Mr. Speaker, we do not wish, through this motion, to destroy something worthwhile, but we ask the federal government to urge the provinces to meet in order to obtain results, find out what they want and, under the constitution, obtain satisfactory results so that there may exist in every one of the ten provinces a climate of peace in which Canadians from coast to coast will be able and willing to abide by the constitution.

It is in this spirit that this motion was introduced and should be examined while seeking the solutions that all Canadians want.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I would simply like to take a few minutes in order to participate in this debate on the motion moved today by a member of the Social Credit Party of Canada.

I must admit that I was surprised when I read the motion now before us. I heard recently the comments of this sagacious and shrewd politician, the hon. member for Saint-Hyacinthe (Mr. Wagner) who had predicted the election of a minority government in Quebec following the recent campaign, adding that the party that would suffer the most from this result would be the Créditiste party. I shall not make any comments on the second judgement of the hon. member for Saint-Hyacinthe as compared to his first, because I am in no position to conclude that his judgement on the second point is as valid or as poor as on the first. But I must regretfully note that this Créditiste motion is not one that could improve the situation of the Social Credit Party of Canada.

I am really surprised at this motion, which reads as follows:

> That this House deplores the fact that the government is maintaining the unity of the country through fear, autocracy and oligarchy, and has failed to do anything to encourage the provinces to get together in order to amend or redraft the Canadian constitution, thus protecting the country against national difficulties by meeting the basic aspirations of each province.

And all that in a single sentence. I must confess that after reading this motion over again, I wondered what country it was all about, and what situation it was referring to. It talks about fear, autocracy and oligarchy. I really wonder, looking at my provincial colleagues with whom I had to work during those last years, and looking at the premiers of the various provinces, who are those timid and fearing premiers, those provincial premiers who would be living in daily fear of this federal government, ready to crush them, and which would prevent them from expressing their views on any subject and taking position on matters which come under their own jurisdiction.

There is an old saying that you can die from laughter. I am glad that saying is not entirely accurate, because I fear that there would not be many Creditist members left in this House today.

This motion, Mr. Speaker, also complains that the federal government has failed to do anything to encourage the provinces to get together. Since when do the provinces need the federal government to get together? Frankly, the motion seems incredibly naïve, and I would even fear that the provinces would take offence if the federal government were to interfere and try to persuade them, as is suggested here, or to force them to get together in order to amend or redraft the Canadian Constitution.

Surely neither the Constitution nor Canadian politics prevent the provinces from meeting, and indeed they have done so. Let us remember the conference organized under the sponsorship of Mr. Robarts in Toronto, which was called Conference on the Confederation of Tomorrow, and to which the federal government had sent observers. That conference was attended by provincial representations and was convened by the provincial governments. Nothing had prevented them from using this same procedure if they had so wished. The provinces have shown sufficient wisdom and knowledge to realize that if a serious review of the Canadian Constitution was wanted, this could only be done effectively if the provinces would cooperate and act in consultation with the federal government. The result of this conference in Toronto simply was a recommendation that, in cooperation with the federal govern-

ment, a review of the constitution be undertaken and this is what was done in the following years.

The fact that such a motion is put and the way it is drafted surely indicate a lack of knowledge of federal-provincial relations and a lack of respect for provincial autonomy and for the true power of the provinces in running their own business.

But I would not want to spend my time in a detailed analysis of this motion and demonstrating its inherent weaknesses. I would rather like to say a few words on what really happens in the area of federal-provincial relations.

I often hear people talk about the lack of consultation, in or outside this House, because the federal government reportedly would take unilateral decisions and so on. I think it is important to underline once again, and to repeat it constantly, that consultations do not give any right of veto and that the federal government is the government responsible for the national interest in the areas under its jurisdiction. Even if the federal government has everything to gain by regular and frequent consultations with provincial governments when there is a decision of national interest to take which is under its jurisdiction, the federal government must finally take the decision, even if this decision is not welcomed by all the provinces of Canada.

In a similar way, this is also true in the case of the provinces. I think it is their interest to consult with the federal government in many areas for which they are responsible and they should do it more often. I have no hesitation in saying that the federal government consults with the provinces a hundred times more in the areas under its jurisdiction than do the provinces in the areas under their own jurisdiction.

● (2110)

However this having been said, we often consult the provinces and I will give some details on that particular subject in a few minutes. However, once again, when a discussion takes place, it rests with the federal government to take decisions in matters under its jurisdiction and if any province is not satisfied with such decisions, it is unfortunate but just the same some government must be responsible for the national interest.

When the media, the opposition, the members of the government or provincial politicians then intervene and deplore the fact that the federal government acts unilaterally and without consultation, as they often suggest, I maintain once again that they are mistaken. There has been some consultation, but the government has assumed its responsibility for which it must answer to the House and to the Canadian people, but not to the provincial governments.

When I heard the hon. member for Saint-Hyacinthe (Mr. Wagner) this afternoon say that a conservative federal government would proceed through consultation and on a collegial basis, I believe he was introducing a concept of federal-provincial collegial government in matters of federal-provincial relations. Well, in this country, a federal government that would suggest a form of collegial government with the provinces would be deluding the people and moreover ruin the constitution.

There have been consultations. I shall refer to the first year of the progressive conservative government during the last 20 or 30 years. In 1957, at the ministerial level, five meetings took place with the provinces. At the official level, for a whole year there were 59, thus making a total of 64.

This means that in 1967, that is 10 years later, we had 14 meetings at the ministerial level and 105 at the official level for a total of 119. Three years later, in 1970, there were 18 meetings at the ministerial level, one and a half per month on the average, and 200 at the official level, for a total of 220, between the federal and provincial governments.

There has been a steady increase which keeps on. Not one day goes by that a meeting between the federal government and the provinces is not held in this country. Whether it be at the senior official or minister level, whether they be bilateral or multilateral meetings, or whether visits in the provinces or by provincial representatives to Ottawa.

Even more important, over recent years and even quite recently, this consultation process has been extended through the initiative of the federal government in the area of tripartite meetings to which municipalities were invited to participate.

We know also that recently a very successful conference, a three-level meeting took place in Edmonton in which the minister responsible for urban affairs took part.

That is what really happened and what is always going on without any startling statements, without getting in the headlines. But what we will find in the headlines will be the story of the conference or meeting resulting in deep disagreement. We rarely hear about the current meetings where the federal and provincial governments make progress and come to an agreement.

It is unfortunate that there is a tendency to feature exclusively stumbling blocks, difficulties and points of disagreement. This is what is happening in the field of federal-provincial relations. However I could talk more in detail about my own departments. For instance, we undertook this year with the provinces a review of social security and this has already brought about three meetings of welfare ministers and several meetings of senior officials.

Before these meetings, the federal government submitted a working paper that received the unanimous endorsement of the provinces. We had regular meetings once more with the provinces and ministers and to date we have obtained unanimous assent on all points which have been discussed. This will not necessarily go on because there will certainly be some disagreements either among the provinces themselves, between the federal government and the provinces or some of them. This is only natural and we would be wrong to be shocked. To imagine that the motion presented by the Creditist party to convene a meeting of the provinces where they would reach an agreement which would be impossible if the federal government were present is nothing but a dream and a complete lack of understanding of the way in which this country operates.

In the area of energy which has been mentioned before, I only need to mention the example of the relationship

between Alberta and Ontario, two governments of the same party, which were prepared to go before the courts to settle their dispute concerning energy. We know what happened in the field of feed grains and about the so-called "Chicken war", in Canada. The federal government was not directly involved; there was direct confrontation between the provinces of Manitoba, Ontario, Quebec and the Maritimes and once more, the federal government had nothing to do with it.

The provinces, therefore should meet together and reach an agreement that the federal government would only endorse. Once more, this means living in a world that does not exist and that is not Canada as it exists at the present time.

I referred to social security. I will deal with another matter on which no agreement was reached to date, that of health. For three years, discussions have been held at senior officials level with provinces, to come to a new financing formula in the area of health, a formula designed to secure larger flexibility in the administration of health services, for provinces in particular. That formula was changed several times during the discussions, and was finally presented to health and finance ministers during a conference that was held last year in Ottawa.

Finally, no agreement was reached on the formula that was proposed and during the premiers' conference, a new formula was proposed, considered by the provinces, but was finally rejected. There is nothing to be ashamed of. Many provinces had expressed an interest for such or such aspect, and the fact that they finally preferred the present system to another does not authorize them to conclude that there is autocracy or oligarchy—whatever the name they choose to call it—on the part of the federal government; but it is not fear, as stated in the motion, which encouraged the provinces to reject the federal proposal. In fact, they decided that it was not in their interest to accept the proposed formula. A while ago, the hon. member for Saint-Hyacinthe indicated that his party would propose a transfer of resources, together with a transfer of tax power, while taking equalization payments into account. I urge him to take cognizance of the proposal which the federal government, through its Minister of Finance (Mr. Turner), made in the spring at the last meeting of provincial premiers. He will then realize that he did not invent the moon, for this very proposal has already been made to and refused by the premiers. They deemed it unsatisfactory on the financial level, which is nothing new.

Mr. Speaker, I do not want to use more of the House's time. I merely wish to emphasize again that the area of federal provincial relations is extremely complex—

Mr. Speaker: Order. The hon. member for York-Simcoe (Mr. Stevens) would like to ask a question but he can only do so with the minister's consent.

Mr. Lalonde: The answer is no, Mr. Speaker.

[*English*]

Mr. Speaker: The minister has the floor.

Mr. Stevens: What are you afraid of?

Mr. Lalonde: I am not afraid. I have the floor. You can have all the time you want afterwards, if you want to ask questions.

Mr. Stevens: Chicken!

Mr. Lalonde: We are used to seeing you take enough time of the House. Mr. Speaker, I would like to come back to what I was saying before I was interrupted.

● (2120)

[*Translation*]

Above all, we must realize that the federal system is a difficult one, which always involves a certain amount of tension. The day when federalism in Canada is without tension, we will have to question seriously the existence of this country and the federal system as it now exists, as this will mean either that the federal government has disappeared or that the provinces have been completely taken over by the federal government.

The federal system is a political mechanism which operates through creative tension. As in human life, there is no progress without some tension, and whenever there are federal and provincial politicians who defend vigorously the interests of their constituents and deal seriously with the areas for which they are responsible, there will inevitably be some frictions. The important thing is that these frictions are reduced to the minimum, that break-ups and split-ups are avoided and particularly that there are consultations and discussions.

Once again, under the Canadian Constitution the powers of each level of government are defined and in the areas under their respective jurisdictions, the governments concerned must take their responsibilities and decide, in the last analysis, after consultations, what they consider to be in the interest of their citizens; this is what our government did not hesitate to do—

Mr. Speaker: Order, please. I regret to have to interrupt the hon. minister but his time is over.

Let me remind the House at this time that there are about 40 minutes left before the House adjourns. The hon. members for Grenville-Carleton (Mr. Baker), for Selkirk (Mr. Rowland), for Joliette (Mr. La Salle) and perhaps also another hon. member want to take the floor. I would have liked, with the consent of hon. members concerned, that all be given the opportunity to be recognized for ten or twelve minutes before 10 o'clock. The Chair has a special responsibility towards the minority represented by the hon. member for Joliette (Mr. La Salle), and I hope that the hon. members for Selkirk and Grenville-Carleton will take this into consideration. For the time being, I recognize the hon. member for Selkirk.

Mr. Fortin: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The hon. member for Lotbinière on a point of order.

Mr. Fortin: Mr. Speaker, in order to comply with your wish and in a spirit of co-operation, in view of the fact that we have initiated this debate, it would be proper to enable our colleagues to be recognized, and we could agree to a period of ten minutes for each, if the House agrees.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: Agreed.

[*English*]

Mr. Doug Rowland (Selkirk): Mr. Speaker, I do not think I will have any trouble at all in adhering to that gentlemen's agreement.

An hon. Member: Because you have not much to say.

Mr. Rowland: I have a lot to say, but I shall not say it all tonight. As a point of departure I should like to take the concluding remarks of the Minister of National Health and Welfare (Mr. Lalonde). These were to the effect that one of the manifestations of a healthy federal system is the existence of tensions within that system. He said that as soon as the tensions and problems cease to exist, it means that the federal system has in effect died either by the absorption, total and complete, of the provinces by the national government or the virtual total destruction and rendering ineffective of the federal government by the provinces. The minister put it much more elegantly and eloquently, but I think that is an accurate summary of his remarks.

I think what characterizes federal-provincial relations to me is not autocracy and oligarchy, as suggested by the motion, so much as confusion. I think the minister would be one of the first to admit, even taking his view as the point of departure, that tensions will always exist within a federal state and that they are signs of vitality within the federal state; they are signs of experimentation and signs of attempts to adapt to new situations and changes in values. Therefore, it is desirable that we restructure our constitution to some extent with the end in view of removing to the extent possible the occasions for confusion in relations between the provinces and the federal government. It is necessary to reduce the confusion and ambiguities in the constitution so as to remove some of the causes of frustration and anger, as opposed to tension, that we heard expressed by hon. members from Alberta and Quebec who spoke this evening.

It is not so important to me that the constitution accurately define whether this country is to move toward centralization or decentralization, because I think if the constitution is going to serve the needs of the country it has to be able to move either way as the needs and locus of power in the country and values of the country change.

One of the ways to accomplish that objective is to alter our division of powers. At the moment, the division of power is in three lists. There is a list of exclusive federal powers and a list of exclusive provincial powers. Both of these sections have items which are not particularly well defined. There is also a very short list of three or four areas of concurrent jurisdiction. It would seem to me that we could overcome a good deal of the difficulty that we encounter in this country in permitting regions to adapt their relationships to the federal government in a manner which will enable the government to meet the needs of the people, by modifying our allocation of powers so that we, in effect, have four lists of powers. There would be a rather short list of exclusive federal powers such as defence, international affairs, monetary policy, customs tariffs, and that sort of thing; then a rather short list of exclusive provincial powers, and a fairly extensive list of concurrent powers in which the paramountcy of federal or provincial power would be indicated in each case. There would also be another list where powers could be delegated from one level to another on the basis of bilateral agreement.

I feel this would meet the needs and shifts of balance of power in the country. There are times when a country needs stronger central direction and others when it is better decentralized. I think that such a normal political process has to be accommodated in the constitution. The delegation of powers from the federal government to the provinces, or vice versa, on a bilateral basis would accommodate that process and reduce the causes of frustration that presently exist as opposed to what are normal healthy tensions.

My point in rising tonight was not to suggest specific changes to the current constitution of Canada. My colleague the hon. member for Greenwood (Mr. Brewin), and also the hon. member for Fundy-Royal (Mr. Fairweather), during the course of debate suggested some areas which require change. They made specific suggestions and argued them very cogently, urging the government to proceed with them. I do not want to repeat their arguments and I do not want to refer to the specific areas that I think need change. What I really want to do tonight, Mr. Speaker, is to argue very strongly that now is a most propitious time to get on with the job of attempting to reach some kind of agreement on the kind of constitution we want—to bring it to Canada, to have it repatriated, and to complete the process which was begun a long time ago of modifying our constitution and deciding upon an amendment formula.

I do not think it is good enough for the Prime Minister (Mr. Trudeau) to say that he is willing to embark upon this adventure when the provinces indicate to him that they want to undertake the exercise once again. As the minister who just spoke so properly pointed out, we are here as a national parliament to look after the national interests of Canada. The government is there to look after national interests. I think it is in the national interest that we complete this exercise.

Even if there is some reluctance on the part of the provinces at the moment, or a simple lack of interest, it is up to the federal government to provide the leadership necessary to get the process under way. I think now is a propitious time. There is a desire on the part of the people of Canada to have the constitution repatriated. This desire became obvious when, as a member of the joint Senate and House of Commons Committee on the Constitution, I travelled about the country and saw the interest generated by the committee in what might have been considered a dry, academic subject. This apparent desire to do something about the constitution is manifest in the fact that such a large measure of agreement was possible at Victoria in 1971 when the provinces and the federal government met. I would like to see the exercise completed.

What argues most strongly that we should try to complete this exercise at this point is that we are now, despite the current outrage of the representatives from Alberta,

and despite the almost universal disquiet on the part of those representing Quebec about the results of the election there, in a period of relative stability. One of the things which I suggest to hon. members has contributed to our failure to complete the exercise of redrafting our constitution, to the extent it needs reform, and deciding on the amendment formula and bringing it to Canada, is the fact that the exercise has normally been pursued during periods of crisis, rapid change, shifts in value or of the locus of power in this country.

● (2130)

These are times when the tolerance of ambiguity on the part of governments is vastly reduced. At such times, if they are to change the constitution they want every "i" dotted and every "t" crossed. Because the country is in the process of change, a government is not willing to take a chance on the possibility of an error being absolved and corrected by the unwritten part of our constitution, which is really the most important part. Governments are not willing to take that chance because they think there might be something unalterable in the written part of the constitution. That is how governments think in critical periods when they are most afraid to take risks.

At this point in time the country is relatively stable. Perhaps there will be a willingness to take that kind of risk on the part of participating governments. Perhaps it is really worth while pursuing that idea now.

The Acting Speaker (Mr. Boulanger): Order, please. I regret interrupting the hon. member, but his time has expired.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I am pleased to take part in this debate. I, along with the Minister of National Health and Welfare (Mr. Lalonde), read the motion with great interest. I suggest that the minister, being a Queen's Counsel of the bar of the province of Quebec, has perhaps taken a somewhat legalistic approach to this issue which the Social Credit party has brought to the attention of the House.

I do not intend to become involved in what I consider to be a little confrontation within this chamber with respect to events of a week or so ago in one of the provinces of Canada. I merely say to the minister that perhaps the motion before the House expresses an attitude to something that is essential to confederation. By implication it deals, I submit, with the relationship between the federal government and all the provinces of Canada. It expresses an attitude that this debate shows has been developing in the country. That attitude is that this government, for better or worse, whether with malice aforethought or without, has tended to shake the foundations of the belief that it is truly interested in the federal system. One important element of this system involves consultation.

The hon. member for Rocky Mountain (Mr. Clark) spoke eloquently about the problems of Alberta and the feelings of the people of that province. Let us talk about the people of Alberta. I suppose that if we substituted for oil any commodity of concern to other provinces of Canada—let us say we were talking about something of concern to the province of Ontario, Quebec, Saskatchewan, Nova Scotia, New Brunswick or any other region—we would find, if the people of the province had been treated as the people of Alberta have been treated, that they would react in exactly the same way as the people of Alberta have reacted. It is to that feeling that the motion of the Creditistes is directed. In that sense, our embarking upon this debate is healthy for us.

We are considering in the House the entire question of foreign ownership. The members of my party, in their discussions on the matter, have not forgotten that an essential ingredient is leadership by the federal government. They have attempted to pay more than lip service to the idea that there must be provincial consultation. That matter is not one of mere tokenism. The Minister of Industry, Trade and Commerce (Mr. Gillespie) said, as the government has said, that this is not going to happen under the legislation to which I have just alluded.

A few weeks ago in Edmonton there was a conference on northern affairs and the question of revenue sharing arose. In the result, some provinces were in favour of the concept—the province of Ontario and others—and some were against it. There was an issue that could be discussed. Yet how did the government react? The minister responsible for urban affairs turned thumbs down on the idea, or used the federal veto, to use the words of the Minister of National Health and Welfare, with respect to any discussion on revenue sharing as between the provinces and the federal government. The government even turned down any discussion on the subject. This attitude is creeping into many areas, and we are in danger of losing sight of what has traditionally been and remains an essential part of our federalism, that is, consultation.

According to what I read about the attitude of the provinces and what I hear from public men in the provinces, the provinces do not want the veto, as the Minister of National Health and Welfare suggested the other day. They want realistic consultation between provincial governments, which are responsible to the people in the provinces, and the national government which is responsible to the whole country. I suppose the message we can derive from this debate is that we must treat confederation as a delicate flower. It is delicate and, like a flower, must be gently treated. You must not hack at it with a hoe or a shovel. Our confederation must be handled with gentle and understanding hands.

I think we should look at this matter in the context of federal-provincial conferences. Some have been successful, others unsuccessful. The successful conferences have been those in which the parties felt there was a reasonable attitude of co-operation. The principals at the conference, the provinces and the federal government, accepted the need for co-operation. They felt that their own interests would not be overlooked or treated lightly.

The conferences that have been unsuccessful, and there have been many, have been those in which there was conflict and confrontation, invited perhaps for political purposes. In any event, one or more of the principals felt threatened at such conferences. We must not forget that our people want co-operation when these discussions go on.

Further, there has been some discussion in this country as to what form provincial power should take. What is the place of the provinces in relation to the national govern-

ment? I think it is true to say that all members of this House, regardless of party affiliation, think there is a duty on the Government of Canada to treat the provinces of Canada as essential partners in the development of national policy, which may involve social policy, resource policy, transportation policy or economic policy. I believe that attitude is demonstrated by the motion we are discussing.

Further, there are growing doubts throughout this country—not just in Quebec and Alberta but in Ontario as well—as to whether the federal government is permitting the provinces of Canada to assume their full responsibilities as essential partners in this country, whether in discussions involving regional development programs or any other matter. I think it is important for us not to forget that co-operation is at the root of our federalism and that the provinces originally were meant to be essential partners with the national government in any matter affecting this country.

● (2140)

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I am pleased to take part briefly in this debate on the motion put forward by the hon. member for Champlain (Mr. Matte). When we speak of the Canadian constitution, we almost have to review the history of Canada, and since time is rather short, I will attempt to confine my remarks to a few minutes.

I listened attentively to the speech by the hon. member for Champlain, which included some very true remarks. I also listened with great interest to the speech by the Minister of National Health and Welfare (Mr. Lalonde). I was pleased to see the increasing number of meetings with the province and I must admit most sincerely and humbly that considering the steps taken by his department to consult with the provinces, there has really been some progress. However, after a hundred years, it is still surprising to see that some provinces are not yet satisfied. I think the present federal government and the ones that came before had as their goal the satisfaction of all provinces.

There is concern about this consultation and I feel that much attention is paid to it. In fact, numerous comments have been made about the importance of preliminary consultations with the provinces whatever the level and legislation to be amended.

It is my opinion that we will never pay too much attention to this question and that we will never insist too much on having the minister responsible or the government take measures so that the provinces will be consulted as much as possible.

There were also references to the reasons that seemed unacceptable to certain provinces. Mention was made of Alberta and Quebec. I think that certain provinces are not altogether happy with the present system. There have been reasons for this and I believe it is fair to discuss them. There was even criticism of the last provincial election campaign in Quebec.

Now I believe that if one is surprised to learn today that 30 per cent of the Quebeckers do not believe in federalism anymore, I think one must recall that Mr. Gérard Filion spoke 30 years ago about economical separatism and that was due to the eastern policy on feed grain. I hasten to mention the fact in order to show those who are trying to understand that it is surely not Quebec that invented separatism, considering the fact that the province of Quebec lost $300 million on account of that feed grain policy that has been discriminatory for 30 years. But it seems to me that the government is now trying to correct that injustice. I know it is hard for the minister to do it for he is very busy and hard-pressed by western organizations. As a matter of fact, I believe he wants at last to do justice to all Canadian producers.

I think that unrest was due to a certain lack of consultation and to certain intrusions on the part of the federal government into provincial administration. But for this purpose I must refer to the two administrations that governed Canada.

Therefore, when referring to this problem, one realizes today that in Quebec, a great number of people are losing faith in federalism and often wonder why. But one can be delighted by the result of the provincial election.

As far as the economic stability of the province of Quebec is concerned, the answer was clear and it will enable Quebec to avoid this kind of slackening that takes place when a government is beaten, whether blue or red. There is always some slackening when we speak of changing a system. But in the circumstances, I am delighted by the specific answer that many citizens of Quebec and of Canada were anxiously waiting for.

We had well defined options, on both sides. Although the Parti Québécois had submitted an option that was debated and debatable, it did so clearly and the people made their decision. But I urge hon. members not to forget the high proportion of French-speaking people who reject today the present system, because it might be dangerous to rejoice blindly when one considers that almost 38 per cent against 46 per cent of the voters rejected this system. I wish to have those figures recorded in *Hansard* in order to make my English-speaking colleagues—my French-speaking colleagues already know that and I hope that they will be ready to ask the federal government to better understand the claims of the Quebec government—aware of the problem, of the situation and present circumstances in Quebec. Now, the answer was for Quebec to remain within confederation. For my part, I have never recommended the separation of Quebec, on the contrary, but it is my duty as a Quebec member to uphold my interests, as it is the duty of Newfoundland or Alberta members to uphold theirs.

● (2150)

When those suggestions can be made objectively, I think that we shall have a better chance of reaching our common goal. While for many people in Quebec, and even in Canada, the answer was clear, I hope that with the power it has received, the newly elected government will be more demanding as regards some of the powers it needs. There is often talk in Quebec about additional powers as concerns immigration. The Laurendeau-Dunton Commission and the Committee on the Constitution have recognized, as we all know, that Quebec is the nucleus of the French-

Canadian nation, and that it holds a special place in Canada because of its largely French-speaking population.

I believe that those admissions, those works, those studies, must be followed by concrete action. I hope that the federal government will consider this. In my opinion, the government of Quebec must be more demanding and negotiate like responsible people. Then, I hope that the majority of my colleagues in this House will understand the importance of the discussions which are going on in Canada and that we shall reach agreements which will be acceptable to all the provinces.

Mr. André Fortin (Lotbinière): Mr. Speaker, in the few minutes I have left I would like to thank very much my hon. colleague for Joliette (Mr. La Salle) for his cooperation. I wanted to express certain views following the comments made, among other speakers, by the minister of National Health and Welfare (Mr. Lalonde) and also the Minister of Indian Affairs and Northern Development (Mr. Chrétien).

Mr. Speaker. the motion introduced today by my colleague, the hon. member for Champlain (Mr. Matte), is essentially practical and is obviously aimed at—the hon. member for Champlain said so openly, and so did the hon. member for Témiscamingue (Mr. Caouette) and the hon. member for Drummond (Mr. Boisvert)—bringing our federal colleagues for whom Quebec is a problem or an obscure province, for whom the problems might be unsolvable or remote, to reflect with us upon two things. First, on the implications for all Canadians, those at least who still believe in Canada, of the election results of October 29. I think we would be hypocrits burying our heads in the sand if we refused to get together on this as we all say that we are genuine Canadians.

On the other hand, Mr. Speaker, the purpose of this motion was to urge the federal government in particular to revise its position on the need of a new constitution for Canada and to begin with the close cooperation of the provinces.

We did not say today that nothing had been done. We simply said that the fact that 30 per cent of independentists voiced their choice unequivocally in the Quebec election means that there is really a problem and that the provinces are also faced with the oil problem, the natural resources problem and the health problem. It is obvious that no matter what the system is there will always be problems. Mr. Speaker, the present situation and the point we have reached show not only that our constitution is not a Canadian constitution, but that Canadians themselves cannot be properly served by this constitution.

What I really meant to say is this: Listening to the hon. Minister of Indian Affairs and Northern Development, one gets the impression that whoever is not a member of the Liberal party today is not a true federalist and Canadian. If you are not a Liberal, you are a trouble maker; if, in addition to this you come from the province of Quebec you are dangerous.

Some Quebecers keep on fighting because we cannot all think "liberal". In Quebec, there is a political reality which says that there are so many independentists and so many creditists. Contrary to common belief the Social Credit Party has not disappeared from the provincial scene; there are still over 10 per cent creditists.

I know Parliament and as my other colleagues I prefer my seat here to that of Premier Bourassa in Quebec. Moreover, this lack of opposition indicates that our parliamentary system is completely obsolete and that the number of members elected as a function of the voters is not proportional and unfair. Finally, it is growingly impossible in Quebec to express one's opinions because the Liberal steam-roller, the only federalist party, that of the only true Canadians, is crushing everything along its path.

I have newspaper articles about the Saint-Jean-Baptiste manifestation of June 24, 1968 in Montreal. If you read those articles and if you connect them with other incidents when the separatists or certain hot heads, I should say stupid heads, as Chartrand and others would say, used a group of disatisfied people to raise violence in the province, if you connect those incidents with the October crisis of 1970, who is responsible? Nobody knows.

If you consider the sluggishness of Quebec justice inquiry into organized crime you can smell the rottenness of our political world, combined finally with the polarization of voters during the last provincial election in Quebec you wonder whether this discord is not purely and simply generated by the Liberal party or by high finance. Moreover, Mr. Speaker, I am wondering whether these dissent movements, this encouragement to separatism or if the importance given to separatism is not entirely and mainly the making of federal Liberal members served by provincial members. Mr. Speaker, in order to get such an unmistakable polarization of the vote, I am entitled to ask that question.

Mr. Speaker, I talk with several of my colleagues behind the curtain. We are true Canadians and we believe in Canada. We have the right to ask questions. I shall ask that question to my colleagues: In 1973, out of a total of 110 members, there are 102 Liberal, 6 Pequists and 2 Creditists. In three years from now—

Mr. Prud'homme: There are too many.

Mr. Fortin: I invite my colleague to be serious. He may find out that there are quite a number in his own riding.

Mr. Speaker, in two, three or five years, at the next provincial election—what will happen? We hear more and more about a third political strength which would be federalist. The value of the men or of the ideas involved does not really matter. Our colleagues of all parties including some observers say more and more that the important thing is not the value of such a party, but the fact that it should be federalist. Would this serve the interests of the country? No, Mr. Speaker. It would once more serve the interests of the Liberals. What will happen? The Liberals cannot gain anything more without losing something first. It might be a gain for the people of Quebec but—

Mr. Speaker, everybody had hoped that this election would mark the end of separatism. Let us be honest. Everybody was thinking: In this election, we have to stop the Parti québecois. Because of separatism, it became a priority. This caused the polarization of the vote. For whom will the young people aged 14 to 18 be voting? For whom will those unsatisfied with the regime be voting,

because this time the people of Quebec have been made to forget their actual social, individual and financial problems. They have been made to forget their day to day problems, their inadequate salaries or their poverty within a rich province, in order to fight the threat of independence.

● (2200)

But what will happen in three or four years? Will there be the same vote polarization? Will there be a different division of the vote? Will the separatist movement take on strength? I think that these are serious times; it is too easy to do like the Minister of Indian Affairs and Northern Development (Mr. Chrétien) and say that the Creditistes are separatists. When the minister says that we are separatists, he pretends that this is convenient for him. But at other times, Mr. Speaker, he is among those who say that the hon. member for Témiscamingue (Mr. Caouette) is truly a great Canadian.

Mr. Speaker, personally, as a Canadian, I am fed up—

Mr. Chrétien: Mr. Speaker, I rise on a point of order. I would say to the hon. member that I did not say that the Creditiste members were separatists, but one of his colleagues said this afternoon that he would vote for a separatist Creditiste party, and I called him a separatist. I will not retract myself, and if the hon. member has the same opinion, I will bestow the same epithet on him.

Mr. Fortin: Mr. Speaker,—

[*English*]

Some hon. Members: Ten o'clock.

Mr. Fortin: Mr. Speaker—

Mr. Deputy Speaker: Is there a question of privilege? Surely all these remarks are on record; there is no need for them to be rehashed again. The hon. member for Lotbinière (Mr. Fortin) on a point of order.

[*Translation*]

Mr. Fortin: Mr. Speaker, I rise on a point of order. With all due respect, I should like to question this procedure. When I had the floor, I was interrupted and aware of parliamentary practice, I readily accepted because a question of privilege always has priority and in order that the Minister may be able to express his views.

Now, Mr. Speaker, you rise and you call it ten o'clock. It seems to me, that if I had not been interrupted, I could have completed my remarks before ten o'clock. It seems to me that I should be given the same privilege that was given to other members and be allowed to complete my remarks. I find it improper—

I shall make good use of it, Mr. Speaker, and say that we are happy to have had the opportunity to move this motion today because it allowed us to judge the attitude of our federal colleagues.

Mr. Speaker, I hope that from now on, this House will really deal with the problems of the Canadian people and of the Canadian provinces so that they may express themselves. It is high time, Mr. Speaker—I think it should be kept in mind—for us to stop dividing into political parties in this House and to start cooperating with one another to become true Canadians instead of saying that since I am Liberal, I am a true Canadian and that the tories or the others are not.

Mr. Speaker, if the Liberals want to build Canada alone, they can always try, but so far we have seen that going it alone is a failure. It seems to me, Mr. Speaker, that we have the right and the possibility to cooperate in the building of Canada because we strongly believe in it.

[*English*]

Mr. Deputy Speaker: I thank the hon. member for his co-operation. It being ten o'clock, it is my duty to inform the House that pursuant to section 11 of Standing Order 58, proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

NATIONAL DEFENCE—INQUIRY AS TO DECISION ON REPLACEMENT FOR ARGUS AIRCRAFT

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I rise to participate in this adjournment debate on a replacement for the Argus. I want to be kind to the Minister of National Defence (Mr. Richardson), who I think is sincerely trying to come to a decision on this question. However, there have been other sincere ministers of defence during the past five years—which some Canadians think have been five years too long—of the Trudeau government. There have been four different ministers of defence during these five years, and I am afraid that in a constructive but rather critical way one could say that a review of the parliamentary returns to questions raised about replacing the Argus shows a rather sad catalogue of confusion and uncertainty in Department of National Defence planning.

With four ministers in five years, is it any wonder that those who served, and who served well, in the armed services are themselves confused about the role they are supposed to play in defence policy? I intend to review, in the short time available to me, those parliamentary returns which began when the issue of the Argus was first raised. I am talking about five squadrons, involving 32 aircraft which have been in use really since 1958. They have been operating almost on a daily basis somewhere in the skies over Canada, except when grounded for weather reasons or sometimes because of mechanical breakdown, for 15 years. Even though it is a different mode of transportation, how many of us are using a 15-year old car with the same confidence as when we first purchased it? The airframes were first designed for 10,000 air hours. Because of procrastination and indecision, the airframe lifespan was revised to 19,000 hours. Some of the aircraft are beginning to approach this extended airframe life.

I do not have time tonight to debate defence policy in all its aspects, but to set the record straight it was on March 17, 1969, as reported at page 6681 of *Hansard*, when the first recorded question that I have been able to find dealing with the Argus was asked by the hon. member for Dartmouth-Halifax East (Mr. Forrestall). He asked:

Is the DND presently giving active consideration to the question of a follow-on replacement aircraft for the Argus presently in use by Maritime Command?

The Hon. Léo Cadieux, then minister of defence, replied, "Yes". On May 7, 1969, as reported at page 8419 of *Hansard*, in reply to a written question from the same member for Dartmouth-Halifax East, the parliamentary secretary to the minister replied:

No decision will be made until phase II of the defence review has been completed.

On June 26, 1970, as reported at page 8643, the Hon. Léo Cadieux, replying to the hon. member for Malpeque (Mr. MacLean), said:

We have conducted an evaluation of prototypes of new aircraft that could eventually replace the Argus aircraft, if the government so authorizes DND ... it will be later than October when these studies are completed ... There are many considerations involved. The fundamental decision is as to whether we will make a replacement at this time ... The decision will not be a decision of the Minister of National Defence, it will be a decision by the government, and no doubt all the relevant factors pertaining to it will be considered.

Then on September 29, 1971, as reported at page 8279, the new minister of defence, the now Minister of Energy, Mines and Resources (Mr. Macdonald), replying to a question from the hon. member for Selkirk (Mr. Rowland), said this:

I should remind the hon. member that as well as the option of replacing the Argus, there is the option of refitting it for future use.

Then on March 28, 1972, as reported at page 1211 of *Hansard*, the next minister of national defence, the Hon. E. J. Benson, in replying to a question from me, said:

If my hon. friend would look at what I have said with regard to the Argus and Tracker aircraft, he would understand that the question of their replacement is presently being studied and a report is expected in the very near future.

Then on June 16, 1972, as reported at page 3205, I asked this question:

When will there be a decision on the Argus replacement?

Mr. Benson replied:

The matter is being studied, Mr. Speaker.

On February 5, 1973, as recorded at page 946 of *Hansard*, the present Minister of National Defence, in reply to a question from myself, said:

The government has decided to replace the Argus but we have not yet made a decision as to the type of aircraft to be ordered. We have sent out letters to five airplane manufacturers inviting them to make proposals against our specifications and we have requested that these proposals be in our hands by March 21 ... We will also be looking at the regional aspects and, hopefully, this major purchase will bring industrial benefit to all regions of Canada.

Then on October 17 of this year, as recorded at pages 6955 and 6956 of *Hansard*, again in a reply to a question from me, the Minister of National Defence said:

We will be entering the contract definition phase in the near future. I expect to make a recommendation to cabinet within the next two or three weeks.

I do not have the time now to review all those answers, Mr. Speaker. However, it has been 55 months and 22 days—more than four and a half years—since the first question was asked in this House about the status of the aircraft. Also, the minister well knows, from reviewing the file, that questions were also asked in committee before that of a fifth minister of national defence who is now the hon. member for Trinity (Mr. Hellyer) sitting on this side of the House. In all that time there still has not been a decision.

Mr. Speaker, I fully appreciate the complexity of the decision. However, in closing—because my time is just about finished, according to the rules governing this proceeding—I say that there must be a decision so that the contract specifications can go to the main bidders, if it is confined to that, and so that the people of Canada, and especially the servicemen of Canada who are vitally involved in this project, can be informed and will have some reassurance about their future prospects. Further procrastination cannot be allowed to play with the lives of the men who are flying the Argus aircraft—and we will be reaching that stage very soon.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the hon. member for Annapolis Valley (Mr. Nowlan) has given a very excellent summary of the discussions and thinking that have gone into our attempt to resolve this really most important question of the purchase of long-range patrol aircraft. I think it would be right to say that no member across the floor has demonstrated more interest in this subject than that hon. member. This is partly because CFB Greenwood is in his riding. I would like to think it is also a matter of very real importance to Canada and to our whole posture in national defence. This is probably the biggest single purchase that will ever be made by National Defence; therefore, if it has involved a great deal of thinking and consideration, I believe it is justified.

I think the House knows that the purchase of long-range patrol aircraft not only will be the biggest single purchase we have ever made, but perhaps from an operational point of view the most important that we have made. The selection of the appropriate aircraft to perform long-range surveillance and patrol duties is of importance not just to my department but to the taxpayers of Canada. It is also important to our NATO partners, and particularly to the aerospace and the electronic industry of Canada.

As the hon. member and the House are aware, we have received proposals from four aircraft manufacturing companies—Hawker Siddeley, Douglas, Boeing and Lockheed. Further, as I have said, a special project management team within the Department of National Defence has conducted intensive evaluations of these proposals. We are now at the stage where we would like to enter what is called the contract definition phase. I indicated to the House on October 17 that I was planning to make a recommendation to cabinet concerning which of these four companies, which two or more, were to enter the contract definition phase.

Adjournment Debate

● (2010)

I think the hon. member is interested in the timing. I would say to him that the reason for the delay has been primarily the fact that the cabinet agenda has had matters of priority that are higher than this particular consideration. That has been the reason for the immediate delay.

The Acting Speaker (Mr. Boulanger): Order, please. The hon. member for Assiniboia (Mr. Knight).

AIR TRANSPORT—BILATERAL AGREEMENT ON ROUTES WITH UNITED STATES—POSSIBLE RENEGOTIATION OF ONE ROUTE FOR SASKATCHEWAN

Mr. Bill Knight (Assiniboia): Mr. Speaker, on October 30 I raised a question with the Minister of Transport (Mr. Marchand) related to the fact that in recent bilateral air agreements between the Government of Canada and the U.S.A. there were no air routes for the province of Saskatchewan. Because of that situation I asked whether the Minister of Transport was considering bringing into the negotiations, before the agreement is finally signed, the question of providing the province of Saskatchewan with an air route out of Regina or Saskatoon into the American market. That is the topic which I wish to pursue.

An analysis of the latest bilateral proposal reveals that the province of Saskatchewan was not included in the proposed route configurations. This is the result of unilateral decision-making on the part of the federal government. The federal government has had every opportunity to learn at first hand the need for direct air access to the United States. Top representatives of the Ministry of Transport and Air Canada were in attendance at the provincial transportation conference held in Saskatoon on March 22, 1973, when the Premier of Saskatchewan stated:

> Historically, Saskatchewan governments have supported Air Canada as the sole regional and transcontinental air carrier. We opposed Air Canada divesting itself of its regional role as we felt, I think, that if you have a monopoly in a province, you have certain responsibilities to maintain adequate levels of service.
>
> Because Saskatchewan is the only province in the west with only one class I carrier, with no north-south jet service and with no international connections, who can blame us if we feel disadvantaged and if we demand adequate air service. Well we don't feel a bit backward in this regard and I can advise Mr. Baldwin he will hear all about it tomorrow.

A wide-ranging discussion which followed on international air transportation made little impression on the former Air Canada president, the director general of civil aviation and the executive director of the air transport committee, all of whom were in attendance and participated in the discussion.

Saskatchewan has not and, if the recent bilateral proposal is ratified, will not have a direct air route to the United States for some time. Saskatchewan requirements for direct air connections with the United States have been pointed out to federal authorities on several occasions in the past. The province's requirements for a U.S. air connection are, in order of priority: first, a direct route to Minneapolis from Regina; second, a direct route to Denver and access to the southwestern United States from Regina or Saskatoon. It is felt that a direct routing to Minneapolis and Chicago is required because of the needs

[Mr. Richardson.]

of business, agriculture, farm implement dealers and educational institutions, and also because of the two-way flow of tourist traffic. More specifically, direct air freight and air express service is clearly needed.

An analysis of the origin and destination statistics from Vancouver, Calgary and Regina to Minneapolis, from which centres there is no direct air contact, reveal the following: the statistics show that in 1972, 9,325 passengers travelled between these points and Minneapolis. Of these, 3,500 originated in or were destined to Vancouver and would certainly have travelled via Seattle.

Calgary passengers have the option of travelling south by Western Airlines or travelling to Winnipeg and connecting with North West Orient Airlines. Similarly, in 1972 the statistics indicate that 21,000 people travelled between Toronto and Minneapolis although there is no direct connection. The direct route of Vancouver to Calgary which would pick up Edmonton traffic, Regina, which would pick up Saskatoon traffic, and Minneapolis—Toronto showed a total passenger movement in 1972 of 30,280, all handled by American airlines as there are no direct Canadian connections. If Winnipeg-Minneapolis is included, 12,520 passengers can be added to this figure, for a total of 43,000 passengers.

Saskatchewan recommended to the Minister of Transport that every effort be made to negotiate a route by a Canadian carrier, namely, Vancouver, Calgary, Regina, Minneapolis, Toronto. Such a route would give Toronto direct access to Minneapolis by a Canadian carrier, a direct route from Regina to Minneapolis—a most urgent need at this time—a one-stop flight from Calgary, and would result in a diversion of much of the traffic now being handled from Vancouver via Seattle. It is considered that this route effectively rebuts the claims of the officials of the Ministry of Transport that a Regina-Minneapolis link is uneconomic and will probably be uneconomic into the 1980s.

Mr. Speaker, if the government were to follow this line, they would find that with a growth factor of 8 per cent—which is below the national average—the figures over the next six years would show the viability of Saskatchewan's proposal to be most impressive. Saskatchewan wonders why such a route configuration was never considered by the Department of Transport, Air Canada or the negotiating team.

Second in importance to a Minneapolis connection is one to Denver. Mr. Speaker, I would follow that up if I had the time to do so. May I conclude by saying that Saskatchewan is of the opinion that the proposed Vancouver or Calgary, Regina, Minneapolis, Toronto routing is clearly feasible, and that if this routing cannot be negotiated into the current bilateral proposal there should at least be provision made in the agreement for consideration of this routing before the next round of formal bilateral route negotiation.

This is the position of the government of the province of Saskatchewan respecting a direct route on a north-south basis. It is supported by the people of Saskatchewan, the mayor of Regina, the city of Regina, the Regina Chamber of Commerce, the Saskatchewan Motor Club world travel department, Kramer Tractor Limited, the manager of John Deere Limited, the president of Roll-O-Flex (1970) Limit-

ed, the general manager of Western Canadian Agribition Association, the city of Yorkton, the Saskatoon Mining Association and the Prince Albert Chamber of Commerce.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, on a personal basis, I believe the hon. member for Assiniboia (Mr. Knight) could add my name to the others, for the record. Speaking on behalf of the department, the study presented by the Attorney General of Saskatchewan on October 19 dealing with the need for direct air service between Saskatchewan and the United States contains some very useful information on the feasibility of establishing a Vancouver or Calgary, Regina, Minneapolis, Toronto route, particularly by 1978, or as a second priority a north-south route linking Regina or Saskatoon to Denver.

Apart from the question of public interest, any new route would require the support of an airline willing to operate it before the government could put forward a formal proposal for negotiations. The problem here is how soon would traffic between Regina and Minneapolis or Denver develop to a point where direct air service would be justified from the airline's standpoint? As the minister indicated earlier, it would be difficult at this time to relate or hold up the entire route agreement on the question only of a transborder route between Saskatchewan and a U.S. point. In any event, negotiations at the next round of bilateral talks will certainly take the interests of Saskatchewan into full consideration.

In the meantime, we might take advantage of the provisions of a 1966 exchange of notes between Canada and the U.S. relating to local and regional air services. Under these provisions, if a Canadian or U.S. carrier is interested in operating a local or regional-type route such as Regina-Minot or Regina-Great Falls, arrangements could be made by aeronautical authorities without renegotiating the whole route agreement.

AIRPORTS—PICKERING—COMPETENCE OF BOARD OF INQUIRY TO STUDY NEED AND LOCATION

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, it is imperative that the Minister of Transport (Mr. Marchand) enlarge the terms of reference for the board of examiners that is to study the proposed Pickering airport. On June 22 I asked the minister whether he was directing the proposed board to study the question of airport need. He replied that the board had been constituted in order to allow interested parties to make representations and appear before it. That is the point I seek to make tonight. The board is fundamentally a passive body, when it should be an active, initiating body.

● (2220)

As recently as October 25, according to a news release which I have in my hand, the terms of reference of that board were revised. Fundamentally, the character of the board remained the same as before. It is still, basically, a passive organization rather than an active one. It is fundamentally an organization for receiving opinions rather than seeking them. That might be justified in some circumstances but not in those surrounding the proposal regarding Pickering airport. I say that because of the public controversy which this proposal has stimulated.

When the Prime Minister (Mr. Trudeau) was in Scarborough in March, 1972, he told a large audience of electors that if 51 per cent of the people in the area affected by this airport were opposed to its construction, the government would not force it upon them. He did not say how he would find out that 51 per cent were opposed; nevertheless, he made that commitment. According to a newspaper survey taken by a Toronto daily last spring, 56 per cent of the Toronto people interviewed do not want this airport. Only 26 per cent of those interviewed spoke in favour of it.

As there is such evident opposition to this airport, it is absolutely mandatory on the part of the government to instruct, authorize and finance this board in such a way that it will seek to deal more actively with the fundamental questions that concern the people of the area. It should ask, namely: Does the public want Pickering airport? Should the airport be built at this particular location?

Let me give one further reason why it is absolutely necessary for a board of examination to do this work. Citizens groups should not do it for them. A recent study of the land to be used for this proposed airport shows that it is almost all prime agricultural soil. At a time of world food shortages it is surely unconscionable to take out of production land that should be used to grow food. In the study by two members of the Department of Land Resource Science, University of Guelph, the following claim is made:

> Agricultural land is the world's most valuable resource . . .
>
> To lose the best land is to lose the capacity to feed and trade . . .
>
> In the years from 1951 to 1966 the farm population in southern Ontario and the number of farms declined by 26.3 and 24 per cent respectively.

Surely, in light of that trend, it is incumbent on the government to reverse direction and not, as it proposes, to pave over still more prime farmland. While such a decision might have been excusable a few years ago, it cannot be excusable any longer. We are living in a time of nutritional crisis, and it is a time for the government to act. Here, surely, is an opportunity for action. The government should instruct and fund the board of examination to authorize studies on all aspects of the basic question, which is: Should this land be diverted from food production to air transportation?

According to the report referred to, "Pickering township is capable of supporting a productive agricultural industry on a continuing basis." If that is so, and scientific opinion so concludes, the government cannot rightly take this land out of food production unless there are overwhelming reasons to justify it. That alone should require the board of examination to take the initiative instead of waiting for citizens to do its work.

In Chicago, O'Hare Airport handles seven times the traffic which Malton handles, yet O'Hare officials say that no expansion is planned until 1990 despite that airport being about the same size as Malton: it has about the same number of acres. Can we justify taking over farmland when it is clear that Malton could get us by for another 20 years? At a time when fuel shortages are causing some airlines to reduce flights, should we plan an airport expansion program as though there is no fuel crisis, no possibili-

ty that there will be a fall-off in airline use, and do so at the price of removing 17,000 acres from food production?

As we are faced by the challenge that confronts us at a time of world food shortage and the fact that we are in danger of interfering with prime agricultural land, the government is under the absolute obligation to further enlarge the terms of reference of this board so that it may carry out adequate studies. It should initiate, fund and conclude these studies in such a way that the public will be satisfied that if an airport is to be built it is absolutely the only option open to the government. Otherwise, the government cannot justly go ahead with its proposal.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member knows as well as I what the inquiry will do, but I will answer his question. On June 22 when the hon. member for Scarborough East (Mr. Stackhouse) put his original question to the Minister of Transport (Mr. Marchand), his concern was that the airport inquiry commission would not have the power to study need and location.

Since that date the commissioners have been appointed and the terms of reference they have been given specifically relate to need and location, among other factors, allowing them the very broadest terms of reference. I very seldom read anything into the record on the "late show", but to put the record straight I would like to read the pertinent parts of the terms of reference. The commissioners will:

—receive and record new evidence, if available, and, if available and adduced, to report on such new evidence in response to the following questions:

(a) respecting need,

(i) is there any new evidence as to what is the expected maximum passenger traffic volume in the domestic, transborder and international air traffic markets for the year 1980 and what are the best estimates of rates of growth beyond 1980, and

(ii) is there any new evidence that Toronto International Airport, Malton, can be expanded or reconfigured, within present boundaries, to meet all reasonable needs, having regard to runway capacity, ground access, terminal capacity and the number of people affected by disturbance from flight operations for the period up to 1980, 1990 and 2000;

(b) respecting location,

is there any new evidence to prove that the site near Pickering, Ontario is not suitable for the new international airport for the central Ontario market having regard to

(i) disturbance from flight operations,

(ii) passenger convenience,

(iii) regional economic effect,

(iv) total environmental effect, positive and negative, and

(v) facilities required, including related infrastructures such as roads, railways, guideways and helicopter facilities, and

(c) generally, is there any new evidence of any relevant factor that has not been considered by the Government of Canada, such, for example, as established facts on technology or travel habits, that may appear to affect any decision of the Government of Canada taken to date.

This is what the board has been given to study. I am sure all members have a copy of the authority given to the board. The commission is headed by Mr. Justice Hugh F. Gibson, of the Federal Court of Canada. These are not just fly-by-night fellows who have been appointed. Members are former metro Toronto planning commissioner Murray V. Jones, president of Murray V. Jones and Associates Ltd., and Dr. Howard Petch, vice-president (academic) of the University of Waterloo and former member of the Science Council of Canada. This is a distinguished group of men whose integrity and independence are beyond challenge.

Motion agreed to and the House adjourned at 10:32 p.m.

HOUSE OF COMMONS

Friday, November 9, 1973

The House met at 11 a.m.

[*English*]

PRIVILEGE

MR. ALEXANDER—INCORRECT ATTRIBUTION BY "GLOBE AND MAIL" OF CERTAIN STATEMENTS TO MINISTER OF MANPOWER AND IMMIGRATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I rise on a question of privilege which I think will be of interest to all members of the House. I am sure that after I have related the facts Your Honour will find in my favour.

The Minister of Manpower and Immigration (Mr. Andras) made a statement on November 7 dealing with the Unemployment Insurance Act and it was duly reported in the *Globe and Mail* on Thursday, November 8. One never likes to question the *Globe and Mail*, but apparently statements which should have been attributed to me have been attributed to the minister.

I suggest that the statements are of some significance and I would not want to embarrass the minister. In the article, the Minister of Manpower and Immigration is reported to have said:

> I should like to say that one of the most disastrous things we have done in this House is to remove the $800-million statutory ceiling because this means that the members of the opposition and the people of Canada can never tell in what state the Unemployment Insurance Fund is at any particular time unless the minister stands up and makes a statement.

But that is not all. I questioned the disincentive aspects of the bill. In that regard the statement is reported to have been made by the minister:

> This is a question which has been asked by employers across this country who advise that the disincentive aspects of the bill, in fact, are eroding the free enterprise system.

There is a further statement of some consequence that I think would be embarrassing to the minister. I indicated that because of government mismanagement the minister had found it necessary to increase the employee contribution to $1.40. The following statement is also attributed to the minister:

> This is an unwarranted tax because of government mismanagement.

Finally, there is this last and most important statement. I reviewed the entire matter and, keeping in mind the lack of significant projections as to the cost of the scheme and the amount of the benefits, I concluded with this statement which is also attributed to the minister:

> In every instance the government is wrong and that is why I say this bill which, in the first instance the members of this House thought would be a good bill, is a fraud of some significant proportions upon the House of Commons and the people of Canada.

I think this is a matter of some significance. I know I speak on behalf of the Minister of Manpower and Immigration when I say that this is certainly a question of privilege. Through Your Honour's good offices, perhaps the *Globe and Mail* could be instructed to make another run at the matter in order to show the true facts. I am sure the minister may have some misgivings about the work of the Unemployment Insurance Commission, but I do not think he has the gall or the nerve to stand up and make the statements I did.

Mr. Speaker: Order, please. The minister will, of course, be recognized, even though I am not sure whether the hon. member's question of privilege is raised with tongue in cheek. Whether it is or not, I remind hon. members there is a requirement that notice ought to be given to the Chair. It seems to me hon. members have a tendency to disregard the provisions of the Standing Order which insist that notice ought to be given in advance of questions of privilege or of motions under Standing Order 26. I would hope all hon. members will keep that in mind. It is helpful to the Chair. Having said that, I appreciate the way the matter was brought before the House by the hon. member and I have no hesitation in allowing the minister to comment.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, it will be no surprise when I say that this is one of the rare occasions I would join with the hon. member for Hamilton West (Mr. Alexander), but for slightly different reasons. I totally disassociate myself and my name from those remarks of the member. Although we do not often agree, I find myself very much in parallel with the hon. member's thinking, but for slightly different reasons.

● (1110)

ROUTINE PROCEEDINGS

[*English*]

REMEMBRANCE DAY

TRIBUTE BY MINISTER OF VETERANS AFFAIRS

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I should like to remind hon. members that the day after tomorrow is Remembrance Day. It will mark the fifty-fifth anniversary of the ceasefire in the first world war.

It is the day our country officially observes as the day of remembrance for those Canadian men and women who gave their lives in the defence of freedom. In two world wars and the Korean campaign nearly 115,000 Canadians

made the supreme sacrifice. This Sunday, at 11 a.m., that sacrifice will be remembered not only in Ottawa but all across Canada and in many other parts of the world. Our allies also keep November 11 a sacred day to pay tribute to those who laid down their lives so that we and our children can live a serene and rewarding life.

There are many vacant chairs in Canadian homes today which belonged to fathers, husbands and sons who never came home from the wars. There are also many chairs which are filled by those who bear physical evidence of the scars and wounds of battle. These, also, we remember. Not just on November 11, but all through the year. The memorials we have erected to the fallen, both at home and abroad, pay dignified and worthy tribute to those whose names they commemorate. We are proud of them just as we are proud of the ways in which the people of this country have always acknowledged the debt which is owed to those who survived.

I feel that Canada, in her remembrance of both the living and the dead, has respected and honoured those who served in as fine a way as any country in the world. I feel we have caught the torch which was thrown to us in the immortal words of John McCrae. Let us for ever hold it high.

Some hon. Members: Hear, hear!

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, on behalf of my party I am happy to endorse the statement just made by the Minister of Veterans Affairs. As a matter of fact, as Your Honour will recall, I spoke to you this morning to indicate that I intended to rise to make a motion on this subject. I therefore heartily endorse the minister's statement.

I hope the ceremonies on the fifty-fifth anniversary of the ending of the first world war will remind the government that there are still some inequities in the veterans legislation. I know that the 52 members of the House of Commons who are war veterans realize this and will dedicate themselves to fulfilling the obligations that successive prime ministers have undertaken to the veterans of Canada.

I might take this opportunity to call the attention of the House to the fact that we still have among us a member of the House of Commons who is also a veteran of the first world war in the person of the distinguished right hon. member for Prince Albert.

Some hon. Members: Hear, hear!

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to associate the New Democratic Party with the remarks made by the Minister of Veterans Affairs concerning Remembrance Day. Those who will march in the parades to be held across Canada on November 11 will be remembering intimately their comrades who died in the service of their country, those who suffered in that service, all those who took part in wars which they and the country believed were necessary for the survival of our democratic system and our nation.

There are many young people today who will watch these parades with some interest and little knowledge. I hope that Remembrance Day will direct the attention of those Canadians who have no knowledge of the wars to the efforts that Canada can well make by playing an independent role in the world and trying to fulfil the obligations that those who fought and died for Canada in two great wars were trying to accomplish. We can do this effectively and efficiently by remaining independent and maintaining a peacekeeping role throughout the world, thus eliminating the suffering, loss and grief caused those who gave so much in two world wars and in Korea.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, like our colleagues in this House, we are very happy to join the Minister of Veterans Affairs (Mr. MacDonald) and all the people of Canada in paying tribute next Monday to those who died for their country.

If Canada still enjoys the total freedom that many other countries do not have, perhaps we owe it to those who are no longer among us or who gave their health and their limbs in the two previous world wars.

In the name of my colleagues and the Canadian population, I should like to thank those who gave us yesterday the freedom which we enjoy today.

* * *

[*English*]

EXTERNAL AFFAIRS

STATEMENT ON DEPLOYMENT OF CANADIAN LOGISTICS CONTINGENT IN MIDDLE EAST PEACEKEEPING FORCE

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, on November 1 I informed the House that it was my intention to meet with the Secretary General of the United Nations in New York the following day to discuss with him the composition of the emergency force for service in the Middle East. My discussions with the Secretary General were useful and served to clarify some of the outstanding issues.

The same evening agreement was reached in the Security Council authorizing the Secretary General to consult with potential contributors, including Canada and Poland who were to provide contingents which would have particular responsibility for the provision of logistic support. On November 5 following my return from the United Nations I tabled in the House the text of the Security Council agreement along with the texts of notes exchanged between the Secretary General and our ambassador to the United Nations.

Our ambassador has since been holding discussions with the Secretary General, at Mr. Waldheim's request, concerning the organization and composition of the logistics element of the United Nations Emergency Force. Polish representatives have also participated in these more detailed discussions. Meanwhile, evaluation teams were dispatched to Cairo to assess the requirement on the ground.

In the light of the discussions to date, I wish to inform the House that agreement has been reached on the first phase of the deployment of the Canadian contingent. A signals unit which will provide communications for the United Nations Emergency Force will begin its departure

from Canada within the next few days. We understand the Poles will be dispatching an engineer unit as the first element in their contribution. In the meantime, the Secretary General is awaiting the final reports of the evaluation teams and continuing his discussions with Canadian and Polish representatives to determine the next stages of the logistics deployment. These discussions have, of course, even greater urgency than heretofore in light of the news that progress has been made in securing a truce and in initiating negotiations which we all hope will lead to a permanent settlement.

As Canada will shortly be dispatching a signals unit to the Middle East, I propose to bring forward in the House on Tuesday, November 13, the resolution seeking the approval of parliament for the government's decision to participate in the UNEF.

● (1120)

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, the statement made by the minister indicates that the government is preparing to go ahead with a contingent for the peace force in the Middle East. We say bon voyage and best wishes to the signals unit about to leave Canada within the next few days.

The encouraging developments this week in the Middle East make it difficult for any responsible observer to suggest any posture on our part that could in any way add an extra dimension of difficulty to the situation. However, there remain some fundamental questions as to why our government pursued participation so vehemently and why the minister felt it necessary to ensure that Canada was part of the peace force. Surely our nation's foreign policies are not so fragile as to require the biannual injections of peace force participation in order to stay healthy.

My colleagues and I will have more specific matters to raise with reference not only to our participation in the Middle East peacekeeping force but on the entire question of peace force use and our role within peace forces when the resolution is brought forward for debate on Tuesday. That Canada should respond to international requests for assistance is beyond question; that Canada should insist on participating in every international peace force is truly open to question.

[*Translation*]

Mr. Speaker, I hope that next Tuesday's debate will be a real one and not only a series of monologues like in the past.

If the minister really wants the agreement of this House, I hope he will give us all the necessary data and inform us of the position of the government and of its policy as regards a peacekeeping force. This is the only way that we shall have a useful debate; otherwise, it would be only a useless exercise.

[*English*]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, we have made it clear in the past that decisions such as the decision to participate in peacekeeping operations are of such importance that they should be referred to parliament for approval. We therefore welcome the proposed debate on the resolution next Tuesday.

At a time when the Congress of the United States is seeking to assert control of the legislative branch over major international decisions, we in Canada should make it crystal clear that although the initial decision and the negotiation of details rest with the government, the ultimate decision on major issues of foreign policy must be retained by parliament representing the people as a whole. This is essential to the working of parliamentary democracy.

We will leave comment on the decision to participate in the peacekeeping force in support of logistics services and the details of that contribution to the debate when our position can be more fully explained. Suffice it to say that in our view the more hopeful developments in the last few hours in the Middle East would have been impossible without the existence of the United Nations and the willingness of nations to make a contribution to peacekeeping forces.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, naturally we approve any attempt to restore peace wherever need be. However, we are especially pleased to see that the government will permit the House to debate this matter so that its policy may really reflect the opinion of the whole Canadian population relating to the part that our country must play in the race, if such an expression may be used, towards peace in the world and in the Middle East in particular.

* * *

[*English*]

VETERANS AFFAIRS

LAND ACT REGULATIONS RESPECTING ACQUISITION OF SMALL HOLDINGS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, Sunday being Armistice Day, I hope the House will agree to a motion which I should like to present under the terms of Standing Order 43. I therefore move, seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

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

Some hon. Members: Hear, hear!

Mr. Speaker: The House has heard the motion proposed by the hon. member for Winnipeg North Centre under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: My understanding is that there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: I believe there is unanimous consent. Therefore I will put the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

TRANSFER OF VETERANS HOSPITALS TO OTHER AUTHORITIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I should like to present a motion under Standing Order 43. As the Manitoba government has stated this week that it wants no part of the Deer Lodge Military Hospital transfer due to internal problems and a poor federal government financial settlement, I move, seconded by the hon. member for Middlesex (Mr. Frank):

That the many representations made by veterans protesting handover of veterans hospitals to provincial and/or municipal authorities be referred to the Standing Committee on Veterans Affairs for investigation.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not, and the motion cannot be put.

* * *

[*Translation*]

LABOUR RELATIONS

LAY-OFF OF WORKERS AT DAVIE SHIPBUILDING LAUZON—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to discuss a most urgent and pressing matter.

Seconded by the hon. member for Shefford (Mr. Rondeau), I move:

That a special committee of the House be set up to study the serious problem of the many layoffs at Lauzon because of a steel supply shortage and to make necessary recommendations in order to correct the situation and mostly to prevent it from growing worse.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent. The motion cannot be put.

[Mr. Speaker.]

• (1130)

[*English*]

INDUSTRY

LACK OF NEWSPRINT SUPPLIES FOR WEEKLY NEWSPAPERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that many weekly newspapers in eastern Ontario, some over 100 years old, are being threatened with extinction because of the fact that the pulp and paper industry, and the distributors and suppliers of newsprint, are refusing to supply this basic necessity to the papers concerned, thus creating a situation in which one of the fundamental natural laws of the land, enshrined in the Canadian Bill of Rights, Part I, section 1(f), being "freedom of the press," is put in jeopardy in that there will be no press, I move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That the government not grant any export licences to producers of newsprint, nor allow the selling of Canadian-made newsprint to foreign markets, until supplies of newsprint are guaranteed to all Canadian newspapers, weekly or otherwise, and any other Canadian customers.

Some hon. Members: Hear, hear!

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

MANPOWER

ALLOCATION OF FUNDS UNDER LOCAL INITIATIVES PROGRAM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Doug Rowland (Selkirk): Mr. Speaker, in light of what appear to be scandalous inequities in the constituency allocation of funds for local initiatives projects, I ask leave of the House, under Standing Order 43, to move, seconded by the hon. member for Fraser Valley West (Mr. Rose):

That the subject of the funds allocated to constituencies for local initiatives projects and the criteria employed in making such allocations be immediately referred to the Standing Committee on Labour, Manpower and Immigration for study and report not later than December 2, 1973.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

VETERANS AFFAIRS

ALLEGED DELAY IN ADJUDICATION OF PENSION APPLICATIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, I rise under the provisions of Standing Order 43 regarding a matter of urgent and pressing necessity, namely, the plight of some war veterans. I ask unanimous consent to move, seconded by the hon. member for Halton-Wentworth (Mr. Kempling):

That the many representations made by veterans showing grievance against the delays in adjudication of pension applications be referred to the Standing Committee on Veterans Affairs for investigation.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

PAY OF NURSES IN VETERANS HOSPITALS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Ellwood Madill (Peel-Dufferin-Simcoe): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask unanimous consent to move, seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

That the many representations made by federal nurses employed in veterans hospitals protesting the arbitral award of the government with regard to pay matters be referred to the Standing Committee on Veterans Affairs.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

TRANSPORT

SAINT JOHN-DIGBY FERRY SERVICE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, I rise to seek unanimous consent under Standing Order 43 to present a motion of urgent and pressing necessity. In view of the fact that the Minister of Transport (Mr. Marchand), in spite of an undertaking to this House two weeks ago, has so far been unable to give any statement to the House assuring the House and the people of Nova Scotia and New Brunswick of the continued operation of the Bay of Fundy ferry service I move, seconded by the hon. member for Saint John-Lancaster (Mr. Bell):

That this House instruct the government to enter into an arrangement with CPR to assure the continued operation of that service, made on a twice daily sailing for another six months, and

initiate a study by the proper authorities to determine most appropriate means for assuring continued permanent service.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

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UNEMPLOYMENT INSURANCE

CANADIAN PACIFIC SHOPCRAFT WORKERS—CANADIAN NATIONAL DOCKWORKERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, under the provisions of Standing Order 43 I rise on a matter of urgent and pressing necessity to ask the unanimous consent of the House to move a motion. In view of the lengthy delays of the Unemployment Insurance Commission in disposing of the appeals of the CPR shopcraft workers at Moose Jaw and CNR dockworkers at North Sydney, Nova Scotia, and the hardships suffered by these people, I move, seconded by the hon. member for Cape Breton-The Sydneys (Mr. Muir):

That the question of the rights of the shopcraft and dockworkers to receive unemployment insurance benefits be referred to the Standing Committee on Manpower and Immigration.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion cannot be put.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

INDUSTRY

LACK OF NEWSPRINT SUPPLIES FOR WEEKLY NEWSPAPERS

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, under Standing Order 26 I ask leave to adjourn the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the withholding by Canadian manufacturers and distributors of newsprint, the diverting of newsprint to foreign markets, and the failure to guarantee the supply of newsprint by the papermaking and paper distributing companies in Canada to the weekly newspapers of eastern Ontario, thereby constituting a danger to the freedom of the press in that there will be no press in this vital area.

Mr. Speaker: As the hon. member knows, he has given the Chair short notice under the terms of Standing Order

26(2) which stipulates that a member is required to give at least two hours notice by written statement prior to the opening of a sitting of the matter proposed to be discussed and, further, that if the urgent matter is not then known, the member shall give his written statement to Mr. Speaker as soon as practicable but before the opening of the sitting.

The hon. member did give me notice before the opening of the sitting and I am prepared to look at the matter when I have a moment to do so.

I think the hon. member knows the difficulty of the Chair in relation to the granting of leave to put a motion under Standing Order 26. Many aspects of the matter have to be taken into account according to the provisions of the Standing Order. The matter will be looked into within the next hour or so and a decision will be given from the Chair later, either at one o'clock or at two o'clock.

ORAL QUESTION PERIOD

[*English*]

CENTRAL MORTGAGE AND HOUSING CORPORATION

DISMISSAL OF EXECUTIVE DIRECTOR, POLICY PLANNING DIVISION—EFFECT ON CONSULTATION WITH MÉTIS AND NON-STATUS INDIANS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I wish to direct a question to the Minister of State for Urban Affairs. In view of the fact the minister personally gave an undertaking on September 12 to the Native Council of Canada that he and his officials would consult with them fully, and on a continuing basis, in the development of a housing policy for Métis and non-status Indians, can the minister explain how he intends this policy of consultation to succeed when a senior official of CMHC, Walter Rudnicki, is summarily dismissed from his position because he did exactly what the minister promised, that is, honoured the minister's commitment to allow the native people of Canada a meaningful—

Mr. Speaker: Order, please. The hon. member will agree with the Chair, I am sure, that a question asked in those terms is really argument, but the minister would perhaps want to reply to that part of the hon. member's question which is not argument and the hon. member could then ask a supplementary or supplementaries.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, many of the premises of the question are not correct. In reply to the principal part of the question about consultation with the Native Council, Métis groups and non-status Indian groups, there have been many consultations, and there will continue to be consultation, on the development of policies and the implementation of programs. I have, for example, an appointment this afternoon with one of those groups for the purpose of discussing housing policy in light of the problem of the native people.

[Mr. Speaker.]

Miss MacDonald (Kingston and the Islands): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister since the Minister of State has not explained the dismissal of Mr. Rudnicki. In view of the fact the Prime Minister wrote to the Native Council of Canada on February 4, 1973, assuring them that the government and its agencies would listen to the advice of the Native Council on policies and programs intended for them and "further to consult with the native people for whom the programs are designed and indeed to involve them in the implementation of these programs," can the Prime Minister say how this involvement in consultation is to take place when an official, who in good faith proceeded to involve the native people, is dismissed?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the principle of consultation is as I wrote to the Native Council, and as repeated by the minister a moment ago. On the matter of the dismissal, I think the hon. member had better direct her questions to the minister responsible for that general area.

● (1140)

Miss MacDonald (Kingston and the Islands): Mr. Speaker, may I direct a final supplementary to the Minister of State for Urban Affairs. What steps has the minister undertaken to ensure that the new housing policy for Métis and non-status Indians will not be endangered by recent events in his department?

Mr. Basford: Mr. Speaker, I am working with the Native Council, to use the existing new terms of the Housing Act most effectively and am considering and have asked my policy advisers to consider amendments and changes that can make housing policy more responsive to the particular needs of the native people, which are really twofold. First, incomes are extremely low and, second, housing is located in rural and hinterland areas. I hope to be able to produce policies for their consideration very soon.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, may I direct a supplementary question to the Prime Minister. Has the Prime Minister consulted with the Minister of State for Urban Affairs about the firing of Mr. Rudnicki? If so, can the Prime Minister inform the House whether the basis for his dismissal was a breach of cabinet secrecy?

Mr. Trudeau: No, Mr. Speaker, I cannot recollect that we discussed this matter. I repeat, the question should be addressed directly to the minister rather than skirting around it as the hon. member for Kingston and the Islands has done.

Mr. Carter: Mr. Speaker, I direct my question to the Minister of State for Urban Affairs. Can the minister inform the House why Mr. Rudnicki was fired from his job?

Mr. Basford: Mr. Speaker, I want to make it very clear that matters relating to personnel, including appointments, discipline and dismissals, are not the responsibility of the minister but are the responsibility, clearly, of Central Mortgage and Housing Corporation.

Some hon. Members: Oh, oh!

Mr. Basford: Clearly, the responsibility and control rest with the president of Central Mortgage and Housing Corporation. It was, accordingly, the president who investigated the events that preceded Mr. Rudnicki's dismissal and who came to the conclusion that all the circumstances did in fact require the action that he took in the discharge of his responsibility for the administration of the corporation.

Mr. Alexander: Let's have an investigation.

Mr. Basford: The person involved has approached me and I asked the president to review the circumstances, which he has done. The president confirms his decision.

I am reluctant to go into details on matters of individual personnel, for two reasons. First, the person involved, as I understand it, is considering, as is his obvious right, legal action. He is also considering employment elsewhere, which I understand informally he has obtained. I do not want to say anything that would prejudice the rights of the parties to any lawsuit or the right of Mr. Rudnicki to further employment.

Mr. David Orlikow (Winnipeg North): I have a supplementary question Mr. Speaker. In view of the minister's expression of sympathy for meeting the needs of the native people in the field of housing, why will he permit the president of Central Mortgage and Housing, who has never demonstrated anything except an ability to make money, to fire the one person in Central Mortgage and Housing who had the confidence of the native people?

Mr. Basford: Mr. Speaker, neither premise of the question is correct.

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, may I direct a supplementary to the Prime Minister. Will the Prime Minister say that he will talk to his ministers about inconsistencies in their dealings with their staff, whereby Mr. Rudnicki is fired because of close relationships with the people he is dealing with and Mr. Austin is less detrimentally affected although he has close relationships with the people with whom he deals?

Mr. Trudeau: Mr. Speaker, on the first part of the question, I think it should be clear to the House and anyone who is not grossly prejudiced in this matter that the firing was not based on the fact that Mr. Rudnicki knew the Indian people and had good relations with them. He was fired after a series of events which are perfectly well known.

Mr. Diefenbaker: What is the real reason? The Prime Minister knows. This is a cover-up.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, may I direct a supplementary question to the Minister of State for Urban Affairs. Does the dismissal of Mr. Rudnicki imply that the government does not accept the policy formulations of the planning unit of CMHC?

Mr. Basford: Mr. Speaker, the government has not had the opportunity of considering those policy proposals, so I am unable to answer.

Mr. Speaker: Order, please. There are three or four members seeking supplementaries on this important matter. I will recognize the hon. member for Parry Sound-Muskoka and attempt to complete the first round of questioning, after which we will return to this matter and hear all the supplementaries that hon. members may want to ask.

Mr. Darling: Mr. Speaker, may I direct another supplementary to the same minister. Will future policy formulations of the planning unit of CMHC be discussed in Cabinet without an opportunity for other discussion?

Mr. Basford: Mr. Speaker, the policy proposals will be put to my colleagues by me and will be considered by them.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—ALLOCATION OF FUNDS—GRANT CRITERIA—REQUEST FOR REFERENCE TO COMMITTEE

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In light of apparent inequities in the allocation of LIP funds to constituencies, would he be prepared to ask the House for a reference to the Standing Committee on Labour, Manpower and Immigration of the matter of the allocation by constituency of funds for LIP projects and the criteria which have been employed in making those allocations, and would he agree to appear before the committee and provide that committee with a list of the allocations made?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will take note of the representation. I note also that the question of allocations and the criteria is on the order paper, and I will be addressing myself to that. The supplementary estimates of the department will shortly be before a committee, and I certainly anticipate that this question will be dealt with. I will welcome the opportunity to put it on the table before the committee at that time.

Mr. Rowland: Can the minister assure us if he makes an appearance before the Miscellaneous Estimates Committee during consideration of the supplementary estimates of his department, that the figures, constituency by constituency, of the amounts of money and the criteria will be made available to the members of the committee and that his officials will be there to defend their position?

Mr. Andras: Mr. Speaker, that would be my intention. I point out that the expenditures under last year's Local Initiatives Program were made available in response to a question on the order paper, and that is what I would intend.

LOCAL INITIATIVES PROGRAM—STATISTICS USED TO ESTABLISH GRANT CRITERIA

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, may I direct a supplementary to the Minister of Manpower and

Immigration. Since he admitted to the House yesterday that labour force survey figures were an inadequate basis for LIP grants and allocations and told us that, instead, they were based on an accumulation of data at Canada Manpower Centres, and since I have discovered that job applications at these centres bear little or no direct relationship to the various riding allocations and their sizes, would he tell us, when you rule out these two crucial yardsticks, what kind of base figures and statistics were used?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I do not rule out those yardsticks. In fact, I believe that their elaboration is probably much better done in the way the hon. member who asked the preceding question proposed, namely, before the committee. I will be glad to give details there on how the formula is applied.

Mr. Rose: On a point of order, Mr. Speaker, it would be very difficult for us to do what the minister suggests because we still have neither the figures nor the formula from last year.

LOCAL INITIATIVES PROGRAM—POSSIBLE PROVISION OF ADDITIONAL FUNDS TO REMOVE ALLEGED INEQUITIES IN SOME CONSTITUENCIES

Mr. John Lundrigan (Gander-Twillingate): I have a supplementary question, Mr. Speaker. Can the minister confirm whether extra funds have been set aside from the public treasury to iron out the inequities in a number of constituencies?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I do not accept the premise of the question about inequities. As to the main substance of the question, no such decision has been taken. If and when it is taken, it will be announced in the normal manner.

* * *

● (1150)

[*Translation*]

COMMUNICATIONS

MEETING WITH QUEBEC MINISTER TO DISCUSS CABLEVISION PROBLEM—FEDERAL POSITION

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Minister of Communications.

Can he say whether, since November 1, the Quebec government has formally asked for a meeting with him to consider the problem of cable television and does the minister intend to revise the federal government position on this?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I have already answered that question following other ones which had been put to me on the same subject. Everything hangs now on the position that the provincial ministers and the federal Department of Communications will take at the conference to be held on November 29 and 30 next.

* * *

[*English*]

EXTERNAL AFFAIRS

MIDDLE EAST PEACEKEEPING FORCE—COMPOSITION AND NUMBER OF PERSONNEL IN CANADIAN CONTINGENT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have a question arising out of the statement made by the Secretary of State for External Affairs. First, how many men are going to be sent from Canada for the peacekeeping force? Second, inasmuch as the No. 1 combat paratroop unit stationed in Edmonton was originally put on the alert, has it been decided that they will not be sent, nor will any actual combat troops be sent as part of the force?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, perhaps I might answer the question in the reverse order. It was never the intention that combat troops would be sent. We were asked by the Secretary General on behalf of the Security Council to supply the logistics component. We are not yet certain how many will be involved because, as I said in my opening statement today, the results of the evaluation have not yet been fully assessed. The Secretary General has asked us in the meantime to send one signals unit.

Mr. Diefenbaker: How many men would that be?

Mr. Sharp: We are not quite certain how many that will involve. Perhaps my colleague, the Minister of National Defence, can answer that question better than I.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the core of the Canadian contingent will be supplied by the No. 1 Canadian Signals Regiment from Kingston. Initially, an advance party of 100 will be leaving, but we expect that over the next few days that could build up to over 400 from the signals corps.

Mr. Diefenbaker: The Secretary of State for External Affairs stated it was not intended to send combat troops. Why was it that the No. 1 combat paratroop unit in Edmonton was asked to be on the alert preparatory to being called upon to serve as members of this peacekeeping force?

Mr. Richardson: Mr. Speaker, I have explained to the House before that the No. 1 airborne regiment in Edmonton is trained not only for combat but also for a peacekeeping role. The logistics role is one of very great importance. Communications are important to the success of any military mission, and so is transportation. I think that even armchair generals like the right hon. member and myself should know that much about a military mission.

Mr. Diefenbaker: Certainly the hon. gentleman has identified himself well.

Mr. Trudeau: You are an honorary armchair general.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have a supplementary question to the Minister of National Defence. Can the minister assure the House and the country that in making up the logistics requirement for the Canadian group going to the Middle East the helicopter and other air-sea rescue strength of Canada's armed forces at Comox and elsewhere will not be reduced?

Mr. Richardson: Yes, Mr. Speaker. I have given that assurance before, and at the present time there is no requirement for Canadian aircraft.

* * *

CENTRAL MORTGAGE AND HOUSING CORPORATION

DISMISSAL OF EXECUTIVE DIRECTOR, POLICY PLANNING DIVISION—POSITION OF MINISTER

Mr. Walter Baker (Grenville-Carleton): My question is supplementary to the first line of questioning to the Minister of State for Urban Affairs. Was the minister satisfied with the recommendation of the president of Central Mortgage and Housing Corporation with regard to the firing of Mr. Rudnicki who had 18 years service or did the minister undertake to look into the matter personally before any decision was made to fire Mr. Rudnicki?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the president's action was not a recommendation, it was a decision of which I was informed, of course. With regard to the purpose of the question, do I support the action of the president, the answer is obviously yes.

Mr. Baker: In view of the answer the minister has just given, is he now prepared to apply the same standards regarding possible conflict of interest to Mr. Teron as he is apparently applying to Mr. Rudnicki?

Some hon. Members: Hear, hear!

Mr. John A. Fraser (Vancouver South): Can the Minister of State for Urban Affairs assure the House he did not know anything about the incident for which Mr. Rudnicki was fired until after he had been fired by the president of CMHC?

Mr. Basford: Mr. Speaker, the president informed me beforehand, as any good president would do.

Mr. Fraser: In order that the House may be informed as to just what happened, will the minister advise whether there was any discussion between the president of CMHC and himself from the time of the incident to the time of the firing and whether that discussion was by communication, verbal or in writing, direct or indirect?

Mr. Basford: Mr. Speaker, obviously I communicate with the president of CMHC almost daily about the whole range of activities of the corporation.

Some hon. Members: Oh, oh!

Mr. Fraser: That was not the question. A supplementary—

Mr. Baker: You are covering up something.

Mr. Speaker: Order, please. The hon. member for Vancouver South can ask a supplementary.

Mr. Fraser: Obviously members opposite do not want the truth to come out. My question was quite plain and the minister knows perfectly well what the question was. Was the minister consulted about this firing before it took place?

Mr. Basford: Mr. Speaker, I just answered that question. I told the House I was informed.

* * *

TRANSPORT

PROVISION OF RAILWAY CARS TO MOVE GRAIN TO MEET COMMITMENTS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the concern expressed by the chairman of the Canadian Wheat Board within the past two days that we probably will not be able to meet our commitments because of congestion in the country elevator system and the lack of supplies at Thunder Bay and Vancouver—indeed, Thunder Bay is at an all-time low—what action is being taken to correct this situation? Has the minister been in consultation with the man or the minister in charge of the Wheat Board?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have not been in consultation with the man in charge of the Wheat Board but with the minister responsible for the Canadian Wheat Board. I know a meeting was held with the railways a few weeks ago. I, personally, have a commitment from CNR and CPR that they will meet their commitment. If they do not, that means I was misled.

Mr. Gleave: In his discussions with CNR and CPR with regard to this problem, did the minister make inquiries with regard to the amount of Canadian rolling stock or boxcars that are in the United States and did he receive any assurance by the railroads that they would try to get some of that rolling stock back into Canada to move Canadian goods?

Mr. Marchand (Langelier): Mr. Speaker, many weeks and many months before the hon. member put the question in the House, CNR, CPR and the Department of Transport were worrying about this problem. I think that the cars now in the United States do not constitute a real problem. The time within which they are returned has been shortened considerably. The situation is improving. I think each railway has about 11,000 cars for use in the transport of grain and they are sure they can meet their commitment.

Oral Questions

● (1200)

POSSIBILITY OF PURCHASE BY GOVERNMENT OF ADDITIONAL HOPPER CARS TO MOVE GRAIN

Mr. Don Mazankowski (Vegreville): May I ask the Minister of Transport whether any consideration has been given to the purchase by the federal government of additional hopper cars, as was done last year, particularly since the Wheat Board has made such a recommendation and since there is a chronic shortage every year, not necessarily arise because of the strike this year?

Hon. Jean Marchand (Minister of Transport): I think all those negotiations have been carried on by the minister responsible for the Wheat Board, and it would be preferable to address the question to him when he is here.

Mr. Mazankowski: I asked the minister a simple question, whether the government was considering the purchase of additional rolling stock as was done last year. It requires a simple answer, yes or no.

Mr. Marchand (Langelier): And I gave the hon. member a very simple answer, that he should put his question to the Minister of Justice.

* * *

INDUSTRY

LACK OF NEWSPRINT SUPPLIES FOR WEEKLY NEWSPAPERS—SUGGESTED EXPORT CONTROLS

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. In view of the fact Canadian manufacturers and distributors of newsprint have refused to supply the weekly newspapers of eastern and other parts of Ontario with newsprint, will the minister guarantee that the government will not grant any export licences or allow the sale of any Canadian-made newsprint to foreign markets until supplies are assured to all Canadian newspapers, weekly or otherwise?

An hon. Member: Is that your attitude to oil?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): The hon. member's question reflects the serious shortage of newsprint on a world-wide basis. My department has been meeting with publishers who have run into difficulties and with representatives of the industry, and in a number of cases we have been successful in arranging supplies for those who are out of newsprint.

Mr. Dick: I asked the minister whether his department would guarantee that publishers in Canada will be able to get newsprint before we export newsprint abroad.

Mr. Gillespie: There is no intention of placing export controls on newsprint.

[Mr. Marchand (Langelier).]

EXTERNAL AFFAIRS

POSSIBLE VISIT BY PRIME MINISTER TO EUROPEAN ECONOMIC COMMUNITY—REASON FOR DELAY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question I should like to put to the Prime Minister. Now that the right hon. gentleman has visited both Russia and China, is it his intention very soon to visit the countries of the European Economic Community as the leaders of all other important industrial nations have done in the past few months? If so, does he expect to announce plans for such a visit within the very near future?

Right Hon. P. E. Trudeau (Prime Minister): I take this to be a representation, for which I warmly thank the hon. member.

Mr. Hees: As the Prime Minister knows, it is not a representation; it is a question seeking an answer on a very important subject. Now, I will ask him a supplementary. Is the reason for the unaccountable delay on the part of the Prime Minister in arranging such an important visit the fact he has been unable to obtain an invitation from France to visit that country and he is unable to make the trip unless he is first able to obtain such an invitation?

Mr. Trudeau: No, Mr. Speaker.

Mr. Hees: That is not the way I heard it.

Some hon. Members: Oh, oh!

Mr. Stanfield: It is interesting to find once in a while that members on the other side are still alive, even if it is only a matter of making noise.

* * *

ENERGY

PURCHASE OF HOME HEATING OIL BY CANADIAN COMMERCIAL CORPORATION—REQUEST FOR DETAILS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Supply and Services who indicated a few days ago that discussions were going on in connection with the Canadian Commercial Corporation purchasing home heating oil offshore. Can the minister tell the House whether the corporation is, in fact, seeking to purchase home heating oil, how much the corporation has been instructed to purchase and how much it has purchased to date?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, negotiations are continuing between a Toronto dealer and my department, and not the Canadian Commercial Corporation, and we hope to complete today the purchase of approximately 40 million gallons of distilled oil. We expect that the schedule of delivery may be flexible enough to enable us to offset about 10 per cent of the fuel shortage that we anticipate for this winter.

SHIPBUILDING

POSSIBILITY OF NEW CONTRACTS FOR DAVIE SHIPBUILDING TO PREVENT UNEMPLOYMENT

Mr. Raynald Guay (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I would like to ask a question of the Minister of Industry, Trade and Commerce.

Considering the number of layoffs occurring at the Davie Shipbuilding Limited at Lauzon, can the minister inform the House whether new contracts are going to be allocated to this firm to reassure the workers about their future?

If so, what kind of federal assistance will be granted and to whom?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): A short while ago I announced the extension of the shipbuilding subsidy program for Canadian shipbuilding. I believe this has been very successful. More than that, the Export Development Corporation has become increasingly active in this field and today it is signing an agreement with the Cunard Steamship Company Limited for the purchase of two 39,000-ton product carriers with a total value of $35 million. The Export Development Corporation will be financing 80 per cent of that purchase.

Some hon. Members: Hear, hear!

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ENERGY

POSSIBLE DEVELOPMENT OF COAL PRODUCTION IN EASTERN CANADA—REVISION OF SUBSIDY ARRANGEMENTS WITH CARRIERS

Mr. Elmer M. MacKay (Central Nova): I have a question for the Minister of Energy, Mines and Resources, Mr. Speaker. Is the hon. gentleman actively assessing measures in conjunction with the provinces for the revitalization and revival of the eastern Canadian coal industry as an important supplementary energy source? I noted yesterday that in answer to a question by the hon. member for Cumberland-Colchester North the minister suggested that coal was a provincial resource. I should like to ask him whether there are many resources that are not provincial?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): We have discussed this matter with the Nova Scotia authorities. We have indicated to them that any initiative that might be taken with regard to bringing into production again what have been, historically, high-cost coalfields lies, of course, at the provincial level.

Mr. MacKay: I have a supplementary on the same topic to the Minister of Transport. Bearing in mind the energy crisis and higher fuel costs, is the minister considering a revision of existing subsidy arrangements with carriers across the nation? Further, is he considering the granting of subsidies with respect to the possible supplying to central Canadian markets of eastern and western coal,

provided he is satisfied that the CNR and CPR are now delivering coal at reasonable rates?

Hon. Jean Marchand (Minister of Transport): All those questions are under study in various departments, including the Department of Transport.

Mr. Donald MacInnis (Cape Breton-East Richmond): I have a supplementary for the Minister of Energy, Mines and Resources. I would ask the minister whether he is aware that the Cape Breton coalfields are a federal resource and not a provincial one?

Mr. Macdonald (Rosedale): The question was asked with regard to the Cumberland County fields.

* * *

TRANSPORT

RATES FOR CARRYING COAL—REQUEST FOR STUDY BY CANADIAN TRANSPORT COMMISSION

Mr. David Lewis (York South): Mr. Speaker, I should like to address a supplementary to the Minister of Transport arising out of reports that the railways have tabled a schedule of rates for carrying coal from the west to Ontario, which a study carried out by the Ontario government shows to be about 50 per cent higher than they should be. Will the minister take steps to make certain that the information placed before the Canadian Transport Commission by the railways is made public and that the CTC undertakes its own study immediately of the cost of transportation of coal from western to central Canada?

Hon. Jean Marchand (Minister of Transport): I will surely look into that. The hon. member will, no doubt, recall what I said in the House as far as freight rates are concerned, and I will see if the action taken by the railways conforms to the statement I made. We made a commitment in the west to the effect that the provinces would be informed as to all details of railway rate structures, and I hope that one of the provinces will ask for this information.

Mr. MacKay: On a point of order—

• (1210)

Mr. Speaker: Order, please. There are only a few minutes left before the end of the question period. The hon. member for Central Nova wishes to raise a point of order. I will return to the hon. member for York South, then the hon. member for Bellechasse, and we will try to go on from there.

Mr. MacKay: Mr. Speaker, I will be very brief, and I ask for your guidance in this matter. In view of all the undertakings made in the last few months by the Minister of Transport to look into a whole multitude of matters, I wonder whether there is a provision in the rules for a whole day to be set aside so the minister can make a report on these various issues.

Mr. Speaker: The hon. member for York South.

Mr. Lewis: Mr. Speaker, I understood from the minister's answer that action to make available the facts upon which the railways are basing their freight rates has to wait until some province asks for the information. I should like to ask the minister whether he will see to it that the CTC undertakes its own study of the basis on which the railways are now trying, if the Ontario study is correct, to make quite unjustified profits out of the rather difficult situation in which Canada finds itself?

Mr. Marchand (Langelier): Mr. Speaker, I will surely ask for all the pertinent information.

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[*Translation*]

ENERGY

SECOND NUCLEAR POWER PLANT ANNOUNCED BY QUEBEC HYDRO—CONSTRUCTION OF ADDITIONAL HEAVY WATER PLANT

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of Energy, Mines and Resources.

Since Quebec Hydro has announced the construction of a second nuclear station and since the first one has been slowing down due to some difficulties in obtaining heavy water, can the minister tell the House if he will soon announce the decision of the government concerning the construction of another heavy water plant?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have not taken any final decision on that matter, but the announcement will soon be made as mentioned by the hon. member.

* * *

[*English*]

INDUSTRY

NEWSPRINT—REQUEST FOR ASSURANCE OF SUPPLIES FOR WEEKLY NEWSPAPERS—SUGGESTED INQUIRY INTO ALLOCATION AND PRICING POLICIES OF MILLS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is supplementary to the question asked by the hon. member for Lanark-Renfrew-Carleton. It is addressed to the Minister of Industry, Trade and Commerce and is a little complex. In light of the fact that most weekly newspaper operators use letter press and most of those operating in Ontario use offset and require sheeted newsprint, and also in light of the fact that the mills have put all the people engaged on conversion of rolled newsprint and sheeted newsprint on last year's allocations generally, what particular steps is the minister taking to make sure that vast numbers of weekly newspapers in Ontario are not forced to cease publication in the near future?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, as I mentioned earlier, my department has been in consultation with all of the parties involved.

[Mr. Speaker.]

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a supplementary question which I will address to the Minister of Consumer and Corporate Affairs since I am not having much luck with the other minister. Is the minister's department looking at the question of the allocation of newsprint and also at the pricing policy of mills?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, it would be possible for the combines branch of the department to look into these questions only if they appear to pertain to possible breaches of the act. I would be very happy to have the director's attention drawn to any evidence that might indicate such breaches.

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AIR CANADA

POSSIBLE CURTAILMENT OF FLIGHTS TO EASTERN CANADA—GOVERNMENT POSITION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Transport. I wonder whether the hon. gentleman could advise if, as a result of a possible fuel shortage, Air Canada has any plans to make drastic cutbacks in the number of flights servicing the Atlantic provinces?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I asked for a report on this a couple of days ago, and they said that at the moment they do not envisage any curtailment of service.

Mr. Muir: In view of the fact that service to the Atlantic provinces at the best of times is not good, would the minister further suggest to the president of Air Canada that if there have to be any cutbacks they should be in trans-Atlantic flights, not in domestic flights to the Atlantic provinces?

Mr. Marchand (Langelier): Mr. Speaker, I think we should protect, as we have up to now, Canadian citizens first before giving service to others.

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COMMUNICATIONS

JOINT USE OF POLES BY TELEPHONE AND CABLE TELEVISION COMPANIES—REASON FOR DELAY IN DECISION BY CANADIAN TRANSPORT COMMISSION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of Communications and would have been supplementary to an earlier one, but I will try to ask it in any event. Since the Quebec telephone companies this week appeared before the Régie des Services Publics of the province of Quebec upon the same issue that was considered by the Canadian Transport Commission last February regarding joint use of telephone poles by telephone companies and cable television companies and there still has not been a decision, would the minister check with the chairman of the CTC to see

whether he is still alive, well and functioning and find out the reason for the unconscionable delay, or has he been instructed not to bring forward a decision until the constitutional conference at the end of the month or until the Régie des Services Publics brings forward its decision?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I have already made that check and the reason for the delay in the decision is that it is one which is not easy to make. I have had an indication from the CTC that it will be out around the fifteenth of this month.

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VETERANS AFFAIRS

SUGGESTED NEED FOR INCREASE IN CEILING ON HOUSE CONSTRUCTION UNDER VETERANS LAND ACT—GOVERNMENT POSITION

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, my question is for the Minister of Veterans Affairs. In view of the fact the $18,000 ceiling for house construction under Part II of the Veterans Land Act will little more than lay the foundations for a house, will the minister bring forth amendments to raise the ceiling under the Veterans Land Act?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): I will take that under consideration, Mr. Speaker.

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FINANCE

CONTROL OF FOREIGN OWNERSHIP OF BANKS AS WELL AS FLOW OF FUNDS—GOVERNMENT ACTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Finance. In view of the fact the minister said recently that he was considering strengthening the foreign ownership regulations pertaining to Canadian banks after it was revealed that the Chase Manhattan Bank and Bank of America were now active in Canada, and in light of the fact that Bank of America has now purchased a 20 per cent interest in Montreal Trust, which is connected with the Power Corporation, can the minister say whether or not he has now decided to tighten the foreign ownership regulations pertaining to banks and financial institutions?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we are, of course, looking at this question as we move toward a revision of the Bank Act. The particular transaction which the hon. gentleman mentions relates to the purchase of shares of a provincially incorporated company over which, at the moment, we have no control.

Mr. Crouse: I have a related question.

Mr. Speaker: Order. We have just about reached the end of the question period. The hon. member for Yorkton-Melville will be recognized for a supplementary, followed by the hon. member for Fort William.

Mr. Nystrom: Mr. Speaker, I have a brief supplementary. In view of the fact that a large bulk, perhaps up to 50 per cent, of funds lent by Canadian banks go to foreign corporations either within or outside of this country, can the minister say whether or not he is considering any investment controls to keep a larger share of these funds available for Canadians?

Mr. Turner (Ottawa-Carleton): I think the flow of funds goes both ways. The assets and liabilities held by Canadian banks abroad, which amount to about one-quarter of their holdings, also result in a wider money market in Canada.

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TRANSPORT

TRANS-CANADA HIGHWAY—ABSENCE OF PAVED SHOULDERS IN NORTHERN ONTARIO PORTION

Mr. Paul E. McRae (Fort William): Mr. Speaker, my question is for the Minister of Transport. In view of the fact that the section of the trans-Canada highway through northern Ontario is probably the only section of this national highway that does not have paved shoulders, and in view of the fact the absence of such paved shoulders increased greatly the hazards to drivers, will the federal government take the initiative to bring the trans-Canada highway up to uniform standards through northern Ontario?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think the agreement under which the trans-Canada highway was built has now expired. We know that this problem exists and it is being studied by my department in conjunction with the roads department of Ontario. We hope it will be possible to find ways and means of upgrading the highway.

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● (1220)

THE CANADIAN ECONOMY

REQUEST FOR STATEMENT OF GOVERNMENT'S INTENTIONS WITH REGARD TO MEASURES TO CONTROL INFLATION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my related question to the Minister of Finance refers to statements made by the Secretary General of the Organization for Economic Co-operation and Development in Toronto to the effect that continued inflation was bringing the free market nations to the point of no return, to the point where their social fabrics could no longer bear the strain. I should like to ask the minister if he shares this opinion and, if so, what steps he plans to take to end the present trend of printing fiat money which can only lead to increasing inflation and the ultimate collapse of our present monetary system?

Mr. Speaker: Order, please. The Chair has reservations about the form of the question. The hon. member is inviting the minister to express an opinion and to make a

statement which ought to be made on motions. I recognize the hon. member for Peel-Dufferin-Simcoe.

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PUBLIC SERVICE

ARBITRATION AWARD TO NURSES—GOVERNMENT POSITION ON IMPLEMENTATION

Mr. Ellwood Madill (Peel-Dufferin-Simcoe): Mr. Speaker, my question is directed to the President of the Treasury Board. Has the Professional Institute of the Public Service resolved the remuneration situation for nursing staffs across Canada in our veterans hospitals and, if not, why not?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the answer is that the final award by an arbitral tribunal is being carried out.

ARBITRATION OF SALARIES OF CLERICAL STAFF—GOVERNMENT POSITION IN LIGHT OF SALARIES RECOMMENDED FOR MANAGERIAL LEVELS

Mr. Bill Knight (Assiniboia): Mr. Speaker, my question is also for the President of the Treasury Board. In view of the fact that the executive advisory council made up of the heads of corporations in Canada recommended at least a 20 per cent increase in the upper echelon or managerial levels of the civil service, and in view of the fact that arbitration is coming about for the clerical staff and the government's most recent offer is in the area of 7 per cent, would the minister inform the House if the government intends to send the report of the advisory council to the arbitration board to use the evidence the council presented in deciding on the salaries of the people in the lower echelons?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the arbitral tribunals have at their disposal a very competent pay research bureau financed jointly by the employees and the government.

Mr. Knight: A supplementary—

Mr. Speaker: Order, please. We have reached the end of the question period. I apologize to the hon. member but there are a number of members seeking supplementaries and I stretched a point in allowing the hon. member for Assiniboia to ask his first question. I have no alternative at this point, five minutes later, but to call orders of the day.

Mr. Rowland: On a question of privilege, Mr. Speaker, during the course of his answer to me this morning the Minister of Manpower and Immigration indicated that he had given information respecting the allocation of LIP funds by constituencies under the program in the past year, in response to an order paper question. That order paper question is mine. It was placed on the order paper on February 28 and it has not been answered. In light of that, I think the very least the minister could do is to see that his answer appears on the next occasion that order paper questions are dealt with in the House.

[Mr. Speaker.]

Mr. Andras: Mr. Speaker, it simply was my understanding that the information had been given. If I am out of date I will certainly correct that, but it was my impression that it had been done.

GOVERNMENT ORDERS

[*English*]

FOREIGN INVESTMENT REVIEW BILL

PROVISIONS RESPECTING ACQUISITIONS OF CONTROL OF CANADIAN BUSINESS ENTERPRISES AND ESTABLISHMENT OF NEW BUSINESSES

The House resumed, from Wednesday, November 7, consideration of Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and motions Nos. 2, 3, 4, 5 and 6.

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, I am pleased to be recognized at this stage of the proceedings. I am only sorry that I was not recognized a minute or two ago for a question that I felt was very important to my constituents.

As I began to say on Wednesday in this debate, the bill before us has an underlying objective which all Canadians can support. That objective is the encouragement of Canadians to own Canada, to take up the challenges of developing our own research, to develop in all parts of the country the managerial skills, the research and development facilities and all the domestic infrastructure necessary to enable this country, its people and its commerce to stand on their own feet and be truly Canadian.

In the past, foreign investment has been welcomed and we owe a major proportion of our high state of development and our high standard of living to that fact. Our situation is very similar to that of Australia where the Prime Minister, in a speech to the House of Representatives in that country, said the following:

> Overseas capital has played a vital role in Australia's development. It has added considerably to the resources available for our growth. It has brought with it valuable technological know-how and access to overseas markets. It has created new industries. Australia is a large nation and a prosperous one as a result. The inflow of capital has been associated with increasing overseas ownership and control of industry in Australia. This has been one cost of the increased growth which has come from welcoming overseas capital.

Our experience parallels that very closely. A great deal of foreign investment has entered Canada because the total climate here has been hospitable to it. For precisely the same reason, domestic Canadian investment has also been substantial.

Let us look at what the government is proposing to do in our situation now, with a limited push or a substantial push from the NDP. This country has had a dynamic growth, a growth encouraged by stable government, a

satisfactory physical climate and a business climate which has encouraged entrepreneurship. In that regard, the President of Noranda Mines Limited made a speech on October 31, 1973 which I believe is significant. It conveys the attitude that our business community is developing toward the Canadian government. He said:

> The reason why Canada has received such a large share of the world's exploration effort—

He was referring to the mining industry.

> —has been our hospitable climate towards mining which has led the industry to accept a lower rate of return here than in many other parts of the world. For example, a U.S. government study indicates that average annual earnings on U.S. investment in Canadian mining returned less than 10 per cent from 1954-67 compared with 25 per cent in Latin America. However, we are losing this relative advantage.
>
> Attitudes and proposed legislation with respect to foreign ownership have reduced the amount of non-Canadian capital directed to exploration here, and this trend will likely accelerate. The long period of uncertainty regarding federal taxation policy had an inhibiting effect on the level of exploration activity while the subsequent legislation removing most of the previous incentives has lengthened the odds against finding a commercial orebody. In addition, current attitudes towards mining in certain provinces have had a severe impact on the level of exploration in large and highly prospective areas of the country.

He goes on to say that industry is facing a number of serious operating problems. He cites labour as being a problem; he cites the heavy capital and operating costs, costs of environmental controls and the incredible inflation which is taking place in construction costs. Those things, Mr. Speaker, are eroding the confidence of not only foreign investors but domestic investors in the future of the Canadian economy. What I understand him to mean is that any company interested in making money for its shareholders, as of course it must be, is no longer looking at Canada. He goes on to say that mining companies are looking at developing nations which are now establishing—and I wish the House would pay attention to this—clear-cut rules for foreign capital. While other nations, competitors of ours for international investment and for Canadian investment, are establishing clear-cut rules, our Canadian government is proposing the fuzziest possible type of legislation.

Whatever became of the idea of calling a spade a spade? Why is it not possible to define some industrial sectors which shall remain under Canadian control? Why can we not say that we welcome foreign investment in designated areas compatible with a generally outlined national industrial strategy? Why can we not develop national industrial rules based on regional and national needs with a voluntary input, a strategy which would enable the government to set out some form of guidelines and firm guidelines that would provide some permanence for both foreign and domestic investors?

● (1230)

This bill does not do that. This bill is not constructive. This bill provides for regulations and control. It intends to rationalize the Canadian industry. It confirms this government's determination to keep on tinkering with what is left of our free market economy until it is totally destroyed. Furthermore, this bill is a measure to provide the executive branch of government with a power to be wielded in a discriminatory, damaging, uncertain and arbitrary manner. It is further evidence to the people of this country, and to the business community, that this government has one firm, unswerving and continuing policy, that is its total devotion to ad hocery. Our party, and specifically my colleague the hon. member for Central Nova (Mr. MacKay), has made amendments to this act which would provide an assurance of input from provincial authorities. Those amendments go some distance toward removing some of the grosser uncertainties. At least a potential investor might be assured that a plan approved by the province had some reasonable chance of avoiding the consequences of the minister's regal whim.

I ask members in considering this bill to consider that we are not a unitary state, that we have regional aspirations, that investment capital does not flow from the financial capitals of this country to the hinterland, as it might. We have differing regional interests within the national framework. In this context, it is not proper to ask provincial governments to forsake their own responsibilities for property and civil rights.

The Canadian Bar Association made a submission to the government with regard to this bill. I do not have the original submission, but I have a quotation from the *Financial Post*, from an editorial including this paragraph:

> Indeed, Ottawa is on shaky constitutional grounds on its provisions to restrict sales made to foreigners. As the Bar's brief says, "the right to dispose of one's property is ordinarily within the provincial jurisdiction of the Property and Civil Rights power as enumerated in section 92 of the BNA Act.

There is that consideration which, I believe, adds some uncertainty to the whole impact of this act.

Then, we come to the subject of "significant benefit". The interpretation of the provisions of the bill and of the words "significant benefit" will vary greatly depending on the eye of the beholder. Coming from a region that is one of the have-nots, it will be difficult to convince myself that this government, hived as it is in central Canada, propped up as it is by the NDP which gathers its support from central Canada, can exercise that detached and objective judgment which would be required to administer this power, this power which means development or no development, progress or stagnation in different regions of this country.

Even if the minister is totally fair, totally unbiased, the biggest fault will still remain— the total lack of guidelines. Business is still left to guess whether or not it is safe to move. Uncertainly will be their greatest hurdle. Can we trust this coalition government to make objective decisions in any event? Can we trust them to be fair?

Some hon. Members: No.

Mr. Haliburton: These spokesmen say we cannot. I would remind the NDP that it was the Liberal party in power that established policies whereby foreign investment in this country has reached $60 billion. It has, after all, been in power for the past 75 years with three short breathing spaces. Now, they have had a conversion. They want to buy Canadian.

Furthermore, they say they will be happy to consult, even though the legislation does not require it, with the provinces in these matters. But I ask you: where was consultation over offshore oil rights off the Atlantic coast?

Where was consultation with regard to the development of the tar sands? Where was consultation when it was decided by the Minister of the Environment (Mr. Davis) to terminate certain fisheries off the Atlantic coast, and where was consultation when the export tax was imposed on crude oil? No, they will not be consulting; they are the government of confrontation.

I was interested in listening to the hon. member for Oshawa-Whitby (Mr. Broadbent) on Wednesday. He said we can trust the government. He said that they are more reliable than the provincial governments which are blindly clamouring for industries based on foreign capital. He seemed to feel that foreign investment was tainted in some way, that is unless it was invested in his riding. He comes from an area of Canada where, in all probability, growth will continue by virtue of its own momentum. He complained recently about the failure of the federal government to demand that U.S. companies invest more money in the Canadian auto industry in Ontario. I suspect he might also be favourably disposed to increased tire manufacturing in his area under foreign ownership. But he says no to foreign investment in the Maritimes. If it is a Michelin tire plant or a Volvo automobile plant, where does he stand on that?

As I said a moment ago, significant benefit is all in the eye of the beholder. It is not of any significant benefit to Canada to have the NDP continue to prop up this government in view of the discretionary power given to the minister in this bill and that may well be the cause of the poorer provinces of this country losing industrial opportunity. It is not of any significant benefit to Canada, I submit, to have the Atlantic area continue perpetually to rely on central Canadian manufacturers for its manufactured goods. That may well be the price we pay if this bill passes in its present form.

Speaking of significant benefit a little further, this provision seems to be putting the wagon before the horse. Why should the onus, in determining whether or not it is of significant benefit, be on the investor? Why should he, in effect, be required to enter into the Canadian scene, to orient himself to Canadian commercial and social values to such an extent that he can judge the proposal to be made in terms of whether or not it would be of significant benefit to Canada? Rather, the onus should be on the controlling authority, the onus should be shifted to the government, to the minister, as it is in Australia where a similar type of judgment is made by an independent authority. In Australia, however, having been judged by the independent authority, the investment will be rejected only if it is determined to be against the national interest. It seems that we have the emphasis the other way round.

The adoption of the amendments proposed would go some distance toward removing the most obvious deficiencies in this bill. Providing for a provincial input in itself would ensure some objectivity and give some assurance to the investor as to the considerations to be applied to his application.

There are other actions which the government should be initiating. First, we should consider tax changes to encourage Canadians to invest at home by giving them a competitive edge on foreigners and foreign corporations doing business in Canada; second, tax changes that would make it more profitable for Canadians to invest in Canada than to invest in the same business in another country.

Some hon. Members: Hear, hear!

Mr. Haliburton: Third, consideration should be given to rebating capital gains tax when gain is realized from the sale of a business or an industry to another Canadian; fourth, positive encouragement of small business enterprises by utilising tax delay measures similar to the retirement pension programs; fifth, positive encouragement of research and development in this country, possibly by a system of tax exempt profits based on equivalents spent on research or perhaps mining and oil exploration. Sixth, and most important, this government should be taking steps to assure investors, both domestic and foreign, that Canada's laws will not be changed daily, weekly or annually so that any potential investor will know on a long term basis what regulatory controls and tax laws his corporation or business will need to face. Investors should be assured that changes will be taking place in a gradual manner rather than suddenly, overnight.

• (1240)

I conclude as I began by saying that the underlying philosophy of this bill is one which I can happily support, and which I believe most Canadians can support. The methods provided in the bill leave much to be desired. Substantial improvements will be affected by adoption of the amendments proposed by my colleagues from Central Nova, but further changes in other government policies will be required if this measure is to achieve the desired effect.

Mr. Derek Blackburn (Brant): Mr. Speaker, I do not think there is any doubt in the minds of most members of my party why we, at times, support the Liberal government, particularly in view of the speech to which we just listened. Much has been said with respect to Bill C-132 at report stage, and so I do not wish to take up too much more time at this point in the debate. However, there are a few aspects with respect to foreign ownership and domination of our economy to which I would like to address myself today.

With your indulgence I would like to reflect briefly on some of the historical aspects of foreign domination by drawing a parallel between the great era of industrial development in the United States following the war between the states, and the inflow of foreign, mainly U.S. capital, into Canada in the last two decades.

At the end of the civil war in the United States, businessmen welcomed foreign capital from Europe, and of course for excellent reasons. They needed money in order to build railways, canals, factories and so on. But, Mr. Speaker, they were very careful to make sure that the capital they sought, and indeed got, was bond capital. This meant while foreign capital poured in, the American tycoons had completed control over how the money was to be spent, and foreign investors had no equity voting privileges whatsoever. This, of course, was a real coup for the Yankee robber barons of that period.

Contrast this with the deplorable situation that has been allowed to develop in Canada in the last 20 years,

where almost all foreign investment has been in equity voting capital, and where foreign investors simply moved in and, to a great extent, took over our economy. This is why today most of our natural resource industries, and a substantial proportion of manufacturing and food processing industries, are foreign controlled or owned outright. As we all know, Mr. Speaker, the foreign investors are not to blame. They saw a good thing and took full advantage of it. We needed that capital 20 or 30 years ago, but surely the time has come when we must put a stop to any further foreign economic domination, especially when we are now dealing with huge multinational corporations whose power and influence in the world are greater than many nations themselves.

In fact, Mr. Speaker, if we do not now exercise control and restraint over the multinationals, they will soon control us. In some countries this has already happened. I can recall the statements made by the President of Mexico when he spoke to us in this House about a year and a half ago. He called upon Canada to co-operate with Mexico in restraining the fantastic powers of the multinationals, and it was my interpretation that he was referring to those based in the United States because of that country's close proximity to both Mexico and Canada.

I can also recall the number of members from all parties who applauded the Mexican President's remarks with respect to multinationals. So, Mr. Speaker, it is almost too late to regain control of our economy. In the available time left we must make every effort to repatriate our economy so that we will achieve control over our economic and political destiny, bearing in mind that we must co-operate in good faith with other national economies in the interests of greater human development and world peace. This is why my party supports Bill C-132 in principle, although we recognize some very glaring weaknesses in it. In my opinion, the bill is really not tough enough.

Before getting into the specifics of the weaknesses I would like to explode the myth, so common among most Liberals and Conservatives, that we must have foreign investment in order to develop our economy. This might have been true a couple of generations ago, although the inflow should have been bond capital, as I suggested earlier. The fact is that during the 1960's there was a net outflow, in terms of investment, from Canada. During that decade foreign firms operating in Canada sent out of Canada in interest, dividends, royalty fees, management fees and so on over $2 billion more than all the capital they imported. Of all foreign investment every year, only 6 per cent came from foreign countries and 94 per cent came from retained earnings, profits kept in Canada, and funds borrowed from Canadian banks and other financial institutions. In short, Mr. Speaker, we are in the embarrassing situation where we are selling out our own country with our own earned capital.

Contrast this situation with that of Japan. A broken and beaten nation in 1945, Japan struggled with its economy—and U.S. aid—until it has become one of the major manufacturing and trading nations in the world. And while it accepted foreign investment it made it abundantly clear from the beginning that it would be master of its own economic destiny by demanding control over its investment capital, no matter from where it came. And also by contrast, Japan in 1945 was the defeated enemy. Canada and the United States have been friendly neighbours—economically speaking I fear too friendly, but again it is our fault, not theirs. The profits made in our country should not flow out of it through the ominous channels of the multinational corporations. This capital should stay in Canada to develop the private and public sectors of our economy.

Before we quickly condemn the public sector of our economy, let us not forget that our economic development and history have not been the same as those in the United States. In many respects we could not have developed our economy in the 19th century without government aid and intervention. Many capitalists are quick to say, look at the great CPR. What they fail to say is, look at how much public funding was involved in this great enterprise. If you look at tax concessions and give-away land deals, you will see that the success of the CPR was due mainly to government intervention.

Let us look at the present, and at this bill. Let us also look at the reasons for this bill, at long last, being introduced as a much stronger bill that its predecessor which was brought in by the Liberals when they were riding roughshod, with majority government. I can recall the election of 1962 when the Chamber of Commerce published a booklet entitled "People's Capitalism." The Canadian Labour Congress was quick to point out in that election that people's capitalism referred to about 6 per cent of the Canadian public. The other 94 per cent of Canadians were not involved in any way with investment in stocks and private bonds.

From this came an exposé on foreign domination of the Canadian economy. All during the 1960's the NDP was the only party that was warning the Canadian public of the consequences of Liberal continentalism, which really meant the big sell-out to powerful multinational corporations to the south. Let me remind this House that a substantial percentage of Americans are opposed to the multinationals as well. The old war cry went up from the Liberals, great and small, that continentalism meant more money coming into Canada, which in turn meant more jobs for Canadians. It was an argument that bought votes, and when it comes to buying votes with the taxpayers' money, the Liberals are absolute geniuses.

But now the chickens are coming home to roost. As long as most Canadians were willing to swallow the Liberal line, nobody in that camp had the guts to tell it as it really was. Oh, there was Walter Gordon and more recently Eric Kierans, but the Liberal party really did not take either seriously—until, of course, last October. Now we have a tougher bill on foreign economic expansion, but a lot is still to be desired. It is very interesting, Mr. Speaker, that a public opinion poll conducted not very long ago indicated that 58 per cent of Canadians favoured the nationalization of our resource industries. I would like to suggest, Sir, that their real motivation was a fear that unless the government stepped in, all our non-renewable resources would be eventually used up, not in Canada's interest but in the interest of foreign corporations and their stock holders.

● (1250)

Bill C-132 has three basic weaknesses, in my opinion. In the first place the proposed legislation is very powerful in that it gives the minister and the chairman of the screening board too much authority to be vested in only two persons. If a minister is genuinely concerned about the harm that continued foreign control of our economy would do, his delegated power could and would, in my opinion, be used wisely to stop further foreign domination. On the other hand, Mr. Speaker, if the minister then in office doesn't care about foreign investment, the screening agency would be useless. I suggest, Mr. Speaker, that these discretionary powers should be vested in an autonomous body of economic experts, well out of the hands of a politician who happens temporarily to be a minister of the Crown.

Second, the bill pertains only to takeovers, new investment and expansion of an existing firm into a non-related area. It says nothing about the expansion of an existing firm into a related area. This is a very important point, Mr. Speaker, because most of the huge foreign corporations we have in Canada can expand easily into related fields since they control so many other companies. For example, ITT controls 58 different companies in Canada. I am quite sure, Mr. Speaker, that if ITT wanted to expand into a non-related field, it could do so through one of its subsidiaries in a related field without having to be screened.

I am also concerned that this bill, because of the confusion that will arise from defining what is related and what is not related, will affect only between 10 and 20 per cent of foreign economic and financial activity in Canada. In other words, as much as 80 or 90 per cent of foreign expansion will probably go unscreened. This loophole should be plugged, so that a company like Gulf Oil cannot expand into the toothpaste business because one of its subsidiaries already manufactures this product.

I am also concerned about one of the amendments now under discussion, specifically one introduced by the hon. member for Central Nova (Mr. MacKay), which would give the provinces a powerful voice in the screening process. In this bill we are talking about Canada and foreign economic control, not about one or two of our provinces. I can sympathize with a member who might represent a region or a province where investment capital is badly needed. Surely, it is the role of the federal government to see to it that industry locates in economically slow-growth areas. That is the responsibility of the federal government. I stress that. Let us not Balkanize our country any more than it already is. Let us use Canadian money to develop and expand the economies of slow-growth areas.

In my short speech, Mr. Speaker, I have tried to point out the need to tighten this bill and to impress upon hon. members the need to regain control of our economy. that does not mean that we must try to buy back all industries which are presently foreign owned. I am proposing forward looking policies, so that from now on we will continue to put more and more Canadian capital into Canadian investment and Canadian enterprise.

An hon. Member: You sound like a Conservative.

[Mr. Blackburn.]

Mr. Blackburn: There is little time left, as I said earlier. Let us not forget that we are not legislating in our own self-interest but in the interest of future generations, as some of those people might like to be referred to as Canadians.

I am concerned about the cultural invasion from the United States, as evidenced by our text books, magazines and some of our journals. I think something ought to be done, particularly for our young people. I am not so much concerned about those of us who are already tarnished, soiled intellectually or biased. I certainly wish to see greater emphasis placed on measures to prevent the proliferation in this country of American-owned magazines, journals, textbooks, and so on.

Some hon. Members: Hear, hear!

Mr. Blackburn: I am not anti-American when I say this. I am merely saying that it is time we started looking after our own culture and producing our own text books.

I am not a chauvinist or a flag waver, but I do have respect for my country. All I ask is that we put our house in order, and a heck of a good way to start is by regaining control of our own economy. At long last the Liberal government has opened its eyes. Let us make sure this is not just another rip-off.

Mr. Deputy Speaker: The hon. member for St. Catharines.

Mr. Morgan: Mr. Speaker, in view of the hour, I wonder if I might be permitted to declare it one o'clock?

Mr. Deputy Speaker: Is it agreed that we call it one o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Accordingly, I do leave the chair until two o'clock p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

INDUSTRY

LACK OF NEWSPRINT SUPPLIES FOR WEEKLY NEWSPAPERS—RULING MR. SPEAKER

Mr. Deputy Speaker: Before I recognize the hon. member for St. Catharines (Mr. Morgan), I wish to make the following point.

Earlier today, a question was raised with Mr. Speaker by the hon. member for Lanark-Renfrew-Carleton (Mr. Dick). He proposed a motion under Standing Order 26 to

adjourn the House to discuss the very important and urgent matter relating to the supply of newsprint to weekly newspapers. It was indicated to the hon. member that the proposed motion would be considered and that a decision would be given later this day.

The hon. member also raised the same matter of great concern by question, and brought it forth under Standing Order 43. The topic did lead, as I am now advised, to discussions among the various parties with a view to finding a method of holding a debate under the terms of some other standing order. I believe that the hon. member is satisfied that such arrangements are being attempted. Accordingly, the subject matter of his motion will not be considered further today.

GOVERNMENT ORDERS

[*English*]

FOREIGN INVESTMENT REVIEW BILL

PROVISIONS RESPECTING ACQUISITIONS OF CONTROL OF CANADIAN BUSINESS ENTERPRISES AND ESTABLISHMENT OF NEW BUSINESSES

The House resumed consideration of Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and motions Nos. 2, 3, 4, 5 and 6.

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, this is a very memorable day, two days before Remembrance Day, for a member of this House to be able to speak on the so-called foreign takeover bill. I firmly believe this affects our beloved country for which so many thousands of our native sons, brothers, fathers, husbands and other relatives died. They wanted to do something to enable Canada to become a nation, so that we could have something here which we could call our own. We have this bill before us, and I think it is a very appropriate time to be able to make a few comments on it.

In 1968, many thousands of Canadians were convinced that with the election of the Liberal government which sits across the aisle, something would be done. There was promise of fortune and fame. Expectations were high. Unfortunately, they let us down. The members of the New Democratic Party are beginning to learn now. Like slithering rats, if I may use that expression, they are leaving the sinking ship. If I may change the analogy, they are like vultures soaring over the carcass of this government that once was. They are now spiralling and soaring because the flesh is flimsy.

I am a rooky. I stand here in the back-most bench. I remember being on the hustings during the election campaign, which was not much more than a year ago. I had very interesting discussions and debates with members opposite and members to my left. Everyone was vying with suggestions as to what should be done to make

Canada belong to Canadians again. So, it was with high expectation that I looked forward to the introduction of Bill C-132. But I must confess that when I read that bill disappointment overhwelmed me. My hopes were dashed like a drowned dog. The bill means nothing but high bureaucracy. It is a piece of ad hocery such as the government has always practised when it does not know what to do. I cannot understand why they should not know better because I do not think they are really fools. They are either fools or they lack imagination, and they can let the shoe fit them as they will.

• (1410)

When we speak of foreign takeovers we are concerned basically with United States foreign corporations presently located in Canada who use their retained profits to buy out Canadian industry. Yet we are dealing in this bill with only about 20 per cent of foreign takeovers; 80 per cent are already allowed for under the provisions of the Income Tax Act. The government will not change those provisions. It sits back and wonders why things are going wrong. Surely, they have enough sense to realise that once you permit a foreign corporation to use its surpluses to buy out more and more Canadian business—

An hon. Member: What is your policy?

Mr. Morgan: I will come to that. Hold on, Buster! They have enacted tax laws which give a break to United States corporations, family corporations, with the result that they are required to pay less income tax than Canadian corporations in the same circumstances. What happens? Of course, Canadian businessmen will sell out to Americans because the Americans can make a better profit and are able to pay a better price. In a negative approach, the kind it so often takes, the government proposes to set up a body of bureaucrats to screen takeover applicants. Isn't that jolly?

But does this give the Canadian people any incentive to invest in their beloved country? I think we have one of the best records for savings per capita of any nation in the industrialized world. But what does the government do to bring out these savings? Where is the incentive? An hon. member asked what I would do. I would change the legislation as it pertains to retained surpluses so that foreign corporations could no longer use those surpluses to buy out Canadian corporations. That is one positive step I would take.

Then, I would give the Canadian people economic incentives to use the savings they have accumulated—give them some Yankee initiative. We could learn a lot from our Yankee friends. They are risking their money. We have more money in our insurance policies and in our savings banks than any country in the western world on a per capita basis. But this government, and the governments which have preceded it, have done nothing to encourage the people to take a chance on Canada. The financial and tax policies of the government do not encourage them to do so. And surely this is the direction in which we ought to be moving, not toward a negative bureaucracy.

I will offer one or two suggestions for hon. members to consider. I might add that I am not pretending to state party policy but just speaking off the top of my head. Why

not say to a United States corporation which has a subsidiary in Canada in the extractive industry: If you intend to operate in Canada, set up your corporation on the basis of public subscription as far as shares are concerned—not a wholly-owned subsidiary, but a public corporation in which Dan Jones and Tim Buck can buy shares. Having brought about a situation in which anyone could buy shares in the corporation, you would then say to the directors: This year you process 10 per cent of your production in Canada and next year you will process 15 per cent. Keep raising the required level. In this way we could build up the secondary industries we so badly need, and those industries would be owned by the Canadian people.

About a year and a half ago the government decided to cut corporation taxes from 49 per cent to 40 per cent. This so-called fiscal policy was designed to deal with the unemployment situation. It has not worked worth a tinker's damn. Yet it should not be difficult. You say to a Canadian corporation: Increase your exports by X factor and we will give you a discount on your income tax accordingly. Doesn't this make sense? Of course, it does. This will encourage people to invest their money in Canada and surely that is the object of the exercise. You would say to a corporation: Increase the employment you provide by a factor of X and we shall cut down your income tax by Y. This would help solve unemployment and the whole of Canada would reap the benefit.

Let me give an example of what the government has done to encourage investment in Canada by Canadian companies. In doing so I should refer to that famous little body known as the Industrial Development Bank. Hon. members talk about $250,000. The average size of a loan made by the Industrial Development Bank in 1972 was $45,000. No takeovers there. In no way would the IDB help Canadians. The Yankee comes up here, goes to our bank and he gets all the money he needs. You know that, Mr. Speaker. But what do the banks say when a Canadian comes in? The answer is, no. Do hon. members realise that 16 per cent of the applicants for loans from the IDB in 1972 did not get a dime? Or that every loan in excess of $100,000 had an interest rate attached to it of more than 10 per cent, though the prime rate charged by the banks in 1972 was 6 per cent? Is this government policy? Is this the way to encourage Canadians to develop and invest in our country? I say it is shameful.

● (1420)

Mr. Foster: Keep it positive.

Mr. Morgan: I will keep it positive. I do not know where the economic policies of this government come from. It must either be from the grave or they have not been born yet.

I have one further brief comment, Mr. Speaker. My colleagues from Central Nova (Mr. MacKay) and South Western Nova (Mr. Haliburton) have covered very explicitly and learnedly the problem of the provincial governments to which we have made reference. I support their amendments. I think they are utterly necessary. A judge once said to me: "Trevor, you know where the ivory tower is", and he pointed to his head. We have five basic economic units in this country and, let us face it, Mr. Speaker, no one sitting up in the ivory tower we have here understands the problems of the Maritimes, Saskatchewan and B.C. all at the same time. These people are not gods.

Therefore, let us have a rotating committee if necessary comprised of people who know the problems of a given area. We are now faced with an energy crisis because the government failed to consult. My colleague for South Western Nova mentioned other problems that have arisen as a result of the failure of the government to consult with the provinces. If we believe in federalism, then let us make it work. But it will not work unless this government has the courage, perhaps with some embarrassment, to take its hat in hand and go to the provinces and say: "All right, maybe we were a bit high-handed and have done things that are wrong, but we believe in this federalism bit; let us get together and do the thing properly". That is the attitude the government should take. With a revolving committee examining the problems of an area we will not reach any hidebound or rigid opinions; instead, there will be a flow of personnel going back and forth who represent the various regions of Canada.

The minister said that this would amount to a veto. That is nonsense. It will simply be a case of people consulting one another eyeball to eyeball, and they stay there till somebody winks. This is what is necessary. Certainly, the government's DREE program cannot exist in the present atmosphere. The Maritimes are depressed and need capital, but Canadians are not supplying it. How are the Maritimes going to exist without it? The government must recognize these problems. What may be good for Ontario and Quebec—and I come from Ontario—may not be good for the Maritimes. I say put people from the Atlantic provinces on this committee because they will know how to deal with maritime problems.

In summary, I say the bill is negative. It is a do nothing, too little, too late measure—a cliché, I know, but nevertheless true. The government must realize that not too much time is left on our side, which is why it must be positive. We want positive programs, not negative bureaucracy. Lastly, I say let us have that consultation which is necessary with the provinces and regions so that federalism will mean something to us all.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, may I first of all indicate my support for this measure. I think it is a much improved bill over the one presented to the previous parliament. Nevertheless, it is a bill with some very great defects, and I regret that the government has not given any indication of willingness to accept the amendments that we have put forward.

Although it can be remedied through political action, I nevertheless want to point out that in its legislative form the bill has a major defect in that it does not deal with reinvestment and the further expansion of foreign ownership in this country. For instance, there is nothing in the present bill to limit the ability of the multinational oil companies to expand their operations. This, to me, is one of the most serious problems facing the country. Admittedly, many of the problems associated with ownership can be dealt with in a political way without legislation. We have had ample evidence that, if the government is prodded sufficiently by the public or by the concerned citizens on this side of the House, then it is able to act. This happened in the case of uranium. Long before this

bill, it took action against the oil industry. So, the only hope is that politically some action will be taken.

The oil industry shows the vicious effect that foreign ownership can have on the Canadian economy. I want to add one rider. I am not one who believes that power automatically goes with ownership. In my view, power is political. It is this House of Commons that possesses the power rather than the multinational oil companies. When the House of Commons or the government want to take action, action can be taken.

Nevertheless, if an indictment can be made out against foreign ownership, it is in the oil industry. We might ask ourselves, for instance, would Canada be in the mess it is in today, would it be talking about curtailing energy supplies east of the Ottawa Valley, had the industry been in Canadian hands rather than in foreign hands? I think the answer is a resounding no. We would not have been in the mess we are in today but for the fact that our oil industry is dominated by the multinational corporations.

Some hon. Members: Explain.

Mr. Saltsman: I realize, Mr. Speaker, that this calls for an explanation and I shall be very pleased to give one. Let me go back a little and recall that there are two major segments that comprise the oil industry. I should not say two major segments; there is a major segment and a minor segment. The foreign-owned corporations hold about 91 per cent of the assets in the oil and gas industries. The Canadian independents hold the remainder, with the exception of a small percentage that is held under public ownership. The policies of these two groups were diametrically opposed.

● (1430)

The national oil policy of 1961 was written for the benefit not only of Canadian independent oil producers but for the benefit of multinational corporations. The evidence is very clear from the Conservative government of that day that the purpose of the national oil policy of that time, and one which continues to the present, was to assure that the multinationals could manouevre the market to suit their own best interest. To the multinationals, it makes no difference where the money comes from as long as they make the profit. Therefore, we negotiated a deal whereby the multinationals would ship to their subsidiaries in the United States in return for which we would import through subsidiaries in the Quebec area and all eastern Canada, from the same companies. In other words, we would allow the internationals to allocate their reserves where they pleased.

The argument was that it was much cheaper but what was the consequence, Mr. Speaker? The consequence was that a pipeline to Montreal was not built. The multinationals argued that they would rationalize the market internationally. They would ship and refine where they pleased. That was supposed to have been in the best interests of Canada and that was their policy when it came to the development of the oil and gas industry of Canada.

Many of these transactions were not at arms length. The government of British Columbia is still trying to overcome the bad deal made by Westcoast Transmission for gas sales to the United States which many times were made below cost. The sales were made to a subsidiary in the United States or a company that the multinationals were associated with in the United States. They simply allocated the market in this way.

We might ask if things would have been any different if it had not been for foreign ownership. Let us look at the view of the Canadian producers. I was unhappily reminded of this when I attended a meeting recently in Banff where there were some representatives of the Canadian Independent Oil Producers Association. They told me that they had heard our party is now pushing for the Montreal pipeline. We have always pushed for that, Mr. Speaker, but they have just become aware of it. What they were really saying was, "where were you when we needed you". Well, we were there but at that time they were not paying too much attention to us. Rather, the independent oil producers were directing their energies to both the Liberal and Conservative parties in order to persuade them to build the pipeline to Montreal. They needed it because they did not have access to the American market.

Year after year they made their proposals to every member of parliament promoting the building of the Montreal pipeline saying that one day we would be in trouble on the east coast and would need the pipeline. When the oilwells of Alberta were prorated, when they overbuilt and overproduced and the Americans would not take our oil, production was cut back to 35 per cent or 40 per cent but the independents were cut back to 15 per cent or 20 per cent of production so for economic reasons a pipeline had to be built to supply the Canadian market because no other market was available. Unlike the multinationals, the independents could not play games around the world, therefore they had to depend on the Canadian market.

I am not saying for one moment that a Canadian capitalist is that much better than an American capitalist. I have been a socialist much too long to take that view, Mr. Speaker. What I am suggesting is that in this particular case the interests of the capitalists, as I think history will show, coincided with the national interest because they only had one market and they had to worry about that market. They were not diverted by what was happening in Venezuela or the Middle East because they just had this one arena in which to operate.

There is no doubt in my mind, Mr. Speaker, that were it not for foreign ownership Canada would not be facing any kind of crisis in terms of supply. The people of Quebec would not be asking themselves whether there is going to be sufficient fuel oil this winter to keep them warm. They would not be running around the world trying to buy tanker cargoes in order that there be some continuity of supply.

We have suffered enormously, but the question must be asked, did we have the money and could we have done it? Of course, we could have done it. At no time, from the figures I have been able to see, has the investment in the oil industry exceeded 4 per cent of the gross national product. Surely, a country that saves almost 25 per cent of its gross national product is in a position to develop these industries. The technology is quite simple. As a matter of fact, virtually all the work in oil development exploration is done by Canadian companies. There is an hon. member

in this House who is engaged in drilling operations. The oil company simply acts as the entrepreneur. The technology is available internationally and often the majors themselves bring in specialists. The refineries are designed by specialists who would work equally as well for the Canadian government or entrepreneur as for anyone else.

Then, we may talk about a risk. What sort of risk is involved when there is a market for the product and when you know the product is in the ground? Certainly, you may dig some dry holes but there is no risk. Certainly, if an independent operator can only dig four or five holes and they turn out badly, he is in trouble but the operator who is prepared to keep on digging is eventually going to recoup. I do not know of an instance where a major has gone broke, Mr. Speaker. I know of some independents who have, but you would have to look a long time to find any major oil company that has gone broke because of too many dry holes.

I think we have a clear indication, Mr. Speaker, of the harmful effects, the damaging effects of foreign ownership in the energy industry. That is in the past. Perhaps if there had been foreign ownership 30 or 40 years ago when this business was starting we might not have been any wiser—we might have it permitted it to proceed. But the important thing is not what happened in the past, although it could serve as an illustration of what might happen in the future; it simply means that under no circumstances should there be any expansion in the area of energy by anyone except Canadians. The multinationals must be kept completely out of any further development of our energy resources. This is particularly pertinent because of the tar sands which are now ready for development. We in this party—and I think there are many people across the country not of this party who share the view—think that these tar sands should be developed not only by Canadian ownership but by Canadian public entrepreneurship and that nothing else will serve the national interest but that.

Any provincial-righter who may follow me may comment that the resources belong to the provinces. Of course they are physically in the provinces, and the provinces have a major claim on them, but there is nothing in the suggestion of public ownership that would exclude the provinces from participation. Surely, the federal government and the provinces together should be involved in the planning and development of energy sources in the future.

I should like to point out another reason why I think the multinational oil companies should not be permitted any expansion in the field of energy. Whatever these companies may have paid in the way of provincial royalties up to this point, they have paid virtually nothing in federal taxes—perhaps 2 per cent or 3 per cent. However, for all practical purposes, they have paid almost nothing compared to the manufacturing industries or even the mining industry. Until now the oil companies have taken the position that they have not really taken any money out of the industry; all these years they have been ploughing back earnings and developing the industry, and now they are just reaching the point where their sales are exceeding their expenditures.

[Mr. Saltsman.]

• (1440)

While these oil companies are telling us this, they also neglect to tell us that they have 10 billion barrels of oil underground which, even at the controlled government price, is worth $40 billion, that is $40 billion of clear profit they they are ready to extract. They desperately need to go into high capital expenditures in order to avoid paying government taxes. They have reached the point where all the shenanigans will not do them any good and they will have to start paying tax. Nothing is more horrible to a multinational company than the prospect of paying taxes. So now they are coming to the Canadian government and saying we must give them special concessions to go into the tar sands. They say they will develop the tar sands because the incompetent Canadians will never be able to do it by themselves. They need the tar sands even more than we need the tar sands. They have to find some way of increasing their capital cost, of increasing the development and expenditure costs in order to cut down on their tax liabilities.

I do not think these multinational oil companies should be permitted to do that because, as I said earlier, they have really damaged the national economy in the most profound way and they are using it as a way of avoiding the payment of taxes. I think we have every reason to be suspicious and concern about foreign ownership in this particular case. I have been concerned about foreign ownership throughout this debate and over the last number of years. The difficulty with the debate is that foreign ownership was debated almost entirely on moral grounds, on so-called nationalistic grounds, on what I call Walter Gordon grounds. I think Walter Gordon is a great man, but in this sense he proved himself to be too great a moralist because the approach he took was that if we get rid of foreign ownership we will be somewhat poorer for it. He accepted the idea that foreign ownership made us richer, when in fact it is not true at all.

Foreign ownership and foreign investment have made us poorer. Walter Gordon took that argument as a point of departure and said to Canadians: Look, it will reduce our standard of living, but surely it is worth it in order to recover our manhood. He put it on that basis. This reminds me of the thinking of some of the old CCF'ers. I wonder how we missed out on Walter Gordon. He has a marvellous mind, but this was a faulty premise and one he never should have adopted. Unfortunately, Canadians came to believe it. They have been taking the attitude: we acknowledge that if we clamp down on foreign ownership we will become poorer; nevertheless, it is worth it because we want to be an independent nation, we want to find our own way, we want to express our manhood or womanhood, as the case may be. But in fact we have lost out both ways. We lost our independence and our economy has suffered as a result of foreign ownership.

Unfortunately, the time available to me today does not permit me to speak about other industries under foreign ownership. I believe I could make quite a good case to show that whatever industries foreign ownership has touched, those industries have been lucky to have survived. Without foreign ownership, this country would have been infinitely better off, both materially and spiritually. We could have accommodated Walter Gordon

and people like myself. Today my point is to make the argument that if we are going to have a national policy on energy that will serve the interests of this country, foreign ownership must be excluded.

I would like to read an excerpt from a report prepared by the research and development department of the Canadian National railroad in September 1962. It is entitled: "Some Implications of Marketing Canadian Crude Oil in Montreal". This refers to what I said earlier about the desire of independent oil producers to build a pipeline to Montreal. All kinds of studies were carried out around that time to see how feasible the building of that pipeline would be. In the chapter of this report entitled "Political Implications" at page 20 what emerges is that the pipeline was not built because of political blackmail from the multinational corporations and from the countries with which they were associated. I would like to quote directly from this report. It reads:

> Reaction to the pipeline, and to the resulting exclusion of Venezuelan and Middle East oil from the Quebec market by means of controls on imports, might be expected from many quarters: from the exporting countries which supply Canada; from the international oil companies, largely owned and controlled in the U.S.; from U.S. independent producers; from the U.S. federal government; and from such international organizations as the OAS and GATT.

One wonders, today when those east of the Ottawa Valley line are facing what might be a hard winter, where GATT is to help us out and where the international oil companies are to help us out. They are not around. These were the groups that apparently counselled that if Canada were to build the pipeline to Montreal and attempt to make itself self sufficient in energy, then international repercussions and censure would follow. I do not think that the CNR is a terribly radical organization, and it is not worthwhile going beyond the paragraph that I quoted because the rest of it merely confirms, enhances and enlarges upon what I have said.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, in rising to participate in this debate on Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, one knows from the outset that basically this debate has gone on in this country for the 100 years that this country has established itself north of the 49th parallel. The debate on foreign ownership, Canadian independence and Canadian identity is as old as this country. But this does not make the debate any less relevant. The problem in this debate, and its relevancy, is the bill under discussion, and I wonder about it because we are all nationalistic. There is not a thought in this bill, however, with which any member on any side of the House can disagree. We all want to be Canadians.

Some hon. Members: Hear, hear!

Mr. Nowlan: I agree with the parliamentary secretary to the minister and I echo him en français or en anglais.

An hon. Member: Bravo.

Mr. Nowlan: We can all preach, sermonize and philosophize about being Canadian and we all try to preempt members in other parties with regard to what party is the most Canadian. However, I do not want to indulge in that type of rhetoric here this afternoon at the end of a busy week by suggesting that it was the Conservative party around 100 years ago, which, through consultation and co-operation with some elements of this land mass north of the 49th parallel, developed and defined this country which is now known as Canada. This was not accomplished through confrontation, or gimmickery, or floss—and basically this bill is floss. I wonder if one day the hon. member for Nickel Belt (Mr. Rodriguez) will be so against foreign ownership that he will want the International Nickel Company to close down its smelters in Sudbury, putting him out of a job and leaving his constituents without anything in their pocketbooks. That is the type of shallow hypocrisy that comes from those to my left, those who preach pan-Canadianism. Just think of how Canadians sometimes are deluded by the CBC or by some of the PR management consultants working for the government.

● (1450)

Where Bill C-132 is on the side of all the angels is in its principle of trying to do something for Canada. But where we differ from time to time, depending on were we sit, is whether this bill is really going to do the things which obviously the minister thinks and hopes it will do. But before I come to the bill itself, Mr. Speaker, before we get caught up in the rhetoric of nationalism, and "Are you a good Canuck"? may I ask who the heck has been in charge of this country for the last 50 years but the Liberal party, except for 11 beautifull breathing years when this party formed the government.

The hon. member for Waterloo-Cambridge (Mr. Saltsman), who is one of the more imaginative, respectable, venerable, and now perhaps retiring members of this House, speaks so knowledgeably about oil and gas when talking of the energy problems facing the country. I can understand his propensity for gas, although I do not always agree with him on oil. He speaks sincerely about the problems facing this country in the energy field during the coming cold winter. And then we hear the platitudes from across the way about nationalism.

This parliament will be terminated when those who sold their philosophical soul for a mess of political pottage finally wake up to the realization that they are on a dead-end street. Who is going to vote for the NDP in the next election? We all know that NDP meant in the days of Mr. Coldwell and Mr. Douglas. It meant New Democratic Party, and before that the Commonwealth Co-operative Federation. Today NDP stands for "No Damned Principle." That is what it means, and the NDP are on a dead-end street, because in the next election Canadians will have a choice between either the government or opposition parties.

I do not stand here today and say that the opposition has all the answers or has that connection with the Divine that makes it infallible. We do not, but we can rest easy that the next general election will not be polluted with the charade of a party masquerading under the name NDP when that party has no damned principles. Some 39 of the last 50 years have been years of Liberal rule, not the classical rule of the old Liberals like the President of the Treasury Board (Mr. Drury), not the classical rule of the

Liberal party of Mr. St. Laurent and other great Liberals who contributed much to this land. Today the President of the Treasury Board may be the last Grit about whom one can draw an analogy with the movie titled "True Grit." The present Liberal party does not have policies. It is built on sandstone. I think it was the man from Toronto, Blake, who founded the Liberal party, who coined the name Grit. He said, "We are as strong as grit." The present Liberal party stands on swamp, supported by the NDP.

Mr. Hellyer: Supported by swamp gas.

Mr. Nowlan: Mr. Speaker, I know you wish me to speak on the bill, and I am coming to that, but I just wish to define the atmosphere in which we are debating Bill C-132. Was it Saul or Paul who took that journey on the road to Damascus?

Mr. Hellyer: Saul.

Mr. Nowlan: Thanks very much. Anyway the Middle East is very much to the fore these days, but never has there been such a conversion on that road to Damascus as has happened to the party opposite, the sandstone Grits. They finally realize there is a problem about the ownership of Canada, after having sold our birthright for economic pottage, for a few dollars from below the border and across the seas. Now, they try to pretend that this bill will solve the fundamental problem of foreign ownership.

How can we have a bill defining guidelines on economic nationalism when the Minister of Industry, Trade and Commerce (Mr. Gillespie) has stood in his place many times and refused to define something called a "Canadian industrial strategy"? How can you have a bill on economic nationalism which avoids and almost eliminates any consultation with the provinces that make up the flesh of this skeleton known as Canada? In all seriousness, this is a fundamental flaw, Mr. Speaker.

Now, I come to the other fundamental flaw. There is something in this bill called a foreign review takeover agency. I am glad the hon. member for Nickel Belt understands what it is. I tell him he could be confronted with some speeches of his old leader, who was a great leader. The present leader is like a chameleon; he changes according to the colour of the day. In the old days when the hon. member for Nanaimo-Cowichan The Islands (Mr. Douglas) talked about Tweedle-Dum and Tweedle-Dee he made some sense, but now we have Tweedle-Dum over here and Ho-Hum over there. That is the main problem.

But returning to the bill, which I know you want me to do, Mr. Speaker, and to the amendments, I would have thought the bill came from the hand of the President of the Treasury Board rather than from the hand of the Minister of Industry, Trade and Commerce because it is so managerial, so bureaucratic in scope that one finds it almost impossible to imagine what could conceivably happen.

I say this because not too many years ago in an earlier debate which the President of the Treasury Board will remember—I think he was a deputy minister at that time—there was great controversy over a definition in the Customs Tariff Act which gave some discretion to the minister of national revenue or the minister of finance in

interpreting something called "class or kind." I will attempt to educate the hon. member for Nickel Belt on this, if possible. In the discussion on class or kind, members of the then opposition, led by the four horsemen, Pickersgill, Chevrier, Mr. Pearson and the present government leader in the senate, Senator Martin, for day after day castigated the government and criticized and complained about the arbitrary, discretionary power that was to be given to the then minister of national revenue in interpreting the meaning of "class or kind", as applied to goods entering Canada: he could decide whether those goods or products were of a class or kind made in Canada. That was an arbitrary discretion to be exercised by the minister.

● (1500)

Under the act, the minister could exact tariffs which would prevent certain goods entering this country and thereby help industry in Canada to grow. That is what the government of the day wanted. The opposition complained that the then minister of national revenue in the government led by the right hon. member for Prince Albert (Mr. Diefenbaker) was to be given dictatorial powers. The minister was to decide matters for which there were no guidelines, no rules and no regulations. He would interpret these things according to the functioning of his digestion or his indigestion, as the case may be, and make interpretations with regard to class or kind.

What those members said in 1961, more than ten years ago, about the discretion of the minister could be said with even more conviction today. The Minister of Industry, Trade and Commerce does not need to take the advice of the foreign takeover advisory council. The minister has power to decide if foreign capital coming to this country will be of significant benefit to Canada, and he can decide this without guidelines, terms of reference, rules or regulations, according to his indigestion, good humour or, hopefully, good sense. He must make the decision.

There is a place in Nova Scotia called Point Tupper which has delivered to it oil from offshore. That is the only place where we can now get oil, the offshore mineral rights question not having been finally settled. Quebec wants to define what is an oil superport. Unless some protection is built into the act, as suggested in the amendment moved by the hon. member for Central Nova (Mr. MacKay) and other amendments which the House will consider, and unless the provinces are given the opportunity to provide meaningful input and engage in consultative procedures and processes, it is possible that the sort of deep water port contemplated at Point Tupper will be built elsewhere. Unless we are able to provide some meaningful and substantive input with respect to consultations with the Minister of Industry, Trade and Commerce as to what foreign capital will be of significant benefit to Canada, it is possible that such deep water ports may be developed in other parts of Canada. I hear that especially Ontario and Quebec want a deep water port.

You and I know, Mr. Speaker, that a political battle is being waged right now on where the next nuclear heavy water plant is to be developed in Canada.

Mr. Béchard: Tell us what happened in Nova Scotia.

Mr. Nowlan: The hon. member for Bonaventure-Îles de la Madeleine (Mr. Béchard) wants me to talk about the heavy water plant in Nova Scotia. He knows as well as I do and as well as the President of the Privy Council (Mr. MacEachen) that the plant went to Nova Scotia after a great deal of competition from other provinces, including Saskatchewan. Ontario got into the act. The plant only went to Nova Scotia because the federal government of the day helped to subsidize the plant and because the government has also spent millions of dollars to try to resurrect it. That is the story, and it is a sad story. It confirms my belief in the free entreprise system.

My friends to my left talk about a national petroleum company which would buy oil and gas, refine it, put it into the pipeline and see that it gets into my gasoline tank or furnace. I say that the longer I am in Ottawa, in the geographic as well as the political sense, and close to government, the less confident I am in the ability of the government to solve problems which the people of Canada could solve for themselves if given the leeway. That is one reason why I am concerned about this bill. Other speakers have said that the bill will lead to the establishment of more bureaucracy, that it will be negative, that it will depend upon the interpretation of one man. We on this side of the House, unlike those echoes to my left—

Mr. Rodriguez: Watch it.

Mr. Nowlan: —say that incentives will do more to help us build up the Canadian economy than the kind of patchwork bill we are considering. These incentives do not come out of thin air; they do not come in the abstract. Today we are dealing with a foreign takeover bill. We tried to deal with a similar bill in the last session. Before that we dealt with the tax reform bill, the bill that was supposed to usher in the millenium for Canadian taxpayers, individual and corporate.

What have we learned from this government which has been in office for about ten years? The hon. member for St. Boniface (Mr. Guay) stood in the House the other day and tried to polish his apple because he had not got the LIP grant he should have had a couple of years ago for his constituency. He spoke about an anniversary. He and the Prime Minister (Mr. Trudeau) were of the same class of 1965. Well, I too am of the class of 1965, but unfortunately I have been a retarded pupil.

Mr. Rodriguez: But a pupil who is not shy in coming forward.

Mr. Nowlan: I am almost as retarded as the hon. member for Nickel Belt. Seriously, I have been a retarded pupil inasmuch as I have not moved as quickly as the Prime Minister. I say that the Prime Minister would have done a better job for Canada if he and other members of the class of 1965 had spent a little more time in opposition and a little time with the people he represents, whether in his individual riding or across the country. In that way he could have developed a perception respecting the problems of this country which has nothing to do with textbooks, theory or philosophy: it involves the human element about which he has not yet learned and which you cannot feed into a computer. Before my time runs out—

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the hon. member, but his time has expired. He may continue only if he has the unanimous consent of the House.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): Does the House agree?

Some hon. Members: Agreed.

Mr. Nowlan: Obviously, this is Friday afternoon generosity. I do not intend to expand my remarks further and go into any detailed dissection of the bill. I merely say that no good will come of this bill until the government decides to bring in an industrial strategy and take part in meaningful consultations with the provinces. After all, a country is made up of many parts, just as a man is. I am a man of many parts; I have legs, arms, and so on. We are a people of many parts and we make up the political life of this land. Canada is only as strong as the provinces which make up the parts.

I have very great respect for the Minister of Industry, Trade and Commerce as a person, but as a minister he is just learning. I notice that the government whip has said something. He is becoming more of a "whipper". He knows a good deal about the machinations of members, because in this House he is a man of experience. The minister, too, is gaining experience, I suggest to the minister that he has much to learn about trade and commerce, and we shall only make progress if we include the provinces in a consultative role. We are not reassured by the examples of consultation which have taken place with respect to taxes, with respect to oil and gas policies, feed grains policies and social policies. We are not that simple even though certain people may think we are.

● (1510)

We are the ones who in the last election said that one of our first items of priority when we obtained power—and we have only been thwarted in one way—would be to have a federal-provincial conference to try to define for the people of Canada the national priorities. That type of consultative role would have helped.

I am a little involved in communications policy because my leader said that this is perhaps one area where one could be challenged. I know I am getting away somewhat from the bill, but I want to say that whether it is on energy or some other area, the word "communications" connotes conversation and consultation. The Minister of Communications (Mr. Pelletier) is not in the chamber, so I will not say anything about him personally. However, I will say something about him as a minister. Three years ago in a Speech from the Throne the government said it would define and develop a communications policy. For three years there has been a tax against the province of Quebec because in February, 1971, their minister, Mr. L'Allier tried to find a communications role for that province.

The second province that got into the act was Ontario. The Ontario minister of transportation and communications, Mr. Carton, defined where he felt Ontario should fit

into the national policy. He was followed by the Alberta minister. Then the new government—and they deserve full credit in British Columbia, where I practised law for six years—appointed Mr. Strachan as minister of communications and he is attempting to find a policy.

In this area, where there should be the greatest consultation and communication, there has been a physical vacuum: there is a fundamental, metaphysical and physical vacuum in any policy between the federal and provincial governments. After being urged by the provincial ministers of communications and some ministers on his side, the federal Minister of Communications is finally going to get the provinces together for a conference. Again, that is not the type of consultative role that we think the provinces should play in this country. The strength of this country depends on, and is defined by, how loud the provincial consultative voice can be heard.

Mr. Rodriguez: Mr. Speaker, I rise on a point of order. Would the hon. member who has just spoken permit a question?

The Acting Speaker (Mr. Boulanger): Order, please. That is not a point of order. The hon. member should rise for the purpose of asking a question. Does the hon. member agree to accept a question?

Mr. Nowlan: I will accept any question.

The Acting Speaker (Mr. Boulanger): I remind the hon. member that the hon. member who just finished speaking went beyond his time. Is it agreed that the hon. member may ask a question?

Some hon. Members: Agreed.

Mr. Rodriguez: In view of the bitterness with which the hon. member attacked this bill, would he inform the House how he intends to vote when it comes to a vote?

Mr. Nowlan: That is an easy question. I can sympathize with an easy question from an easy mind. I am going to see how my friends vote on the amendments that are laid before this House. Those amendments will give some protection and help allay some of the concern that I and other members feel about this bill. It depends on the vote on those amendments. I hope the hon. member for Nickel Belt will join me, because if he and I can vote together on the amendments, he and I will vote together on the bill.

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, when the hon. member for Annapolis Royal—

Mr. Nowlan: Mr. Speaker, I rise on a point of order. I know the parliamentary secretary did not mean to misguide or misdirect my constituency. While Annapolis Royal used to be part of my constituency—which happens to be the cradle of Canada, because in 1604 that is where western civilization began on this continent—now, because of a nefarious redistribution by the government, no longer is Annapolis Royal in my constituency. The name of my constituency is Annapolis Valley.

Mr. Breau: Mr. Speaker, I hope that intervention will not be taken off my time. The hon. member for Annapolis Valley (Mr. Nowlan) spoke about direct competition between this side of the chamber and his side without the intervention of the New Democratic Party. The hon. member and I sometimes get involved in competitions which would be unwise to mention in this House.

An hon. Member: Go ahead.

Mr. Breau: Well, not that one, but I will mention another one very close to the hon. member's heart. I am very proud of this. When the University of Moncton hockey team meets Acadia, they beat them all the time. That is the kind of competition in which the hon. member and I can in some way get involved. While he and I do not meet on the hustings, we do meet at hockey games.

It seems in this debate that the Conservative Party is trying to satisfy, or answer an element of that party which does not want any control over foreign investment in this country.

Mr. Baker: Don't be silly.

Mr. Breau: The Premier of New Brunswick is an influential member of the Conservative Party. I have read a few things the premier has said. It is to try to satisfy that type of concern that the amendments are now before the House. When he appeared before the committee, the Premier of New Brunswick said the following about the government of New Brunswick. I am glad he did not say the "people" of New Brunswick, because I happen to be one of them and I do not agree with what he said. I quote:

> We see no need for it in our region of Canada and we believe that it would prove to be harmful to our attempts to attract and to accelerate industrial development . . .
>
> How can you propose an effective national policy when it has no positive application in parts of the nation?

I underline the words "no positive application". While most of the speakers from the Conservative Party did not say this, they are trying, by bringing in amendments, to satisfy that element in their party and trying to justify voting this bill. They know the problems Canada has with foreign investment. As a matter of fact, the problems of foreign investment are as bad in New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland as they are in central Canada.

The need for foreign investment control is just as important in New Brunswick, including my constituency which has as high a rate of unemployment as can be found in this country, as in central Canada. I firmly believe there is a need for my province, my country and the federal government to have some mechanism of control, review and assessment of any foreign takeover or foreign interest which wants to start a new establishment.

Mr. Hellyer: How about a little provincial input, a little co-operation, some communication?

Mr. Breau: I will come to that. The hon. member was an assiduous member of the committee. He knows of the amendments brought forward by the minister and moved by me in committee to deal with consultative problems with the provinces. To say that the amendments proposed by the hon. member for Central Nova (Mr. MacKay) are needed to oblige the government to take into consideration

the views of the provinces is not to state the facts fairly. The hon. member knows that in many places in the bill the minister has an obligation to consult with the provinces.

An hon. Member: There is no obligation.

Mr. Breau: Will you just wait for a moment? First, there is the legislative requirement in clause 2 which provides that in assessing whether the takeover of a new establishment is of significant benefit, the enunciated economic and industrial policies of the provinces shall be taken into consideration.

● (1520)

Mr. Hellyer: As the minister interprets it.

Mr. Breau: No. That is an obligation. Read it carefully.

Mr. Alexander: No, it is not.

Mr. Breau: The hon. member for Central Nova proposes that a notice should be sent to the province concerned so that it may be aware that an application is to be made. Most of the hon. members who support this amendment are from the maritime provinces. Those members, the hon. member for Trinity (Mr. Hellyer) in particular, know very well that the province is bound to know about any project which has any real significance. First of all, if resource development were involved, a permit would be necessary.

Mr. Hellyer: Not for a takeover.

Mr. Breau: In some cases, yes. I can tell the hon. member that in New Brunswick the situation is this: permits are given to companies and if those companies are taken over, renewed approval is required from the department of natural resources. Most of the provinces have similar arrangements, I believe. Then, again, there are services to be provided—sewer, electricity, water, and so on. Some of these companies are looking for tax agreements, others must make arrangements in connection with labour training. I could go on. I might mention, also, that the notice for which the amendment calls does not merely mean notice by telegram. It covers all information pertaining to the application, because "notice" as defined in clause 8 means the whole file.

The hon. member for Annapolis Valley says he is concerned about the growing amount of bureaucracy, that he is concerned lest the administration of this bill be too bureaucratic. I wonder whether he has read amendment No. 6 which he is supporting. If he has, one wonders whether he has read clause 8 where the word "notice" is defined. The bill provides:

> ... shall give notice in writing to the agency of such proposal in such form and manner and containing such information as is prescribed by the regulations.

This means the whole file. The hon. member says he is concerned about bureaucracy. Well, I am concerned about it too, and it is for that reason I oppose the amendment. I do not want another layer of civil servants to take a file to be reopened after it has been assessed here. It may be that in some cases the whole file should be turned over and, indeed, the bill provides that if the minister believes the information should be given to the province concerned, it can be made available. I will refer hon. members to the precise clause, clause 14(2)(b). It says that any information ...

> ... for any purpose relating to the administration of this act, be communicated to a minister of the Crown in right of any province or to an officer or employee of Her Majesty in right thereof.

Sure the file can be turned over, but for the hon. member to support amendment No. 6, when he complains about bureaucracy, is self-defeating: he wishes to impose further bureaucracy.

Mr. Hellyer: You send a copy. The minister of health sends out a million copies of every speech he makes; so does the Minister of Agriculture.

Mr. Breau: Well, if you send out information you must wait for a response and it will mean another layer of bureaucracy. Remember, it was not I who brought up this question of bureaucracy; it was the hon. member for Annapolis Valley, the hon. member for Central Nova and, I believe, the hon. member for South Western Nova (Mr. Haliburton).

The hon. member for Vancouver South (Mr. Fraser) said he would like to be shown a place in the bill which imposes an obligation to speak with the provinces and listen to their views. I shall be glad to oblige him. Certain amendments were brought forward in committee, not by the opposition but by members on this side, after listening to representations from some of the provinces. We felt we should go maybe half way toward meeting their requests.

I said a while ago, and no one seemed to disagree, that a province was bound to know about any project of real significance. If hon. members will read clauses 8, 9, 10 and 11 they will understand the process whereby the agency receives an application. In clause 9, provision is made for review and assessment by the minister. Clause 9 says, on page 20, that the minister shall review (a) the information contained in the notice, (b) any other information submitted to him, (c) any written undertakings, and (d) any representations submitted to him by a province that is likely to be significantly affected by the proposed or actual investment. This means there is an obligation to consider any representation by a province.

Mr. Fraser: If the province hears about it.

Mr. Breau: I said only a few moments ago that a province is bound to hear. Can the hon. member tell me how it could be otherwise? The applicant would be bound to go to the province for some kind of service—light, power, roads, water or sewer—

The Acting Speaker (Mr. Boulanger): Is the hon. member rising on a point of order?

Mr. Fraser: Yes, on a point of order, Mr. Speaker. The parliamentary secretary has asked me a question. I do not know whether he wants an answer now. I follow him, and I think I shall probably deal with it in the course of my speech.

Mr. Breau: I would hope so. It says in clause 9 that any representations have to be considered. I agree this does not necessarily mean consultation. But there is no way in

which consultation can be defined in a statute. Let us turn to clause 11 on pages 21 and 22. It is provided here that the minister must refer these matters to the governor in council. Incidentally, the hon. member for Annapolis Valley complained that a lot of discretion was being left to the minister and said he thought this was dangerous. I wonder whether he had read clauses 8 to 12 which make it plain that it is not the minister who decides but the governor in council, the cabinet. The minister does not make a decision, as in some other instances.

I have no reason to believe the hon. member was overly concerned about the Regional Development Incentives Act, for example in connection with which the minister, not the cabinet, makes the decisions. Moreover, there is nothing in that act which guarantees that the minister responsible for DREE will come from the Maritimes. He could very well come from central Canada. He could even come from Hamilton West.

Mr. Alexander: Hear, hear!

● (1530)

Mr. Breau: Perhaps one of these days the minister for DREE will come from Hamilton West. There is nothing in the Regional Development Incentives Act to provide that the minister does not have discretion. The minister has complete discretion, something the hon. member for Annapolis Valley did not mention. Here it is not a case of the minister's discretion, but rather the cabinet's discretion; and surely the cabinet will have before it representations from across the country. If there are any particular problems in one part of the country, then the minister will have to convince the governor in council.

Supposing it is not enough to provide in clause 9 that the minister has to review and assess representations made by the provinces. If the Minister of Industry, Trade and Commerce does not want to go and speak to the provinces, then at least they can communicate with him by sending him a registered letter, or by coming up to Ottawa and speaking with him. Ministers are always free to speak to provincial ministers.

Mr. Alexander: Are you kidding?

Mr. Breau: Of course they are. Let me refer to subsection (2) of clause 11 on page 22 of the bill. At the end of subsection (2) it says:

> . . . and any representations submitted by a province that is likely to be significantly affected by the proposed or actual investment to which the notice relates.

That subsection provides that if the minister is convinced he can go ahead, he must take with him to cabinet any representation made to him by a province. The hon. member is a lawyer and surely he can read and understand that. He asked where was the obligation, and I tell him that there is the obligation.

Mr. Alexander: We will figure it out later.

Mr. Breau: Please do, because that is the obligation under the act. Hon. members say the amendment by the hon. member for Central Nova must be accepted in order to have consultation. That is nonsense; it is not true at all.

[Mr. Breau.]

I have mentioned that in the bill there are three places where—

Mr. Epp: There is an option.

Mr. Breau: Can the hon. member read?

Mr. Epp: Yes.

Mr. Breau: Has he read page 22?

Mr. Epp: I have.

Mr. Breau: Read clause 11 (2) and tell me whether there is an option there. It provides that the minister must take to cabinet any representations received from a province. There is another problem with the amendment of the hon. member for Central Nova. In establishing whether there is any significant benefit, he submits we should only consider the policies of the province where the business concerned is carried on. As a maritimer, I hope my colleagues from the Maritimes on the other side of the House will agree with me when I say I cannot accept that. I submit we must retain in the bill the wording "a province that is likely to be significantly affected". It could be the case that the business carried on in one province affects another province significantly.

We all know what is Premier Hatfield's view of this bill. He has categorically stated that he sees no need for foreign investment controls. That is what he has said in his briefs and in his speeches. I often disagree with him, and I disagree with him especially about that. I have had occasion to speak to industrialists who want to set up businesses in my constituency. They approach me as a member of parliament from the area and ask me for help, for contacts in the region, and for help at the government level in the form of a grant or loan. We have received some very good government programs.

When I speak to these people, I go beyond the criteria that are set out in this bill. In my constituency there is a large amount of unemployment and poverty. I ask them about the degree and significance of participation by Canadians in business enterprise, about the effect of acquisition on productivity and industrial activity, about the effect of competition and compatible policies. I have had people from Germany and Japan representing certain interests who have asked me for help, and I have said I would help them so long as they obtained supervisory personnel who were bilingual and from the area. That is not mentioned in the act, and these people do not run away, as Premier Hatfield said they would, because they do not want to do this. They say "Sure, we will meet those criteria". If they do not meet them, then they can bloody well stay home. If they want to come to my constituency but do not respect the criteria in this bill and other conditions—I see you are getting impatient, Mr. Speaker. Has my time expired?

The Acting Speaker (Mr. Boulanger): I was about to tell the hon. member that his time has expired. If he wishes to continue, he can do so with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Alexander: Take just three minutes.

Mr. Breau: I just want to say that if people from Japan, the United States or Europe do not like this bill, as Premier Hatfield has suggested, then as far as my province is concerned they can bloody well stay home, and I will repeat that for as long as I live.

An hon. Member: What did you say?

Mr. Breau: They can bloody well stay home.

Mr. Alexander: Watch your language.

Mr. Breau: Any industry that comes into my constituency should respect the policy of the province and, even beyond that, policy at the regional or constituency level. For example, roughly 90 per cent of my constituents are Acadian and French-speaking, and 15 per cent of those are unilingual French. Most industrialists from Japan and the United States transact business in the English language. Their technological backgrounds are English. If these people are not willing to train the people of my riding in their own language so that they can understand this technology and not just be janitors, then we do not want them.

Mr. Epp: That is what provincial consultation is all about.

Mr. Breau: The hon. member left his seat for a moment when I was explaining, and I am sure he does not want me to explain all over again what is the obligation set out in the bill to consult with the provinces. If hon. members examine other legislation passed by this parliament, they will find nowhere greater obligations than those contained in this bill.

Premier Hatfield bragged about how beautiful was the DREE program and how his province would be able to create a lot of jobs. There is nothing in RDIA which provides that the minister should turn his file over to the provinces. There is nothing in that act to provide that the minister should even consult with the provinces. But hon. members know that if a province tells the federal government that it is concerned about a DREE application or an application made to the foreign investment review agency, then the federal government will listen to that province. As I say, there is an obligation under this act that the minister, when he goes to cabinet, shall append to his recommendation any representations made to him by a province. One cannot go further than that.

Mr. Alexander: Would you vote for it?

Mr. Breau: I never vote for things on a hypothetical basis—only when I see them. If the amendment were to say that, it would be a horse of a different colour, but it does not. The amendment asks for the whole of the information to be turned over to the provinces. To me that would be overly bureaucratic and would slow down the process. As I think Premier Hatfield said at the federal-provincial conference, it would help the process to become overly bureaucratic and pompous, or something like that. In any case, what members of the Conservative Party are asking for would make this bill overly bureaucratic and would slow down the process. We are attempting to do a whole review in 60 days, and then the application is automatically accepted unless we need more information.

● (1540)

It seems to me, Mr. Speaker, that the Conservative Party, having an element within its ranks that does not want anything done about foreign investment control, has put forward these amendments to say to Premier Hatfield and others, "We are concerned about your problem and we are going to put things on the order paper to hold up debate on the bill. We cannot oppose the bill as a national party." None of them has suggested that, Mr. Speaker; they have all said it is needed. Their party and individual members from the Maritimes know there is a need for this bill.

Mr. Gillespie: But they are trying to weaken it.

Mr. Breau: Yes, they are trying to weaken it to let this element of their party believe they would have it otherwise. We did consult with the provinces on this bill, Mr. Speaker. We have an obligation to consult. Perhaps Premier Hatfield and a few other people are afraid to intervene, afraid to be tough with foreign companies. If this is against their political philosophy, I will respect the Conservatives for voting against this bill. But to try to sit on the fence on both sides of the issue, that I cannot accept.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I recognize that it is Friday afternoon, and of course that always makes debate a little more spirited in this chamber and perhaps accounts for some of the looseness in the debate to which we have been listening. I found it interesting that the parliamentary secretary made a fervent and fiery speech about the fact that if anybody from a foreign clime goes to his constituency, to la belle province or to his area, he is going to make sure that it benefits the local people. I would just ask the parliamentary secretary if he would make some inquiries over the weekend about how many bilingual helicopter pilots are operating in James Bay.

The Acting Speaker (Mr. Boulanger): Order, please. The hon. member rises on a point of order.

Mr. Breau: Mr. Speaker, if the hon. member, by "la belle province" means New Brunswick, I accept that; but I am not from Quebec.

Mr. Fraser: Mr. Speaker, I apologize to the hon. member. However, still he might be interested in finding out in la belle province just who is flying those helicopters at James Bay. The hon. member has said there are obligations under this bill for the federal government to consult with the provinces. An obligation is either moral or legal. Moral obligations come and go and vary depending on the circumstances or mood of the person who has the obligation.

In his speech the minister said there are obligations to consult the provinces. There is not a single legal obligation to consult with a single person in the government of any province under this bill. With great respect to my friend who preceded me and made a very fervent plea that such was the case, I should like to ask him to read the bill again and see if he can find any section that compels any member of the government or the tribunal to consult with anybody in a province. He says that the provincial govern-

ments' announced economic policy must be taken into account. What is the announced economic policy? Supposing somebody says they do not have one: how do you take that into account? The sections that my hon. friend referred to do not, under any circumstances, impose an obligation.

Mr. Breau: Clause 11, page 22.

Mr. Fraser: I am going to look at clause 11. But let us go back a little first. Let us take the first clause that my hon. friend referred to. Clause 9 (d) reads as follows:

> any representation submitted to him by a province that is likely to be significantly affected by the proposed or actual investment to which the notice relates . . .

Now, Mr. Speaker, how does representation get to the federal government under that section? It does not get there unless somehow, as the minister admitted, somebody hears about it, some application comes through, something happens. All hon. members know that these applications will probably be made in confidence between two or three parties, or whoever is involved, and they will not be preceded by a plethora of notice by governmental agencies whether municipal, provincial or federal before the application goes in. That is how things work.

Mr. Breau: Mr. Speaker, would the hon. member permit a question?

Mr. Fraser: Not yet. There is no compulsion upon the federal government to give notice to any province. I do not like the amount of foreign investment in this country. I do not mind the investment but I do not like the control, and if control results from the investment I do not like it. I have been living in a world where I have dealt with foreign control corporations and I know the pressures that exist. I am saying that there is nothing in this bill about consulting the provinces.

Take the other sections; they are all the same. I address these remarks to my hon. friend who made a very good speech and who is sincere. I think the minister is outside the chamber for the moment, but he was here and I appreciate that. Let me give some examples. Mr. Speaker, I see that the minister has joined our side for a few minutes.

Mr. Gillespie: I beat a hasty retreat.

Mr. Fraser: Obviously, the minister feels that he is mediating between myself and the parliamentary secretary; but perhaps it is not necessary. I am flattered that the minister would personally intervene. Let us go through the examples of why one might say it does not automatically follow that the federal government is going to consult. Where was the consideration for the provinces in Mr. Gordon's budget of a few years ago? That was torn to pieces by the government.

An hon. Member: By the opposition, too.

Mr. Fraser: Yes, and the opposition. But where was the consultation beforehand, after the interest in the white paper? Many members of this House were here then and backed that colossal sham that was perpetrated on the Canadian people. We now have a tax bill that the government called a reform—but nobody without a battery of lawyers can understand it. Where was the consultation when British Columbia was having problems with offshore resources? We now have a lawsuit on our hands. What has happened to meaningful consultation as far as east coast resources are concerned? What has happened to meaningful consultation between the federal government and the province on west coast tanker routes? Where has been the consultation in this incredible confrontation between the federal government and Alberta? Where is the assurance that there will be consultation?

● (1550)

I will give another example. When British Columbia put in a bid for the winter Olympic games and it was finally decided how much money the federal government would grant British Columbia, what happened? There was a refusal to meet with the provincial government, and a unilateral announcement about so many dollars being granted for the purpose. What about the ports in British Columbia? How many members have already forgotten the great problems of five years ago over Roberts Bank port because there could not be any meaningful consultation with British Columbia, and the provincial government had to go ahead on its own?

Mr. Breau: Who was the minister of transport then?

Mr. Bell: Jack Pickersgill.

Mr. Fraser: When you talk about how easy it is for the provincial government to deal with the federal government, let me remind you of the headlines not long ago regarding what Premier Barrett said on the port problem, namely, that he will not talk to the Minister of the Environment (Mr. Davis) any more. So much for consultation! As he said, there was no meaningful consultation.

Some hon. Members: Oh, oh!

Mr. Fraser: I want to turn now to something which all hon. members should know about, because if you have forgotten history let me tell you that this is something that is again happening right now, this afternoon, in this country and it illustrates the problem we are discussing. Some of you have already heard of Triton Industries, which is a small company in my province. Let me tell you what is happening to Triton Industries this afternoon and why it bears on this discussion. Consider what happened to the federal-provincial consultations. In 1971, Triton Industries developed a radio of considerable value to RCMP, air-sea rescue, fishing boats, etc. In April of 1971 it was advised by the Department of Transport that Triton would be placed on a suppliers' list and would be considered when this type of equipment was required.

In May of 1971 they had developed this particular radio and it was being used commercially on the west coast. By November, 1971, Triton was appraised by Sperry Rand that a large coastguard tender had been released for bid. Triton did not receive a tender from the federal government and the contract for the supply of equipment was given to an American-controlled corporation in the province of Ontario. In January of 1972 Triton was advised by the Department of Supply and Services that it was not on the list, that something had gone wrong.

Subsequent to that, a large government grant was given to the Ontario firm to develop this radio and the result was that the radio, which has only been developed now, some time later, was taken away from them. The chance to sell it and operate it was taken away completely from this west coast company because one arm of government did not know what the other was doing.

I do not blame anyone for that in a sinister sense, but if all hon. members would just take a look at that example they would realize that one cannot ever assume that people will act in the most efficient way. I am not talking about people acting in bad faith; I am just talking about human nature. Things are forgotten, things do not get done. This afternoon that company is hours away from going to American financing to bail it out. At present a message has been finally sent in desperation—the Triton people were down here to talk to the government a week or so ago, but nothing has happened—to Premier Barrett of my province saying that if they cannot get some help from the province by 4 p.m. today they will discharge at least 50 per cent of their equity control to American-controlled interests. Why is that? Because this country does not look after its own people in incentive programs or consultative programs.

Some hon. Members: Hear, hear!

Mr. Fraser: This is a classic example of what we are doing to our own people. I do not know how many examples of this sort of action exist across this country, but this matter is concrete and it is right in front of us this afternoon. That is why we say yes, we have to control our economy and our destiny. We recognize that for too long we have been prepared to sell out and take the easy road. All hon. members realize that. There is not a member on the government side or on this side who would disagree with me on this; and the public also agree.

When I say there is a defect in the act, do not tell me or my party that that is because I am in favour of the Americans taking over a company a mile or two below the southern boundary of my riding. That does not make any sense, and it is not so, as hon. members know. But we do have a problem here. All that these amendments require is that the federal government have the obligation to send a notice to the provincial governments when an application comes in.

This bill involves bureaucracy anyway, and I do not know how one can get around it until we get some experience. However, it is not difficult to bundle up a copy of an application and send it off. Second, it is not very difficult to devise a method whereby there would be representation on these particular boards when the decision involves a region or a province. You can quibble about the words but it is very hard to quibble about the principle.

The government has the capacity to bring in these amendments, and they are important amendments. I do not want to sit here any longer hearing people debate whether Alberta will secede, whether Quebec will secede or whether British Columbia will secede. This is foolishness and it is not in our interest. The tragedy is that it does not need to take place. I have been a lawyer and I know perfectly well that in the world of real affairs it is necessary that obligations be made mandatory.

There is one more thing that I wish to say before I conclude, and I ask the indulgence of the House to let me finish my argument in this way. It is all very well for the minister or for government members to tell us what this bill really means. I will give two examples to show that you cannot be sure, no matter how much good faith you have, that what is said will be done. A few years ago, when the expropriation bill was before the committee of the House, the then minister of justice when dealing with a certain section said that the rules of natural justice would apply, in spite of the fact that many members of the committee were worried about whether they would apply in favour of persons whose property was being expropriated at the time. That is what the minister said; you can find it in the committee report. However, a few months ago, the Exchequer Court of Canada decided that in such cases the rules of natural justice do not apply.

There is another instance of this. A few years ago, the Minister of the Environment, when talking about whether or not the James Bay project could possibly proceed before environmental studies were completed—you will find this in *Hansard*—said it was their understanding and the understanding of the province of Quebec that the project would not proceed until the studies had been completed. These are two examples. They demonstrate that we should not draw up legislation on the basis of pious hopes. Let us put in sound working principles and let us recognize the weaknesses we all have and the capacity for error which exists in any administrative system. Let us shore-up the bill. The principle of what I am saying is sound and sensible. It will help this country, not hinder it.

Mr. Breau: Mr. Speaker, I wonder if I could have the agreement of the House to ask the hon. member a question?

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Breau: The hon. member is right when he says there is no legal obligation to send notice of an application to the province. But of course he will agree that if a province makes representations, then there is an obligation not only to consider them but for the minister to take them to cabinet. That is clear. If an applicant believes that the province would support him and the federal government might not, can the hon. member tell me why in the world that applicant would not just telephone the premier of the province and ask him to make representations on his behalf to the minister?

● (1600)

Mr. Fraser: I am pleased that the parliamentary secretary has asked me this perfectly valid question. The answer is this. First of all, we have no assurance that without some kind of prearrangement with the provinces they will have any mechanism by which to deal with this. You can say that this will make it more bureaucratic, but it does not take that much more bureaucracy. If a company puts in an application and if we had the amendments we have asked for, it would know that the province will act, not in its favour but in the public interest, which is the way the province would have to act.

However, if the company has to go to the province itself and browbeat, push, cajole or twist arms to get the province to move, the province will have a built-in reluctance to become involved in that because it will ask: Why should we be supporting one company against another? At that time you have removed the province from the position of acting in the public interest as the result of provisions in this bill, and you get the province in the position of taking sides in applications.

If you make it mandatory that notice be given to the province, the province can then act completely on its own and can make its own decision without necessarily talking to the company. It can decide that this is in the interest of the province, that they have strong views on it, or that they have nothing to say on it at all. But if no notice goes to the province, they cannot act on it.

Mr. Deputy Speaker: Order, please. It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills.

Mr. Reid: Mr. Speaker, there have been discussions among the parties in the usual way, and I would like to announce that we will be dealing with the Middle East resolution all day Wednesday, after routine proceedings.

Mr. McKinley: Mr. Speaker, I rise on a point of order with regard to today's private members' hour. I believe it has been agreed that the notice of motion standing in the name of the hon. member for Edmonton-Strathcona (Mr. Roche) would be discussed. It has also been agreed by those involved that consideration of that notice of motion would terminate at five minutes before five o'clock, and that the five remaining minutes would be used for the purpose of sending the subject matter of private member's Bill C-143, standing in the name of the hon. member for Winnipeg South Centre (Mr. McKenzie), to committee without debate, except perhaps for a few words of appreciation from the hon. member.

Mr. Deputy Speaker: The house has heard the suggestion made by the hon. member for Huron (Mr. McKinley) regarding agreement about our procedure during the next hour, namely, that we proceed until five minutes to five o'clock with the notice of motion standing in the name of the hon. member for Edmonton-Strathcona (Mr. Roche). At that point, presumably, the debate will come to an end—one cannot foretell with what result—and the remainder of the time will be spent in discharging the order respecting the public bill moved by the hon. member for Winnipeg South Centre (Mr. McKenzie), Bill C-143, and transmitting the subject matter of that bill to one of the committees of the House. This would have to be done by unanimous agreement of the House. I think it is also understood that other notices of motions and other bills would retain their priority. Is all this agreed?

Some hon. Members: Agreed.

[Mr. Fraser.]

PRIVATE MEMBERS' MOTIONS

[*English*]

ECONOMIC AND SOCIAL AFFAIRS

SUGGESTED ESTABLISHMENT OF ECONOMIC AND SOCIAL COUNCIL

Mr. Douglas Roche (Edmonton-Strathcona) moved:

That, in the opinion of this House, the government should consider developing an integrated approach to social and economic policy development in Canada through the creation of an economic and social council to establish a more beneficial relationship between the social interests and the business interest in the community in order to help all our institutions be more responsive toward the interests and aspirations of the individual citizen.

He said: Mr. Speaker, the motion I am proposing to the House would provide a way to increase livability in Canada. I am asking that the government provide a structure for social planning through a social council of Canada in the same way that it provides a structure for economic planning through the Economic Council of Canada; and, further, that it integrate economic and social planning in the interest of the total human being.

My motion is aimed at improving the quality of life in Canada not in a vague, motherhood spirit but in a concrete proposal. The social council I envisage would help us to analyse and improve our progress in those areas that are regarded internationally as social indicators of the quality of life. These are: health, individual development through learning, employment and quality of working life, leisure, command over goods and services, physical environment, personal safety and the administration of justice, and social opportunity and equality.

Just as the government is aided in setting economic policy by the thinking and by the excellent reports of the Economic Council of Canada, so it would be helped by the social thinking of the council I propose. Social policy traditionally takes a back seat to economic policy. But the upheavals in modern society demand that we revise and upgrade our way of making social policy.

Since we have long suffered from the compartmentalization of man, I suggest that the economic and social proposals of the two equal bodies be linked, such as by the issuance of a joint annual report, so that the government receives integrated proposals designed for people. Such comprehensive planning is a vital first step if we are to protect human values in a society already dominated by the computer and soon to be challenged by the genetic engineers.

Let me state briefly why we must bring this new dimension of planning into government. In the development of Canada so far, the accent has been on building and growth. Our success has been measured in the production of goods and services. There has been an assumption that the emphasis on quantity would improve the quality of our life. I am not necessarily critical of this assumption; the material development of Canada has required concentration on the GNP. But the conditions of modern society have changed dramatically in the past few years as a result of the technological and cultural explosions. The intense problems of future shock have hit Canadians. Change used to be gradual but now it is rapid and escalat-

ing, allowing us very little time to adapt. The world is changing faster than we can cope with it.

Technology has brought many benefits—communications and transportation are just two examples— but it has also been a chief source of the anxiety and spreading frustration that characterize modern life. The acquisition of more goods has not by itself made us a happier people.

Our economy must grow at 7 per cent a year to maintain progress, as we have traditionally defined that word. This growth rate demands escalating consumer consumption. Thus, increasing numbers of people feel caught up in the faster-turning wheels of progress with no sense of purpose other than growth itself. We have to ask ourselves in this parliament a fundamental question: Is bigger, better? That question deserves the attention of parliament. It deserves much more attention than we have been giving it, for if bigger is better, why are five million Canadians still living below the poverty line? Why has crime increased? Why are alcohol, drug and suicide rates up? Why is there more pollution of water and air? Why is there more labour strife? Why are we congesting in urban areas, leaving vast areas of Canada empty?

These basic questions reveal why the assumptions and patterns of the institutions in our society need re-examination. It is critical that this re-examination take place now because as a result of technology we are entering a new period of our history, a period in which we have acquired the power to shape our own future for better or for worse. We must either control it for the better or it will control us for the worse.

Consider what is happening in our world. We have manned satellites riding the gravitational fences of our planet. We have put men on the moon. We have communications satellites to let us see by live television what is happening on the other side of the world, and sensory devices in orbit to detect and map biological and mineral resources concealed from the human eye. We are entering the bioengineering age in which we can manipulate the nature and structure of living things. Indeed, as Lord Ritchie-Calder of the Centre for the Study of Democratic Institutions maintains: "The whim of the present generation can determine the character of remote posterity." This is more than spare-part surgery or organ transplants; we can tamper with the genetic code and thus produce deviations whose consequences may be unpredictable and irreversible.

● (1610)

I have used this example only to illustrate my contention that we have entered a profoundly new period in our history. It is in these changed circumstances that government policies must be made. Government controls the economy and thus influences the framework of society within which people live their lives. The size and extension of government today makes it a dominant influence on the direction of society. William Dyson, executive director of the Vanier Institute of the Family, puts his finger on our dilemma as follows:

> The issue is not that Canada has insufficient wealth ... The central problem is people, not dollars: people being increasingly excluded from access to our riches, while a few others here and abroad, are increasingly favoured. Even worse, it is the exclusion of these people—who grow in number and now include businessmen, scientists and engineers—exclusion from work, from status, from identity, from meaningful living.

Despite the enormous and, in some cases, threatening advances of technology, government policy-making and forecasting is still lamentably weak. It is not necessary to reject economic growth to recognize that we have produced wantonly and without recognizing the social impact of our affluence. It is not necessary to dismiss material comfort to recognize other values that are essential to the human and humane qualities of men. Government cannot escape its obligation to take a broad, long view. It must strive to combine economic development and personal well-being. Affluence makes sense only if it leads to increased social justice and personal fulfilment. In this way, economic growth may become a means to the end of an enhanced quality of life.

There are growing voices in Canada today calling for this new emphasis on integrated social planning. Foremost is the Canadian Council on Social Development, the closest body we now have to the model I propose. The council is a private organization drawing its support from the federal government, the ten provincial governments, the 70 largest municipalities and many businesses. Its central objective is social policy development. It does a fine job, but because of its non-governmental status and limited resources it is a poor cousin to the prestigious Economic Council of Canada. The federal government has put $3,474,000 into this year's Economic Council budget. The Canadian Council on Social Development has to scrape up its $820,000 annual budget of which $275,000 is contributed by the federal government.

I want to emphasize that keeping social policy as a residual aspect of economic policy is old-fashioned thinking and has led to the chaotic situation in Canada today in which government at all levels spends $6 billion a year on welfare and yet has not significantly alleviated poverty. Our reluctance to put social policy on the same level as economic policy fails to recognize that social policies can be dynamic, lead to incentive and thus, to tax reductions.

A practical benefit of linking economic and social interests is seen in minimum wages, for increasing minimum wages is essential to social advancement. Thus, people are given money for work done, not subsidized for work not done. Instead of collecting extra tax dollars for so many welfare plans, the government could reduce taxes so as to offset increased costs due to higher minimum wages. An increase in minimum wages actually costs the country less because it cuts down on welfare costs. We would then be paying people, not governments. Accordingly, the executive director of the Canadian Council on Social Development, Reuben Baetz, is himself a proponent of an integrated approach to social and economic policy development. Mr. Baetz says:

> Canada desperately needs an independent organization active in the formation and promotion of sound social policies. Such an organization must have enough financial support to operate with a high degree of professional competence. It must take into account the needs, resources and attitudes of individual citizens and their organizations in development of policy proposals, but it must avoid becoming the mouthpiece of one or more special interests. It must speak courageously of values and desirable social objectives, but remember that resources are not unlimited ... It must remain non-partisan in politics but skilled in the dynamics and work of

the political arena, for that is where all public social policy is finally decided.

Such a model should be created by the federal government in co-operation with the provincial governments. Ad hoc consultations between federal and provincial ministers, while useful, are not good enough because they are dependent on political timing and good will. A permanent structure is needed. Perhaps the Canadian Council on Social Development could provide the nucleus for the model I propose. In any event, this new body should collaborate closely with the Economic Council in the development of social indicators that provide hard data on the quality of life issues.

The Economic Council has also shown increasing interest in the social and institutional aspects of economic development. In its eighth annual report the council noted:

> ... In our increasingly complex, interdependent society, short range and ad hoc responses to the problems of growth and change seem increasingly inappropriate in many instances.

Several departments of the federal government now look upon social indicators as a necessary instrument of public policy, but their work is fragmented. The Department of Regional Economic Expansion, for example, is developing indicators to measure the problems of social adjustment created by regional economic development. The Department of Labour is conducting research on indicators of job satisfaction. The Science Council of Canada and Environment Canada are both interested in social indicators of the environment. The Department of Health and Welfare's working papers on social security in Canada, focusing on the best method of achieving security of income for all Canadians, are useful as an indication of one important factor contributing to quality of life.

Statistics Canada is currently working on a report of salient trends in Canadian society including population, health, education, income and expenditure, welfare and social security, labour force and employment, leisure arts and culture, justice, housing, environment and urban statistics, participation, opportunity, accessibility and social mobility. This information will provide the basis for judging our "livability index". But we need more than statistical tools to tell us about the quality of our society. A social council is needed to encourage and to integrate such research into proposals for public policy.

Data gathering and analysis would be futile without a corresponding ability in parliament to evaluate proposals. So I come finally to how parliament itself will respond to the information and analyses presented to it. I believe there is an essential role for parliament in judging how the values of our society are being affected by change. In this light, human values need to be reaffirmed. We are not without human concern in our institutions, but we express it in the wrong way. We add on humanizing factors to public policy rather than developing policy that starts from the base of the human being, his rights and dignity. Our social security policies in pensions and unemployment insurance allocations are a prime example of this "adding on" humanization. We create a system which generates casualties and then add on another huge system to compensate the casualties. We must instead make our society conform to our own long-range human needs.

[Mr. Roche.]

● (1620)

To take another example, our environmental dilemma is but a symptom of a much deeper problem facing us. No one decided to dehumanize life with crowding, traffic jams, noise and squalor. No one decided that air pollution and dying waterways should be the price of unlimited growth. No one decided these things, but neither were they accidents. They are what we have done because we have assumed, unconsciously, that we had the right, indeed the obligation, to do them.

We must begin to see ourselves no long as conquerors, exploiters or plunderers of our planet, but as stewards or trustees of its generous but not unlimited resources, of its resilient but not indestructible systems that support all life. As Maurice Stong, executive director of the UN environment program, explains:

> We must begin to see that even if we win the fight against pollution, what will that gain us if three decades from now at least half of humanity will still endure a life of intermittent work, permanent undernourishment, poor health, poor housing and, at present standards, relatively growing illiteracy and lack of skills? Will that be an environment that is human or endurable?

Not only the quality of life in Canada, but global stability demand a reassertion of human dignity to ensure the survival and well-being of the whole human community. A commitment to true humanism does not demand uniformity in our individual or community lives. However, it provides the framework for man's search for beauty and truth, for moral and spiritual growth, and it is in this search that we achieve our highest levels of humanity.

To summarize, we are in an age in which we are transforming our lives and our world. We have done so hitherto on the basis of incomplete knowledge and narrow ambition, principally economic. We must broaden our knowledge and our values to recognize and to enhance the whole man and mankind. To do so we need better social data and analysis to be provided by a social council of Canada.

We must ask ourselves in parliament how we can truly help growing numbers of Canadians who are vulnerable to the economic system and dependent on government programs to gain greater control over their own lives and destiny. Upgrading social policy is the route to a more human society.

Mr. Paul E. McRae (Fort William): Mr. Speaker, I was very much impressed with the speech of the hon. member for Edmonton-Strathcona (Mr. Roche). I could not agree with him more that we as a nation, and perhaps as a whole western European society if we consider ourselves as such, have in the past generation or so been far too concerned about economic growth and not nearly enough about the effects it has on people.

This is not the gist of my speech, because I planned to go into something quite different, but I am particularly concerned about the notion of growth versus the environment. One member earlier gave the example of James Bay. We have to learn how to internalize some of these external costs such as environment and social costs when we get into massive growth schemes. James Bay has to be one of them. The cost in terms of environment, disrupting the Indian people, and so on, has not been internalized. That must be done.

I agree with the hon. member that there is a real gap between economic and social planning. This parliament and this government is slowly moving toward a position of greater integration. The key factor in this kind of integration is perhaps the impact on spending for social services, health, welfare, unemployment, family allowances, old age pensions, veterans pensions, disability pensions, the Canada Pension Plan, and so on. There is a whole raft of related welfare services which account for approximately two-thirds of federal government spending. The impact of very heavy spending in this area on the part of the federal government, as well as provincial and municipal governments, is certainly immense in terms of the over-all economic affairs of Canada. It involves a cause and effect relationship that deserves some consideration.

Basically, social needs in an economic sense can be divided into two areas. First, the needs of all citizens, whether they are partaking actively in the economic life of the nation in the sense of being breadwinners and not dependent on the state. These social needs include education, health services and some allowances such as family allowance. In many ways, the more affluent in our society receive a greater share of this kind of welfare than do the poor. Education is a good example. In many ways, it is the affluent who are the welfare bums in the sense that children from affluent families spend many more years receiving expensive education in universities where the staff-pupil relationship is very low and equipment is very expensive. In many ways, the affluent in our society benefit more from the state in terms of welfare than the poor.

The second group of welfare recipients are the needy. These people are dependent because they do not receive an adequate income and must have assistance from the state. This group includes welfare recipients, people on unemployment insurance, people with disabilities, and so on. They are unable to function on their own.

These are the two main groups of welfare recipients in our society. Unfortunately, the latter group seems to come off much worse than the former. Even in areas like health services the latter group does not avail itself. There are many reasons for this. It is possibly because they cannot get babysitters and this sort of thing. A report by the single-parent mothers indicates that these people do not or are not able to avail themselves of health services even though they may be free. Possibly there are also some social reasons.

Planning for social assistance to the second group also has a significant impact on our economy. In a rapid-growth type of society we are very dependent on an affective demand for goods and services. In addition to the supply and humanitarian demands, assistance to this group plays a very significant role in stimulating our economy. Since such groups are not likely to be involved in savings, a steady cash flow is very necessary, especially at times when there may not be very happy consequences with regard to savings and investment.

● (1630)

I can offer an admirable example of the integration of social and economic forces in our national life by referring for a moment to the LIP program. This is not a program which has a massive impact on our society but it is interesting because of the interaction between social and economic forces. It was designed originally for two purposes, to create jobs and the stimulation of the economy. I would refer to the OFY program in the same category. A third factor has been introduced by the nature of the projects themselves and the scheme has become heavily involved in social service programs. Projects were started as means of creating jobs and ended up as social services and meeting social needs which had been present all along.

The government is concerned about this interrelationship between the social planning side of our national life and the economic side. Serious discussions are going on in the area of finding employment, on the one hand, and the need for compiling inventories of community work so that should unemployment increase, these tasks can be undertaken. Economic necessities affecting social policy, decisions concerning the lowering of pensionable age, and so on, have obvious repercussions on social policy. For example, it seems to me that one of the ways in which we might increase the number of jobs available would be to lower the retirement age.

There are three bodies which deal with planning in Canada in this field, that is, economic and social planning. I have mentioned one, the Economic Council of Canada, and I shall mention another, the Institute for Research on Public Policy. I should also mention the Canadian Council for Social Development, a group which is functioning extremely well though it could function a great deal better if it were possessed of adequate funds. I believe there is much to be said for these groups all getting together to develop integrated policies.

I should like to deal in the few minutes left to me with a subject which concerns me a great deal, that is to say, the whole notion of adversary procedure, an extremely important notion and one which has become better received in the last six months or so, particularly on the Ottawa scene. I am concerned that very often in policy-making there should be massive economic forces aligned against extremely weak social forces. Perhaps this is one of the difficulties which the social council faces—it does not possess the political or economic strength to do the things it needs to do.

Then, again, parliamentary or regulatory bodies tend to be awed by prestigious information; if information is expensively put together we tend to be much more impressed by it than by material put out on behalf of groups which barely have sufficient funds to get them to Ottawa. Nevertheless, it is these groups which often have a great deal to say about the needs of individuals and communities in the social policy field. Perhaps parliamentarians and others concerned should make funds more readily available for such groups to present their cases, particularly where they affect social needs.

One or two examples come immediately to my mind; for instance, groups concerned in an adversary way about decisions to go ahead with pipeline development. Something must be done to ensure a better balance between the various elements in our society, those which have massive economic power and those which are calling attention to pressing social needs.

May I say, in conclusion, that I support the intention behind this motion. I believe the development of a single body to co-ordinate planning in the areas of social and economic affairs is badly needed in this country.

Mr. James A. McGrath (St. John's East): Mr. Speaker, all too often very worth-while ideas are put forward during private members' hour in the form of resolutions and bills, and all too frequently they are rejected by the government. Such an idea is expressed in the resolution put forward today by the hon. member for Edmonton-Strathcona (Mr. Roche). It is, as the cliché goes, an idea whose time has come. All it really does is call upon the government to give consideration to the advisability of setting up a social council of Canada. The hon. member for Edmonton-Strathcona certainly put forward eloquently and sincerely some sound arguments to support his case that there is a need to set up such a council.

I believe the motion should commend itself to the government. All too often we as parliamentarians either on the government side or in the opposition vote public funds to carry out projects in various parts of the country without paying any regard to the social consequences of what we are doing. For example, there is the trend toward vacating the family farm and the movement of people toward the urban centres of Canada. We do not really know in any great depth what are the social consequences of the move toward urbanization in Canada, but we do know to a certain extent what impact it has had upon the rural population who suddenly find themselves placed in an urban milieu.

● (1640)

The obvious example that comes to mind is the resettlement program that was carried on in the province of Newfoundland. This was a program conceived—ill-conceived, in my view—by bureaucrats and technocrats who, in putting together a regional development program for the province of Newfoundland, came to the conclusion that there were too many villages in the province, that there were too many settlements or outports as they are called.

This prompted a decision to reduce the number of settlements in the province and to move the people there into what were called receiving centres. In other words, certain areas of the province were designated for resettlement and other areas for receiving centres or growth centres. People from five or half a dozen small outports would be resettled into a larger community within the area. In the process they were forced to abandon their homes, their fishing premises, their small gardens, schools and churches, all of the things that were familiar to them, the infrastructure that they had built up through the years and which had been passed on from generation to generation.

This move was made without any regard for its social impact. As a result, we saw the very sad spectacle of hardy fisherfolk being placed in these reception centres which gradually became welfare ghettoes. These people lost their small gardens, their little churches and schools and public centres, and as a result lost their sense of being, their sense of belonging and sense of pride. The psychological consequence of this was that they suddenly lost their initiative or urge to work and became wards of the state.

[Mr. McRae.]

In many cases, they had no choice. They had left their villages, their fishing premises and their traditional fishing grounds, and the places they were sent to were designed, not to provide them with work but as places where welfare and social assistance could be conveniently administered. In my view, it was for the convenience of bureaucrats that this ill-conceived resettlement scheme was carried on.

I am pleased to say it has now been stopped because of the consequences which became apparent after the program was well under way. All these pitfalls could have been avoided if there had been the proper approach made and the kind of study conducted that could be conducted by a social council of Canada. That is about the best example I could give, Mr. Speaker, for supporting the very excellent idea that has been put forward by the hon. member for Edmonton-Strathcona.

The hon. member on the other side who just resumed his seat referred to some statistics released by Statistics Canada relating to the low incomes of single-parent families in Canada—the working mothers of this country. This leads me to another question which sooner or later will have to be faced up to, and that is the need to recognize that in this country there are single-parent families that should be given some degree of equality of opportunity. In order to provide them with this equality of opportunity and to provide these women with at least a reasonable return for their labours, we should consider establishing a federal day-care centre program. This, in my view, is long overdue. Such a program could be very conveniently worked out with the provinces and I am sure all provinces would be receptive to the idea.

A social council of Canada would be able to provide us with the necessary information as to exactly how much is involved in such a program and what are the benefits that would flow from a program of this kind. I have one day-care centre in my own city which was started as a consequence of the Local Initiatives Program. Most of the children in that day-care centre are from families which are on social welfare and which take advantage of the day-care centre to enable the parents to enter the work force and supplement their welfare payments. A great number of the children come from homes where the father has deserted the family and the mother has had to go out to help supplement her welfare payments in order to keep the family going.

The fact that this one day-care centre in a city of 100,000 people had to be started under the Local Initiatives Program points up, to my mind, the fact that here is where we as legislators are falling behind in keeping pace with the need for social development in this country. Social development, as the hon. member for Edmonton-Strathcona said, and said so eloquently and sincerely, should go hand in hand with and be complementary to the economic development of this country; because to my mind to have one without the other is to invite disastrous consequences.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, when I first had the opportunity of looking over the motion proposed by the hon. member for Edmonton-Strathcona (Mr. Roche) I said to myself, "This strikes me as being an excellent idea". As is my habit, I then began to examine the resolu-

tion to see whether any of its components already existed in Canadian society today. As I began to think about his resolution, it became clearer and clearer to me that what he was really seeking to do was to create an institution known as the House of Commons. Because in point of fact, the role which the hon. member has outlined for his proposed new body is exactly the role which the House of Commons fulfils. It is this body which is the co-ordinator, and ultimately the final law-giver, in dealing with the kind of problems the hon. member suggested might be looked after by another institution or organization. For what is the House of Commons if it is not a body that deals with economic and social problems?

Mr. Yewchuk: This House has not been doing it.

Mr. Reid: If the House of Commons has not been doing it, then I suggest to the hon. member that all he need do is to look at the speed with which the House of Commons has been dealing during the last week with the foreign investment review bill. The house has been dealing at the report stage with the government's proposal to deal with a matter that has been identified as one of too much American takeover of Canadian industry. The government has proposed legislation, the House of Commons has that legislation and for the last five days we have desperately been trying to break through the log jam of speeches that have come forward. It is not that the House of Commons is not seized of Canadian problems; it is that the House of Commons very often has not agreed upon a solution to those problems.

● (1650)

I did not criticize in general the opposition for taking the stand it has on the foreign investment review act. All I suggest is that it is their right, under the rules of the House of Commons, to delay that piece of legislation as long as they wish; but they cannot criticize the institution or the government for not providing solutions and criticize the government for not allowing it to come to a decision. It is the opposition that determines when a matter comes to a decision under the rules we now have in this House of Commons.

Mr. Roche: Would the parliamentary secretary accept a question?

Mr. Reid: Of course.

Mr. Roche: Mr. Speaker, in response to the motion which I put forward the parliamentary secretary suggested that the House of Commons is doing the very work that a social council of Canada would do in my view, and therefore in his judgment it is not needed. Would he say that the work of the Economic Council of Canada is not needed because the House of Commons is doing its work, and therefore bodies such as that should be disbanded?

Mr. Reid: If I may make my position clear, Mr. Speaker, I would disband almost all of these so-called institutions that surround us. I do not really believe that a proliferation of organizations of that nature, or a proliferation of government departments is getting us anywhere in dealing with the problems that face us today. It is my opinion that we should cut away the underbrush that surrounds so many of these organizations and institutions that grow up one with the other and do not contribute very much to the good of Canadian society.

This House of Commons has the responsibility for taking decisions on these items. We are here as freely elected representatives of the people, and we have the responsibility to bring attention to matters in a way which allows a decision to be taken. The problems and difficulties experienced by organizations like the Social Welfare Council, the Economic Council of Canada and the countless other councils that interpose themselves between the will of the House of Commons and the potential solution of problems make our position very difficult.

Mr. Deputy Speaker: Order, please. The debate on the notice of motion presented by the hon. member for Edmonton-Strathcona has just concluded, pursuant to the agreement reached unanimously earlier in this hour.

We will now proceed to the next order of business. It was agreed that Bill C-143 would be called under public bills and that the motion would be presented by the Chair.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

BROADCASTING ACT

MEASURE TO LAY SPECIFIC EMPHASIS ON PROVISION OF EDUCATIONAL PROGRAMS

Mr. Deputy Speaker: It is moved by the hon. member for Winnipeg South Centre (Mr. McKenzie), seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That the order for second reading and reference to the Standing Committee on Broadcasting, Films and Assistance to the Arts of Bill C-143, to amend the Broadcasting Act, be discharged, that the said bill be withdrawn and the subject matter of the said bill be referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I wish to express my thanks to government members for allowing Bill C-143 to come forward at this time. I also wish to express my appreciation to the New Democratic Party and the Social Credit party for their co-operation in this matter. Canadian school boards, school trustees and teachers' associations will also be most grateful that the House has allowed this private members' bill to be moved up and its subject matter transferred to the Standing Committee on Broadcasting, Films and Assistance to the Arts, where it is hoped that this question will receive full consideration at the earliest possible time.

Motion agreed to.

Mr. Deputy Speaker: It is now five o'clock and the hour for the consideration of private members' business has expired. This House stands adjourned until Tuesday, November 13, 1973, pursuant to special order made Monday, November 5, 1973, the hour for resumption being 2 p.m.

At five o'clock the House adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Tuesday, November 13, 1973

The House met at 2 p.m.

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERIES OF PROVINCIAL PARLIAMENTARIANS

Mr. Speaker: May I be allowed to bring to the attention of hon. members the presence in the Speaker's gallery and the Senate gallery of a very distinguished group of fellow parliamentarians from all parts of Canada. These parliamentary colleagues have come to Ottawa to attend during the week the first seminar on parliamentary procedure and practice organized by the Canadian branch of the Commonwealth Parliamentary Association. The participants include the Speakers from British Columbia, Saskatchewan, Manitoba, New Brunswick, Nova Scotia and Newfoundland and they are representative of the provincial legislative assemblies and the legislative councils of the two territories.

On behalf of hon. members I extend a very warm welcome to our distinguished visitors and fellow parliamentarians, and express the wish that their attendance at this seminar will be useful for them and for us and also for the institution of parliament.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

GRAIN

MOVEMENT TO EXPORT MARKETS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jack Murta (Lisgar): Mr. Speaker, I rise to propose a motion under Standing Order 43. This matter is of urgent and pressing necessity and has to do with the delivery hold-up in getting western grain off the farms and into the export markets. As a result, Canada's export trade commitments to foreign buyers are endangered while some grain farmers may suffer financial losses because they are prevented from delivering their grain for sale at present higher prices. With consent I would move, seconded by the hon. member for Battleford-Kindersley (Mr. Horner):

That this House recommends that the subject matter of this motion be forthwith referred to the Standing Committee on Agriculture and that the appropriate officials of the Canadian National Railways, the Canadian Pacific Railways, the Wheat Board and the Canada Grains Commission appear before the committee and that, as soon as possible after investigation, the committee report its findings and recommendations to this House.

Mr. Speaker: The motion is proposed under the terms of Standing Order 43 and requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion cannot be put.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—ALLOCATION OF FUNDS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact local initiatives projects applications are now in the process of being approved, and in view of the fact there are widespread complaints concerning the allocation of funds for such projects per constituency, I move, seconded by the hon. member for Saskatoon-Biggar (Mr. Gleave):

That the House of Commons instruct the Standing Committee on Labour, Manpower and Immigration to immediately review the allocation of funds to the constituencies and the criteria used for disbursement of these funds.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion cannot be put.

* * *

TRANSPORT

PROVISION OF RAILWAY CARS TO SHIP BRITISH COLUMBIA LUMBER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise pursuant to the provisions of Standing Order 43 on a question of urgent and pressing necessity, namely the continuing shortage of boxcars for the loading and trans-shipment of lumber from British Columbia. Therefore I should like to move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House expresses the opinion that the Canadian National Railways should forthwith take steps to meet the request of the British Columbia Railway for railway cars to be used to

load and ship lumber for sawmills served by the British Columbia Railway in order that the economy and people should no longer be disadvantaged by the inability of the Canadian National Railways.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

IMMIGRATION

ALLEGED GRANTING OF LANDED IMMIGRANT STATUS WITHOUT RCMP CLEARANCE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion on a matter of urgent and pressing necessity, namely, that immigration officers across the country are granting landed immigrant status to certain applicants before clearance by the RCMP under Stage B of the 60-day amnesty period. I move, seconded by the hon. member for High Park-Humber Valley (Mr. Jelinek):

That the granting of landed immigrant status to certain applicants without clearance by the RCMP be referred to the Standing Committee on Labour, Manpower and Immigration and that an order be issued to call as witness the Minister of Manpower and Immigration to explain to the committee why the Stage B directive is not necessary in all cases.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

● (1410)

[*Translation*]

EXTERNAL AFFAIRS

PARTICIPATION BY CANADIAN CONTINGENT IN MIDDLE EAST PEACEKEEPING FORCE

On the order: Government Notices of Motions: October 31, 1973—The Secretary of State for External Affairs:

That it be resolved by the . . . House of Commons:

That it is expedient that the Houses of Parliament do approve the Government's decision that Canadian Forces participate in the United Nations Emergency Force in the Middle East, and that this House do approve the same.

And that a Message be sent to the Senate informing Their Honours that this House has adopted a resolution approving of the participation of Canadian Forces in the United Nations Emergency Force in the Middle East, and requesting Their Honours to unite with this House in the approval of the same by filling up the blanks in the resolution with the words "Senate and".

Mr. Speaker: This notice of motion is transferred to and ordered for consideration under Government Orders at the next sitting of the House, pursuant to subsection (2) of Standing Order 21.

[Mr. Howard.]

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

UNEMPLOYMENT RATE, UNEMPLOYMENT INSURANCE COSTS AND ECONOMIC ACTIVITY—REQUEST FOR EXPLANATION—ACTION TO REDUCE LABOUR SHORTAGE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. Since the seasonally adjusted unemployment rate is high and we have recently been told by the appropriate minister that unemployment insurance costs will continue to run over $2 billion a year, yet the Minister of Finance says the economy is running at or near capacity, can he give us any reason for this situation and, specifically, has his department identified any disincentives to employment or any particular reason for these anomalies?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, an analysis of the labour force statistics in current terms is being undertaken by the Economic Council of Canada. The current state of the economy is, as the hon. gentleman has said and I have said on several occasions, at or near capacity. Any limitation on growth at the moment is not caused by want on the demand side but by restriction on the supply side. The increase in the strength of the economy indicated by the statistics to which the hon. gentleman has referred I think derives from the fact that the October year over year growth in employment is 487,000 new jobs or 5.8 per cent.

Mr. Stanfield: Mr. Speaker, I have a supplementary question, but I should like to make it very clear to the minister that I was simply referring to his statement that the economy is operating at or near full employment; I was not expressing that opinion myself.

An hon. Member: Full capacity.

Mr. Stanfield: Full capacity.

Mr. Guay (St. Boniface): Tell us what you think.

An hon. Member: Go back to sleep, Joe.

Mr. Stanfield: In view of the minister's indication that one of the things holding back further growth of the economy at the present time is a lack of both skilled and unskilled labour—he said this a few days ago—can he tell us anything his department is doing about this? He has referred to a study being done by the Economic Council of Canada, but is the minister or any branch of the government to his knowledge doing anything to reduce this problem resulting from a shortage particularly of unskilled labour?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, my colleague, the Minister of Manpower and Immigration, has

already indicated to the House that particularly in respect of young workers, both men and women, the problem is matching the available labour supply to the jobs available for both skilled and unskilled labour, and he intends to accelerate the efforts of his department in that respect.

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UNEMPLOYMENT INSURANCE

CONSISTENCY OF COST FORECAST AND UNEMPLOYMENT RATE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct this question to the Minister of Manpower and Immigration. Specifically, is the rate of unemployment indicated today for October consistent with the minister's forecast of unemployment insurance costs for the year 1973, and will he advise the House what rate of unemployment for November and December would be consistent with the forecast of costs he presented to the House last week?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the forecast of costs of unemployment insurance benefit pay-out for 1973 was made on the basis of 10 months of experience and on the assumption that the economy would be performing in the last two months of the year generally at the same rate it had been up to that time.

POSITION OF 1973 ADMINISTRATIVE BUDGET AND COMPUTER INSTALLATION

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is also for the Minister of Manpower and Immigration. On November 1 the minister indicated in answer to questions by myself and by the hon. member for High Park-Humber Valley that the administrative budget for 1973 will be met and that the computer installation is complete, indicating that there are no further additions under way. Having had time to investigate and consider his answer, does the minister still stand by those statements?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, my firm expectation is that the administrative budget of the Unemployment Insurance Commission as forecast earlier this year and as approved in the estimates will be met. In so far as computer installation is concerned, I believe I answered a question with regard to the possibility of further major installations and said they were constantly upgrading and improving that operation but that I did not anticipate major installations of the nature that were innovated a year or two ago.

Mr. Ellis: Mr. Speaker, I ask for your indulgence. I am not sure whether I have a supplementary, a point of order or a point of privilege. I am aware from documents I have in my possession that not only is the administrative budget for 1973 in very serious trouble but that major computer installations are even now being installed in both Ontario and Quebec. I want to know how we can get an honest answer from the minister, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member for Assiniboia.

Mr. Knight: Thank you, Mr. Speaker.

Mr. Speaker: Order, please. I believe the minister is rising on a question of privilege.

Mr. Andras: As is customary, Mr. Speaker, with references to documents, I wonder whether the hon. member would be prepared to table the documents he has referred to as being in his possession.

Mr. Speaker: Order, please. The hon. member now rises on a question of privilege. I think this might be a good occasion at the beginning of the question period to remind hon. members that if we continue on the road on which we started last week and spend most of the question period on points of order and questions of privilege it is the members themselves who suffer. I would hope we could solve our problems without resorting to points of order or questions of privilege. It seems to me that essentially this is a question of debate between the minister and the hon. member. Perhaps they might have an opportunity to debate the point on another occasion rather than during the question period.

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MANPOWER

LOCAL INITIATIVES PROGRAM—POSSIBILITY OF INCREASE IN FUNDS

Mr. Bill Knight (Assiniboia): Mr. Speaker, my question is not about computers but about people. In view of the fact the unemployment rate is running in the neighbourhood of 5.8 per cent as projected today, I should like to ask the Minister of Manpower and Immigration whether he can inform the House, since the amount of money allocated for local initiatives programs is half of what it was last year, if consideration is being given by his department to an increase in the total allocation of funds available so as to ensure that some of these unemployed people will have work this winter?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I note, first, that the unemployment rate has considerably improved over the position at this time last year. I also believe I have answered the question on two or three occasions recently by saying that if such a decision is made it will be announced in the normal manner in the House.

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ENERGY

OIL EXPORTS TO UNITED STATES—GOVERNMENT POLICY IN LIGHT OF STATEMENTS BY MINISTER AND SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Prime Minister. I should like to ask if the Minister of Energy, Mines and Resources was stating government policy in his com-

ment made to the press as reported on November 6 that "Canada would cut off the export of refined petroleum products to the United States if Arab countries made it a condition for continuing crude oil shipments". May I ask the Prime Minister also if the Secretary of State for External Affairs was stating government policy when he said, according to today's press reports, that "there has been no cabinet decision to freeze consignments refined at Come-by-Chance, Newfoundland, and pre-sold to the United States". Can the Prime Minister tell us whether these two statements represent government policy, or what is government policy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I understand that the Minister of Energy, Mines and Resources was referring to a particular case in a particular circumstance. The Secretary of State for External Affairs was referring to the general government policy which is one that—

Some hon. Members: Oh, oh!

An hon. Member: What is it?

Mr. Hees: This is doubletalk de luxe.

Mr. Trudeau: If I get a second question I will answer it, Mr. Speaker.

● (1420)

Mr. Douglas: I hesitate having to use my second question to get an answer to my first question. I would like to ask the Prime Minister if he would care to reconcile these two apparently divergent points of view and tell us what the government's policy is with respect to oil which is being presold to the United States and refined in Canadian refineries such as at Come-By-Chance, Newfoundland?

Mr. Trudeau: The general policy is that we will not—

An hon. Member: Make up your mind what you want.

An hon. Member: The right hand does not know what the left hand is doing.

Mr. Hees: Get back to square one.

An hon. Member: Start again.

Mr. Trudeau: —alter our foreign policy or our good relationships with the Americans under any pressure from outside.

Some hon. Members: Hear, hear!

Mr. Hees: Why are all your members laughing?

An hon. Member: We are looking at you.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I am sure hon. members are enjoying themselves at present. Perhaps I should not interrupt at this point but allow hon. members to continue to enjoy themselves. However, it seems to me we are not making as much progress as we would have if we were not quite as noisy as we have been during the last few minutes.

AVAILABILITY OF PRODUCTS REFINED AT COME-BY-CHANCE TO MEET POSSIBLE OIL SHORTAGE IN EASTERN CANADA

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, perhaps I could try pumping another well that I hope it will be less dry. I have a supplementary question for the Minister of Energy, Mines and Resources.

An hon. Member: Another dry well.

Mr. Douglas: I should like to ask him whether any of the petroleum products refined at Come-By-Chance, Newfoundland, would be available this winter to meet the needs of the Atlantic provinces in the event there is an oil shortage in eastern Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I would remind the hon. gentleman that the refinery is not yet in operation.

Some hon. Members: Oh, oh!

Mr. Macdonald: If it does go into operation this winter, it will be covered by the export control regime we now have in effect with regard to refined products.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Nanaimo-Cowichan-The Islands for one supplementary, the hon. member for Calgary North, and then attempt to complete the first round of questioning by recognizing the hon. member for Shefford.

ARRANGEMENTS FOR TRANSPORTING TO QUEBEC OIL OFFERED BY ALBERTA

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): In view of the offer by Mr. Getty, the Alberta Minister of Intergovernmental Affairs, to make available to the province of Quebec 100,000 barrels of oil a day, may I ask the minister what arrangements have been made for delivering that quantity of oil to Quebec? Have any tankers been chartered to move oil from Vancouver to eastern Canada, and what capacity will there be in the Trans Mountain pipeline in view of the minister's statement on November 5 that it has a 50,000 barrel spare capacity while Mr. Getty says there is no spare capacity? How does the government propose to deliver these 100,000 barrels a day?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): During the period of time navigation will be open it is anticipated that up to 100,000 barrels a day can be achieved through the Interprovincial Pipeline system and by Great Lakes shipping. At the moment the achieved level is around 55,000 barrels. There is some hope this can be increased subject to the availability of loading facilities. My information from the National Energy Board is that there will be an excess capacity of between 35,000 and 55,000 barrels per day through the Trans Mountain pipeline system for shipment via the Panama Canal to the Portland pipeline or to Atlantic ports, and that a number of companies which are in the position of using feed stock

in the Atlantic market are now considering the international charter market for the purpose of obtaining the necessary tankerage for moving it around.

TAR SANDS OIL AND SYNCRUDE PROJECT—POSSIBILITY OF TAKEOVER BY FEDERAL GOVERNMENT UNDER BRITISH NORTH AMERICA ACT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask the Minister of Energy, Mines and Resources a question arising from a news story which has broken just this afternoon. Is consideration being given by the federal government to taking over the Syncrude project and the tar sands under the provisions of section 92(10)(c) of the British North America Act?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No, Sir.

Mr. Woolliams: Then I ask the Prime Minister; he has heard my question to the minister. Is any consideration being given to using section (92(10)(c) to take over either the Syncrude project or the tar sands in Alberta and declaring it to be for the good of all Canada?

Right Hon. P. E. Trudeau (Prime Minister): The question has just been answered, Mr. Speaker.

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[*Translation*]

AIRPORTS

MIRABEL—INQUIRY AS TO AGREEMENT WITH PERSONS WHOSE LANDS EXPROPRIATED

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to ask a question of the hon. Minister of Public Works, or of the hon. Minister of Transport. I understand that they both received a very warm welcome in Sainte-Scholastique last week.

Has the government reached a decision regarding Sainte-Scholastique expropriated owners? Has an agreement been reached with each of them and is the government planning to make final offers to them?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, nearly 90 per cent of the Mirabel expropriated owners have accepted the government offers. During the weekend, the Minister of Transport and myself proposed five very generous adjustments. They involved an additional $3,000 for removal expenses to all those who have had to move, the interests from 1969, the notary charges for the purchase of new properties, an indemnity to those who lost preferential interest rates and an additional indemnity of 10 per cent for those who had to move within 90 days. These adjustments are very generous and were not stipulated by the previous legislation.

Mr. Caouette (Témiscamingue): Mr. Speaker, I should like to ask a supplementary. The minister has just said that 90 per cent of the expropriated owners have accepted the government offers. In view of what was offered to them last week, does this mean that this additional $3,000 will be paid to 90 per cent of those who were expropriated?

Mr. Dubé: Yes, Mr. Speaker, providing they were owners and resided in their homes.

Mr. Caouette (Témiscamingue): Then it is not over.

Mr. Grafftey: It has just begun.

Mr. Caouette (Témiscamingue): Yes, it has just begun.

* * *

[*English*]

THE CANADIAN ECONOMY

ATLANTIC PROVINCES—MEASURES TO ALLEVIATE UNEMPLOYMENT

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I wish to direct a question to the Minister of Finance. Since regional unemployment in the Atlantic region has risen 1 per cent as of the October 20 statistics, and since the New Brunswick rate on a seasonally adjusted basis has risen from 7.4 per cent to 10.2 per cent, and the Newfoundland rate has risen from 12.1 per cent to 13.6 per cent, does the Minister of Finance plan to introduce any specific measures to alleviate this serious situation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the winter capital works projects and the LIP projects introduced by my colleague, the Minister of Manpower and Immigration, are directed toward the higher unemployment areas. I should draw the attention of the House to the fact that on a seasonally adjusted basis employment in the Atlantic provinces during the first ten months of this year was up 6.5 per cent over the same period last year, which is higher than in any other area of the country.

Mr. McCain: Mr. Speaker, if the hon. gentleman wishes to quote figures we might take a look at the New Brunswick figures as a basis for a further question.

• (1430)

Mr. Speaker: Order, please. The hon. member will be recognized for his supplementary question, of course, but the hon. member appreciates that the purpose of a question is to seek information, not to convey information to the House. The hon. member is recognized for a supplementary.

Mr. McCain: Since this is to be a partisan situation, Mr. Speaker, by all hands on your right, would the minister state why it has been the policy of the government to reduce the allocation for LIP projects in the Atlantic area in view of increasing unemployment?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, that is not so in relation to the total allocation across the country.

Oral Questions

FISHERIES

RESPONSE TO MINISTER'S REQUEST THAT RUSSIANS CEASE HERRING FISHERY OFF GEORGES BANK

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Fisheries. Last month the minister indicated in a release that he was asking Russia to stop fishing for herring off Georges Bank. Has the minister had a reply and, if so, what was it?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the Russian fishing vessels in question immediately departed and we have not seen them since. I am still awaiting an official reply from the Soviet government.

Mr. McCain: On a point of order—

Mr. Speaker: Order, please. The hon. member for Carleton-Charlotte rises on a point of order.

Mr. McCain: Mr. Speaker, last week a representative of the department in charge of LIP was in my office to advise me that the allocation for the constituency had been cut by almost 50 per cent. In view of this, I should like to ask the minister what possible justification there is for his remark in respect of the Atlantic region?

Mr. Speaker: The hon. member will, I am sure, agree that this may be argument or debate but it is hardly a point of order. The hon. member for Humber-St. George's-St. Barbe on a supplementary.

PROGRAM FOR DEVELOPMENT OF CAPLIN RESOURCES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my supplementary is for the Minister of Fisheries. In another release the minister indicated that he is spending $2.3 million on the development of caplin. In view of the fact that the Norwegians are overexploiting the caplin resources on the Grand Banks, what action is the minister going to take to make sure that the money spent on the program to develop caplin will not be lost and of no use?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the caplin resources, like the other fisheries resources in the North Atlantic, will be managed by the 16 nations who are members of the International North Atlantic Fisheries Commission. The caplin is not overexploited and Canada expects to take advantage of the opportunity.

POSSIBLE USE OF NAVY VESSELS TO PROTECT FISHERY WITHIN TERRITORIAL WATERS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Minister of National Defence. Because of the great need to protect the fishing rights of our fishermen within our territorial waters and the proven inability of our aircraft to do this job in a satisfactory manner, is the minister considering or will he consider the use of our naval destroyer escorts to carry out this task because of their ability to do the job?

[Mr. Turner (Ottawa-Carleton).]

Hon. James Richardson (Minister of National Defence): Mr. Speaker, we are not giving consideration to the use of warships in our fishing fleets. I think the hon. member will know that fisheries protection is the responsibility of the Department of the Environment and Fisheries. We support them with aircraft, as the hon. member has indicated, but we know of no situation or emergency that requires the use or even the presence of warships with the fishing fleets.

Mr. Hees: Because of the fact that foreign fishing fleets are invading our territorial waters in large numbers every day and obviously—

Mr. Speaker: Order, please. That is argument. The Chair will recognize the hon. member for St. John's West on a supplementary question, after which I will see the hon. member for Saskatoon-Biggar.

POSSIBILITY OF INCREASED SURVEILLANCE IN LIGHT OF PRESENCE OF FOREIGN SHIPS CLOSE TO NORTHEAST COAST OF NEWFOUNDLAND

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my supplementary question is for the Minister of Fisheries. Has the minister caused an investigation to be undertaken into the presence of a large number of foreign ships fishing very close to the northeast coast of Newfoundland, and does he intend to step up surveillance with respect to those ships fishing within the 12-mile limit?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the answer to both questions is yes.

Mr. Speaker: Order, please. I indicated a moment ago that perhaps we should go next to the hon. member for Saskatoon-Biggar. I will return to the hon. member for St. John's West later.

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GRAIN

COMMITMENT BY RAILWAYS TO PROVIDE CARS FOR MOVEMENT

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, my question is for the minister in charge of the Wheat Board. In view of the serious problem existing with regard to the movement of grain I should like to ask the minister whether he has been able to obtain any commitment from Canadian National Railways or the Canadian Pacific Railway to initiate a crash program for grain movement so they can catch up on the 75 million bushel shortfall which now exists in the transportation of grain, according to one of the commissioners of the Canadian Wheat Board, Mr. Esdale?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, first of all I think I should make it clear that any reference to a shortfall of that magnitude is a comparison of our exports this year with our new record of exports last year. We do not anticipate during the course of this year to export as much grain as last year. The railways have discussed with the Canadian Wheat Board and ourselves

the question of the number of cars they can put into the movement. We have been carefully watching their adherence to that commitment. It is a matter of concern, but so is the movement of all products of Canada because of the booming economy.

Mr. Gleave: A year ago, at the time the purchase was made of some 2,000 hopper cars, the minister in charge of the Wheat Board assured the House that the two railroads had given a guarantee that they would maintain their usual number of boxcars and keep in service for the movement of grain the amount of rolling stock which was customary. Since they have failed to live up to this commitment, can the minister tell the House what discussions he is going to undertake so that they will live up to it?

Mr. Lang: Mr. Speaker, the specific understanding which was contained at the time of the purchase of the hopper cars was that the removal of equipment from the fleet would not change in its speed; there would be no acceleration in the movement. That is an aspect of the discussion we are having with the railways, drawing their attention to the fact that they have a commitment to the movement of grain. They recognize this of course and are trying to meet it with the cars they have available while at the same time trying to move in an adequate fashion unusually large amounts of potash in hopper cars normally available for grain, large quantities of lumber and so on, with almost every product you could mention.

Mr. Gleave: Mr. Speaker, I have a further supplementary question. I directed a question to the Minister of Transport on this matter last week and he informed me as follows: "I, personally, have a commitment from CNR and CPR that they will meet their commitment. If they did not, that means I was misled." Has the minister in charge of the Canadian Wheat Board also been misled?

Mr. Speaker: Order, please.

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[*Translation*]

ENERGY

QUEBEC—MEASURES TO DEAL WITH OIL SHORTAGE—DISCUSSION WITH PROVINCIAL MINISTER

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Minister of Energy, Mines and Resources.

At his meeting next Thursday with the Quebec Minister of Natural Resources will he be making his colleague some realistic proposals concerning the general problem of energy and more particularly the eventual oil crisis in Quebec?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think that the member is mistaken about such a meeting. I will meet my Quebec counterpart on November 23 and federal officials will meet officials of every province next Thursday, but there has been no meeting with my counterpart since September.

We are obviously prepared, through officials as well as ministers, to send to provincial authorities the report concerning oil supplies, international as well as Canadian, and also to discuss measures aimed at keeping our supply.

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[*English*]

CENTRAL MORTGAGE AND HOUSING CORPORATION

DISMISSAL OF EXECUTIVE DIRECTOR, POLICY PLANNING DIVISION—INQUIRY AS TO MINISTERIAL DIRECTIVE RESPECTING ULTIMATUM TO NATIVE COUNCIL PRESIDENT

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, in the absence of the Minister of State for Urban Affairs I should like to ask the Prime Minister if Mr. Teron, the new president or CMHC, acted under a directive from the minister or any other member of the cabinet when he issued an ultimatum to the president of the Native Council of Canada not to get involved in the Walter Rudnicki affair or else?

Hon. Robert K. Andras (Acting Minister of State for Urban Affairs): Mr. Speaker, acting for my colleague who is away on government business, I must say that I have no knowledge of such an instruction by the Minister of State for Urban Affairs to the Native Council. I doubt very much that such an instruction was issued because I know that the minister in particular is keen about consultation and has carried on many consultations with Mr. Belcourt and others of the native people.

● (1440)

Mr. Oberle: It appears that Mr. Teron, who is a new man in the corporation, has acted on his own. In light of the seriousness of the result of his action, is the Prime Minister considering launching a parliamentary investigation into this very serious matter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, a committee of parliament will have the opportunity to ask questions of Mr. Teron when he appears before it.

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ENERGY

OIL—INQUIRY AS TO INSTITUTION OF COURT ACTION BY FEDERAL GOVERNMENT AGAINST ALBERTA

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Justice. It is authoritatively reported in the press that the government of Canada is taking action against the government of Alberta in respect of the Alberta government's Canada first oil policy. Is action being taken, and on what constitutional principle, allegedly thwarted or altered by the government of Alberta, is the Canadian government proceeding?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, that question is obviously a sweeping one in terms of legal opinion. I know of no action having been commenced. Naturally, the federal government in relation to any aspect of trade and commerce is always extremely conscious of its responsibility to ensure that this nation remains a one-market nation and not a divided nation.

Mr. Diefenbaker: That is an admirable principle, but it does not answer the question. Is the government of Canada through the Department of Justice today having consideration given to the drafting of an action against the government of Alberta? A simple yes or no will be sufficient without the superfluous words the minister has just used.

Mr. Lang: Mr. Speaker, I do not know what the right hon. member is talking about.

Mr. Diefenbaker: That answer is either contempt of the House or a revelation of the ignorance of the minister.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: The Chair will recognize the hon. member for Dartmouth-Halifax East and then the hon. member for St. John's East who has a supplementary to a previous question.

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SHIPPING

INQUIRY AS TO LEGISLATION TO IMPLEMENT DARLING REPORT RECOMMENDATIONS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Transport. In view of the great importance to the people of Atlantic Canada, will the minister enlighten the House with regard to his intentions respecting legislation to implement some of the basic provisions of the Darling report? Pursuant to the minister's announcement he would go ahead with implementation of that report, can he now tell us when we may expect legislation?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think I announced that a new bill will be introduced in the House, a new maritime code. The Darling report will be translated into that legislation.

Mr. Forrestall: I am sure we are all aware the minister will at some point present legislation. However, can he now indicate some timetable such as this session, next session or the next parliament?

Mr. Marchand (Langelier): Mr. Speaker, I will consult with the government House leader who will have to consult with the other House leaders. Following that, I will give an answer.

[Mr. Diefenbaker.]

FISHERIES

PROTEST TO SOVIET UNION AGAINST IGNORING OF QUOTAS—ADDITIONAL SURVEILLANCE AIRCRAFT

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Fisheries. In view of the fact the Russians seem to be ignoring their ICNAF quotas with impunity, has the minister made any formal protest to the Soviet Union? Second, has he requested from his colleague, the Minister of National Defence, extra surveillance aircraft?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, we made a vehement protest to the Soviet Union. Soviet vessels do not move about with impunity. Recently the U.S.S.R. agreed to inspection of all its vessels, not only above deck but below deck, whenever we approach them.

Mr. McGrath: What steps is the minister taking to enforce the ICNAF quota system in view of the evidence that the Soviet Union is ignoring it in our fishing area?

Mr. Davis: As the hon. member knows, we are building new vessels. Also, all other nations fishing in the North Atlantic have similar powers to our own. They can board vessels of other nations and report the results.

METHOD USED TO DETERMINE NUMBER OF FOREIGN VESSELS FISHING OFF NORTHEAST COAST OF NEWFOUNDLAND

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I wish to ask the Minister of Fisheries what capability was used in the past few days to determine the number of fishing vessels that were fishing off the northeast coast of Newfoundland? In view of the fact the local people reported 40 vessels, eight factory ships and one supply ship and a southbound CNR boat had to alter its course and take shelter because of the presence of those ships, and yet the department reports sighting only two vessels, what capability was used to make this observation?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, we co-ordinate counts. A count is made not only by our protective officers on service vessels but by military aircraft flying for Canada and other nations.

Mr. Speaker: The hon. member will be recognized for a supplementary and then the hon. member for Winnipeg North Centre.

Mr. Lundrigan: Is the minister prepared to table in the House evidence to substantiate the use of the aircraft, the number of hours flown and the number of boats used, the number of man-hours and the like so that we can have some understanding of what type of intensive investigation was carried out? We will then be able to figure out who is telling lies. Is the minister telling lies or the people? We believe the people.

Mr. Speaker: Order, please. We have had difficulty before and I hope we do not get involved in the same difficulty again.

CONFLICT OF INTEREST

MEMBERS OF THE SENATE—REQUEST FOR LEGISLATION OR DECLARATION OF GOVERNMENT POLICY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. In view of the fact the many corporate directorships held by members of the other place include directorships in a number of oil companies with which the government is having to deal in a special way because of the current crisis, companies which the government might even have to take over, will the Prime Minister seek to find ways in which to expedite either the enacting of legislation or the declaration of government policy in this important field of conflict of interest?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, with respect, it seems to me that the member is several months late. We enunciated our policy several months ago. We presented it in the form of a paper to the House. We indicated this would be dealt with by a standing committee of the House as soon as it had dealt with the problem of election expenses. We are waiting on that committee to study this matter. The government's recommendations are clear. They affect not only the House of Commons but the other place. We are waiting for the action of the members of this House.

Mr. Knowles (Winnipeg North Centre): In view of the fact the answer the Prime Minister has now given is the same answer that was given last week, namely, that the Standing Committee on Privileges and Elections is occupied with another piece of legislation, would it not be possible to refer the appropriate documents or papers to another standing committee so that the House of Commons can express itself on this matter right away rather than after something serious develops?

Mr. Trudeau: Certainly, Mr. Speaker, the government has no objection to that. The House leaders of the various parties should discuss this possibility. It is a matter of giving priority to this over other work which may be in front of members of the House. We have no objection if such an arrangement can be worked out among the House leaders of the various parties. I repeat, the government has come forward with its suggestions and we are attendant now upon the will of the House.

ALLEGATION THAT JUSTICE DEPARTMENT LAWYER ACTING AS PAID OFFICER OF CROWN CORPORATION

Mr. Donald MacInnis (Cape Breton-East Richmond): I wish to direct a supplementary question on the subject of conflict of interest to the Minister of Justice. Does the minister consider it proper for a lawyer employed by the Department of Justice to act at the same time in the capacity of a paid officer of a Crown corporation?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I will be glad to look into the specific case to which the hon. member is referring.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a point of order. The minister is always looking into things and coming up with the wrong answers. The minister knows the situation full well. Does he consider it proper that a lawyer employed by the Department of Justice should act at the same time as a paid officer of a Crown corporation?

• (1450)

Mr. Speaker: Order, please. The hon. member will appreciate he is repeating the question he asked in the first instance.

* * *

GRAIN

GOVERNMENT ACTION TO ALLEVIATE SHORTAGE OF RAILWAY CARS

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to address a question to the minister responsible for the Canadian Wheat Board. It has to do with the slow movement of grain referred to by the hon. member for Saskatoon-Biggar. Specifically, what is the minister's department, together with the Department of Transport, doing to alleviate the shortage of cars for grain transportation in western Canada?

Hon. Otto E. Lang (Minister of Justice): Both the Minister of Transport and officials working with the grains group have been in touch with the railroads a number of times in recent days and weeks to emphasize to them the importance of moving grain, particularly in this immediate period, and to urge them to examine the priority attached to this movement compared to the requirements of other movements which might be more readily postponed. The result has been some specific commitments by the railways as to the number of cars they would assign to the movement—still not as many as we would have liked. We are now watching very closely to see whether this stated commitment is, indeed, being fulfilled by the railways.

Mr. Murta: In view of the fact that in 1963 the two railroads combined had somewhere in the neighbourhood of 88,000 cars available for general purpose transportation, including grain, and that in 1973 the number is down to approximately 48,000 cars, what is being done other than these general statements? Is consideration being given at the present time by the government to building more rolling stock or urging the railways to build more rolling stock for the purpose of transporting grain?

Mr. Lang: The over-all deterioration of the boxcar fleet, which is so carefully documented in the study done for the grains group and for the Canada Grains Council in the report on the state of the industry, indicates a clear need for additional equipment, preferably of a specialized kind such as we purchased last year in the form of 2,000 hopper cars. We are now holding discussions with both the industry and the railroads about the way in which this need should be met; there are some necessary moves to be made by the industry relating to the manner in which these cars should be handled in the interest of efficiency, and by the railroads respecting the upgrading of trackage. This has to

be taken into consideration as well as the actual decision concerning the ordering and purchase of additional cars.

Mr. Norval Horner (Battleford-Kindersley): Mr. Speaker, my supplementary is directed to the minister who manipulates the Canadian Wheat Board.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member should ask his question in a straightforward manner. I hope he will not mind my bringing it to his attention that when a question is asked in this way he risks not having it answered at all and perhaps risks not having the opportunity to ask the question at all.

Mr. Horner (Battleford-Kindersley): Thank you, Mr. Speaker, I apologize for placing an interpretation on the responsibility of the minister who answers for the Wheat Board. As most of the grain which is moving on the Prairies is moving by truck—this may well be by the minister's design—is the minister aware that ships are waiting at Vancouver and Thunder Bay to be loaded with grain and that our position as a supplier of grain to the world is in serious danger?

Mr. Lang: The only comment I have about the grain moving by trucks is that a lot of it moves by truck on its way into the elevator system. Last week about 30 million bushels left the elevators. In fact, the volume of grain at Thunder Bay and at Vancouver is slowly but gradually increasing. There are one, two, three or four ships waiting in Vancouver according to the daily reports I receive. The turnaround at the Lakehead is improving. This is simply another way of saying that as a result of the shortage of cars grain is delayed in reaching the terminals, and we are directing—

Mr. Speaker: Order, please.

* * *

POST OFFICE

INCREASE IN RURAL MAIL CARRIERS' COMPENSATION

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Postmaster General. In view of increased costs incurred by rural mail carriers as a result of increases in the price of gasoline and other items, and bearing in mind the minister's reply to the question I asked on October 30, can the hon. gentleman now say when action will be taken by his department to compensate the rural mail carriers for these additional costs?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, an amount to cover increased costs incurred by rural mail carriers has been submitted for approval by the House in supplementary estimates. As soon as this has been accepted, I will then be in a position to give details, on motions, concerning a new formula which from now on will apply to all rural carriers in Canada.

[*English*]

Mr. Speaker: Is the hon. member for Regina-Lake Centre rising on a point of order?

Mr. Benjamin: No, Mr. Speaker. I was hoping to ask a supplementary to the previous question.

Mr. Speaker: Obviously we have not been able to settle the very important question which was raised by a number of hon. members and about which the hon. member for Regina-Lake Centre wishes to ask a supplementary. Perhaps we might resume the debate tomorrow. I will, of course, remember tomorrow that the hon. member was waiting for an opportunity to ask a supplementary. I will recognize the hon. member for Dauphin before calling orders of the day.

* * *

ENERGY

OIL EXPORTS TO UNITED STATES

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In view of the minister's statement that Canadian oil supplies to the United States would not be cut off in the present situation, has the government made any official commitment as to the minimum amount of crude oil which may be exported during this winter season?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The hon. member did not quote what I said. I said that oil supplies to the United States would not be reduced in order to appease the Arabs.

Mr. Speaker: Orders of the day.

Mr. Ellis: I rise on a question of privilege, Mr. Speaker. A while ago Your Honour recognized the Minister of Manpower and Immigration on a question of privilege. I merely wish to have it on record that I am quite prepared to table any documents in my possession at a public inquiry.

An hon. Member: Why don't you?

Mr. Drury: Contempt of parliament!

Mr. Speaker: Orders of the day.

Mr. Dinsdale: Mr. Speaker, I rise on a point of order. I have been endeavouring for a week to direct a question to the Minister of National Health and Welfare, of which I have given him notice. It has life and death implications and perhaps the Chair would be willing to allow me to put the question.

Mr. Speaker: As the hon. member knows, the Chair has no objection whatsoever, but I wonder whether this life and death question might not wait until tomorrow. However, I certainly would not wish to take such a responsibility upon my shoulders. The hon. member will have to examine his conscience on that score, and if he still wishes to ask a question after the question period has ended I

have no objection. The hon. member is recognized for that purpose.

* * *

HEALTH

AVAILABILITY OF DRUG, ISOPRENALINE, WITHOUT PRESCRIPTION

Hon. W. G. Dinsdale (Brandon-Souris): Thank you, Mr. Speaker. Is the drug Isoprenaline, used in the treatment of asthma and regarded by medical authorities as a cause of death through heart failure, available without prescription in Canada?

Hon. Marc Lalonde (Minister of National Health and Welfare): I think, indeed, that the answer may have to wait until tomorrow until I have checked all the facts. In the meantime, I suggest that people suffering from asthma should abstain from this drug for a day.

Mr. Knight: I rise on a point of order, Mr. Speaker. It arises from the fact that both the Minister of Agriculture and his parliamentary secretary have gone to Rome for a month. Would the government House leader tell us which minister will be responsible for their duties?

Mr. MacEachen: Mr. Speaker, the Acting Minister of Agriculture is the gallant Minister of Veterans Affairs.

Some hon. Members: Hear, hear!

Mr. Lalonde: Mr. Speaker, perhaps it would save time tomorrow if I were to give the hon. member for Brandon-Souris his answer today. I have just noticed that it is in my briefing book. On July 19, 1973, manufacturers of the product were advised of our intent to recommend that it be available only on prescription. Steps in this connection are under way and I expect that regulations to this effect will be passed very soon.

GOVERNMENT ORDERS

[*English*]

FOREIGN INVESTMENT REVIEW BILL

PROVISIONS RESPECTING ACQUISITIONS OF CONTROL OF CANADIAN BUSINESS ENTERPRISES AND ESTABLISHMENT OF NEW BUSINESSES

The House resumed, from Friday, November 9, consideration of Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, as reported, (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and Nos. 2, 3, 4, 5 and 6.

● (1500)

Mr. James Gillies (Don Valley): Mr. Speaker, I rise to participate in what I think ought to be one of the most important debates that has ever occurred in this House of Commons, namely the debate on Bill C-132. During the few moments at my disposal I do not propose to discuss some of the items examined so eloquently by other members of my party, such as the fact that the bill is entirely negative, that the bill is for the first time, as far as I know, introducing legislation where to a high degree we are to be governed in this country by men instead of by law, or the fact that there is no positive introduction of measures to encourage ownership by Canadians of the resources of this country. Rather I want to direct the attention of the House for a few moments to the general nature of the bill, particularly to the importance of the amendments introduced by the hon. member for Central Nova (Mr. MacKay).

The fact of the matter is that this bill, cannot be given proper consideration because we must consider it outside the framework of any definition on the part of the government of what economic policy this country is going to follow in the future, indeed even outside the framework of a policy for the present time. This makes an assessment of the bill almost impossible.

I am not suggesting that the bill should be debated in terms of the traditional goals of economic policymaking we know so well, namely the goal of full employment, relative price stability, less regional disparity of income and more equitable distribution of income among all Canadians.

The question raised, but not examined by the legislation, a question that is so important, is what direction are we going to take in our general philosophy with respect to economic policymaking in the Canadian economy? I was distressed to hear the Minister of Finance (Mr. Turner) say in response to a question today that the economy is now operating at close to its full capacity, and this at the same time as we have a 5.8 per cent unemployment rate in this nation; indeed, in some parts of the country the rate is 10 per cent. I do not know whether or not the Minister of Finance suggests that the structure of the Canadian economy has changed so much that we must now accept the proposition that if we are to have the economy operating at the government's definition of full capacity we shall have to accept an unemployment rate of 5½ per cent or some figure of this sort, a totally unacceptable rate. It seems to have escaped the notice of the minister that this is the highest unemployment rate of any industrialized country in the world at the present time. However, it does illustrate the need to examine whether the foundations of current economic policymaking are appropriate. Where is this country going to go during the next quarter of a century? Do we have to have high unemployment, inflation, regional disparities as a continuous situation?

During the course of this century we have had two basic patterns of development in Canada. First, until world war II we had the triangular trade pattern with which we are all familiar. We shipped our raw materials and other products to the British Empire and used our surplus exchange to buy manufactured goods from the United States. Then, after world war II there was a basic shift in

philosophy concerning the management of the Canadian economy, and our policy moved to what I would call in shorthand terms "continentalism". This continentalism was not unusual given the fact that we are so close to the United States, and that there were changes in the rest of the world which made it difficult for the Canadian economy to develop through dependence on Imperial preferences. Moreover, we needed capital to develop the economy.

During this "continentalist" period there has been growth in the Canadian economy, but it has been very uneven and erratic. We have had high unemployment and deep recessions during much of the period, and we are now experiencing a rapid increase in the rate of inflation, one of the most rapid rates of any country in the world. Has our performance been the result of this basic philosophy? The question is worth examining because one result of our policy of continentalism has been that our policymaking has been inextricably linked to policymaking in the United States. Indeed, one could argue that we in this country today are not able to have an independent economic policy.

The degree of inter-relationship with the United States at the present time is clear to all. When that country had a balance of payments crisis and introduced measures to solve it, their decision to devalue caused a devaluation of the Canadian dollar which contributed to the high rate of inflation in this country. When the United States decided to introduce an interest equalization tax, what was our response? To rush down to Washington to try to be exempted from that interest equalization tax. When the DISC program was introduced in the United States, what was our response? To rush down to Washington to see whether we could be exempted from that. The reason I mention these examples is to indicate that the net result of the policy we have followed since the end of world war II has culminated in the result that we are now restricted in making decisions respecting economic policymaking in this country which are independent of decisions that are made in the United States.

I suggest that the debate that we have had on this issue in the last week or so should really revolve around this fundamental question: Are we going to have a change in our attitude toward continentalism? We have now reached a period in the history of Canada when we have to assess this question very carefully and effectively, because the premises on which Canada entered into this kind of policymaking have changed. When the Canadian government decided after world war II that this was the policy in the best interests of the country, the decision was based on the assumption that the U.S. dollar would be a strong currency on international exchanges, that the United States economy would remain strong in the world throughout the 20th century, and that there would be continuing surplus of raw materials throughout the world.

These assumptions may no longer be valid, Mr. Speaker. The United States dollar is no longer a strong world currency. Indeed, it is a currency that has enormous problems associated with it. The U.S. economy has had an endless amount of trouble. So as far as Canada is concerned, basing economic policy on what is done in the United States may not necessarily lead to the best development of the Canadian economy in the future.

The difficulty about this bill is that it does not provide any indication of what the government's position is on this issue. It does not indicate whether or not the government realizes that the net result of the policy that we have followed for the last 25 years may have caused us to lose a great deal of sovereignty in the field of economic policymaking something which is fundamental to any country that wants to pursue its own goals and to develop its own destiny.

The bill does not deal with investments in unrelated enterprises or with the problem of using retained earnings for investment in other enterprises in the Canadian economy. In fact, the bill deals only with new capital investment, something which I am sure the minister will agree has been anything but significant during the last two or three years. In many ways the bill is, in a sense—and I use the word with care—a somewhat fraudulent piece of legislation because it implies that it is dealing with a problem with which it does not deal at all. It does not deal with the question of the takeover of firms by existing subsidiaries operating in the Canadian economy at the present time which has been the major cause of the increase in foreign investment in Canada today.

Mr. Gillespie: It does not do what?

Mr. Gillies: It does not look at the problem of the takeover of firms by existing subsidiaries in related areas and the use of retained earnings in this country today.

● (1510)

Mr. Gillespie: Have you read the bill?

Mr. Gillies: Yes, very carefully.

Mr. Gillespie: You will find that all takeovers are covered.

Mr. Gillies: Not in related areas.

Mr. Gillespie: They are in later. You will see it is with related areas too, and you will find that in the bill if you read it. You just have not read the bill.

Mr. Gillies: I certainly have. Similarly, it is hard to assess the intention of the framers of the bill because the bill is not placed in the framework of some type of industrial strategy for the nation as a whole. Is the reason for the bill to strengthen the industrial sector so there will be more employment brought about in manufacturing? If the bill is designed to increase manufacturing employment in Canada, and if that is what it is designed to do, how will it accomplish this? If it is designed to bring about more independence in economic policy making in Canada, in formulation of tax policy and monetary policy as well as exchange rate policy, the bill will have no effect.

This bill will do absolutely nothing about the fundamental problems in the Canadian economy or the critical question of economic sovereignty in Canada at the present time. To suggest that it will is misleading. This bill does not tell us anything about the basic belief of this government as to how the Canadian economy must be developed

in the rest of the century. It is simply another ad hoc measure, because it is not set within the framework of an industrial strategy for Canada.

One cannot be astonished that many provinces are upset over a bill which is so vague that they cannot be sure of its intentions. That is why the amendment brought forward by the hon. member for Central Nova (Mr. MacKay) is so important.

Mr. Gillespie: Which one?

Mr. Gillies: The amendment calling for consultation with the provinces as put forward by the hon. member for Central Nova should seriously be considered by the minister.

Mr. Gillespie: He has put forward several.

Mr. Gillies: Let me say why it is so important and so worthy of consideration. The amendment provides the minister with a great opportunity to make a major breakthrough in economic policy-making for better operation of the economy. The fact is that we have not been able to reduce substantially regional disparities in Canada. If one looks at the statistics he will see that even with the large operations under DREE our regional disparities are great. Surely, it cannot be surprising that people in the Atlantic provinces, and some of the other areas, are distressed at a bill of this kind. The nature of this bill suggests that one of the important things for them, namely new investment, may well be limited.

Given the unemployment rates in these areas, an unemployment rate today in the Atlantic provinces of approximately 10 per cent, how can the minister tolerate such a situation? How can he tolerate the highest unemployment rate of any industrial country in the world? How can the minister bring in a piece of legislation when the people of these areas are so concerned about this bill they are afraid it will make their problems even worse? The amendment which was introduced provides an opportunity to bring the provinces into the making of decisions which affect them so much?

One has to admit that broad-gauged economic policy making in Canada, using a broad brush in fiscal and monetary policy, has not solved our regional problem. So what we should be talking about in terms of economic policy making, is the whole question of how we are going to bring in and use the input of the provinces in developing national economic policy.

I am suggesting to the minister that, by accepting this amendment, he has a tremendous opportunity to make a first step in a positive direction. There is no question that in the future we will have to change the way in which monetary policy operates, that we will have to interrelate the making of fiscal policies by the provincial and federal governments, if we are going to achieve Canada's potential. We have to consider such issues because the way we have been doing things in the past has not worked.

We cannot ask a part of Canada to live with 10 per cent unemployment. This is immoral, it is improper and certainly an ineffective use of our resources. We must try to do something different, and I am pleading with the minister to take a hard, long look at this possibility. If he can develop, through the use of this bill, a vehicle by which we can really create input by the slow-growth provinces in the development and formulation of policy so that we really have federalism working, and the provinces feel they have an input which is being considered by the federal government in the development of policy, then we will have moved a considerable degree in the direction of the way in which economic policy must be made in Canada in the future. Our methods in the past have not worked. Surely, what we want to do now is find a new mechanism for solving regional problems, and the minister has a vehicle if he accepts the amendment. It is not my suggestion that provinces opt out. It is not in any way weakening the bill. In fact, I suggest the amendment is making it stronger, and is making it more effective.

What the bill does now in terms of the over-all problem of foreign investment in Canada is not very significant. By accepting this amendment this minister will have the opportunity of working out administrative procedures and setting a whole new direction in economic policy making in this country which will effectively relate the work of the central government with the work of the provinces, and this is essential if we are to find solutions to the economic problems of the nation.

I see my time is nearly up, Mr. Speaker, but we must recognize that the Canadian economy has been operating far below its potential. There are probably many reasons for this that one can put forth, including the truncation of our manufacturing segment because of a high degree of foreign ownership and the fact it has been developed in such a way that Canadian firms are not involved to the degree they might be in research, development and so forth. These reasons have all been brought up in the debate. But surely another reason Canada's economy is operating below potential is that we are not organized or structured to make effective policy.

I want to leave this one suggestion with the minister, and I make it with the greatest respect and with all the emphasis I can. By accepting the amendment and bringing the provinces into the discussions in an effective fashion he can lay a foundation which can be a guide for the development of other economic policy in Canada in the future. If we fail to adopt that course, we will not do anything about the question of foreign investment and we will have discontented provinces. The bill will have missed a great opportunity. I really urge the minister to accept the amendment. He must want it. He cannot possibly be content with the way things have happened in the past. I do not think we should miss the opportunity provided by the amendment of the hon. member for Central Nova (Mr. MacKay) to provide provincial participation. I say through you, Mr. Speaker, to the minister that this would be really a start, a new direction, in economic policy making in this country which must come because the past broad gauged policies have not worked. Now is the time for a new start in economic policy making.

• (1520)

Mr. Speaker: Order, please. The hon. member's time has expired.

Foreign Investment Review Act

[*Translation*]

Mr. J.-J. Blais (Nipissing): Mr. Speaker, I am pleased to speak after the hon. member for Don Valley (Mr. Gillies) whom I want to congratulate for taking a somewhat belated interest in the passing of this bill, but he does seem to show some knowledge of it.

[*English*]

I should like to indicate that the hon. member, indeed, is not contemplating the bill in its full force and effect, because surely most of the points he brought to the attention of the minister have been brought to the minister's attention on previous occasions by members of his own party even before the preparation of this particular legislation. I suggest that the aims the hon. member for Don Valley (Mr. Gillies) is seeking would be best given effect by the provisions in the bill as it stands. I would refer to clause 2, subclause (2)(e) which contains an express provision for discussion of the items that are given importance by the provinces. This subclause reads as follows:

> In assessing, for the purposes of this Act, whether any acquisition of control of a Canadian business enterprise or the establishment of any new business in Canada is or is likely to be of significant benefit to Canada, the factors to be taken into account are as follows:

Then, they are enumerated. Paragraph (e) reads as follows:

> the compatibility of the acquisition or establishment with national industrial and economic policies, taking into consideration industrial and economic policy objectives enunciated by the government or legislature of any province likely to be significantly affected by the acquisition or establishment.

There is no doubt that of the five considerations that are to be taken into account by the minister and by the cabinet one of the five—and there are only five—is the question of policy suggestions enunciated by the provinces. I suggest to you, Mr. Speaker, that these provisions will be effective but that proposals contained in the amendment would bring about the development of an auction system regarding foreign investment in Canada. Surely Nova Scotia, the province from which the mover of the amendment comes, is interested in new investment regardless of its origin. Surely, Nova Scotia government would be approached by the applicant or potential investor in order determine whether or not that particular province would support an application to the federal government and what its specific contribution would be relating to that particular investment.

In this way we would avoid the necessity of every province in the Maritimes having to be advised of this particular potential investment which cause them to start saying, "me first". One province would offer better terms than another and so on. The investor would be placed in the position where his intentions were no longer confidential. He would be involved in the political arena at the outset in respect of which province would get that investment. I believe this is where the real danger lies. The applicant would not benefit from the advice of one area in which he wished to place his investment; indeed, he would be faced with competition between several areas.

[Mr. Speaker.]

I suggest that the amendment is quite explicit in some respects and very vague in others. It reads in part as follows:

> A copy of the notice—

That includes the whole kit and kaboodle.

> —shall be sent by the Agency forthwith by registered mail to the province or provinces likely to be significantly affected . . .

I repeat "significantly". Mr. Speaker, we know the nature of investment in Canada and the nature of the corporate entities in Canada. I defy any member here to indicate an interest which is likely to be purchased by a foreign investor which is not operative in the majority of the provinces of Canada. If someone is interested in purchasing that particular interest, the government would have to notify each province which would be significantly affected by that purchase. I suggest to the hon. member for Don Valley, through you, Mr. Speaker, that by advising each and every province we would find ourselves involved in a multi-faceted discussion and auction between these various provinces. That is the point which creates the greatest difficulty for me in the proposal made in this particular amendment.

The other matter which gives me some concern is that there some areas of Canada which need the protection of the federal government in respect of the provincial government.

An hon. Member: Like Alberta.

Mr. Blais: Alberta has its own government and I am sure it will protect the interests of all Albertans. My problem, however, is that I come from an area of Canada which is indeed a disadvantaged area, and one which does not receive the protection of the Ontario government. I suggest that if the Ontario government, which has manifested its intention to strictly limit foreign investment, should consider it necessary to restrict foreign investment in respect of the southern portion of the province, the same restriction would apply to the northern part of the province. Undoubtedly, such a restriction would be detrimental to my area which is very concerned about the need for additional investment. If there should be further investment in that part of the province, I suggest it would come primarily from outside our national boundaries.

Mr. Hurlburt: I rise on a point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Lethbridge rises on a point of order.

Mr. Hurlburt: Mr. Speaker, I should like to draw to the attention of the hon. member for Nipissing (Mr. Blais) that I object to his use of the word "auction" which he has used twice during his comments this afternoon. I take offence because the auction method of selling goods goes back to Biblical days. I wish he would use some other term, because this is the manner in which a deal is consummated in front of God and is a method in which there is no chance of any underhanded bargaining.

Mr. Blais: Mr. Speaker, the hon. gentleman who just intervened knows something about the auction. I congratulate him for protecting that particular mode of sale. I respect the auctioneering process. Although it is as he

states a God-like process, I suggest that in this particular instance it would not work. I regret the aspersions I may have cast. I merely suggest that the auction system, although valid, does not apply in a situation or in a confederation where we wish to nurture co-operation between individual provinces. It is important that individual provinces recognize each other's rights, and also recognize the right of the central government to protect the interests of the whole Confederation rather than only one section.

As I was saying, we still need the protection of the federal government for certain areas of Canada which have been neglected by their provincial governments. I suggest that the bill in its present form will protect northern Ontario, and we will find that the practices of the past will not apply if some company should wish to locate in that area.

● (1530)

I feel it is very difficult to comprehend the attitude taken by the Conservative party in this instance. They have been chastising the government, and the thrust of their contributions has been that the government should not protect its jurisdictional responsibilities. Evidently they support the position of the province of Alberta in the matter of supplying energy to the whole of Canada. They espouse the attitude taken by that particular province in confronting the federal government. Their position is that there should be a confrontation between the provinces which might want to have investment within their own boundaries and the federal government which is attempting to make a just distribution of industry throughout Canada. They take issue with that idea and say the federal government should not consider what the provinces want and should not protect its jurisdictional responsibilities, but rather should throw the ball into the provincial park so that the provinces can confront each other and confront the federal government in attempting to arrive at a decision.

I find it very difficult to understand why a federal party such as the Conservative party should support the idea of the decentralization of the federal power to such an extent. I find it most unjustifiable, especially when about two months ago they were saying that the federal government should impose wage and price controls, knowing that this would necessitate consultation with the provinces because the federal government does not have jurisdiction to impose wage and price controls without the consent of the provinces. No mention was ever made of any consultation with the provinces on that subject.

Again, with reference to the energy situation, when the Conservative party was espousing a national energy policy and telling the government that it does not have a national energy policy, which they wanted forthwith, no indication was made of any necessity for consultation with the provinces. They did not consider, of course, that there was a national energy policy. Perhaps it was not satisfactory to the opposition, but it was there. Therefore, we have a considerable amount of difficulty in accepting the sincerity of the opposition. The Progressive Conservative party is now indicating that there should be confrontation with reference to foreign ownership at the time when there is some indication that they do not favour the limitation of foreign investment in Canada. We see quite clearly from the speeches of members of that party that they are not really interested in the control of foreign ownership. I am suggesting that they are using this amendment to create some sort of dissension within the House so that the bill might be defeated.

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, today, in discussing the foreign investment review bill, I want to talk about love and hate, fact and fiction, common sense and foolishness. During the past week or so in this House all these factors have come into play. If I may be a little partisan for a moment, perhaps I should say that the love, the facts and the common sense in relation to foreign investment in Canada have been displayed by members of the Progressive Conservative party—the only political party in Canada with elected members from all ten provinces—and the negative aspects I have mentioned have come from either the members across the floor or to my extreme left.

As my good friend from Crowfoot, Alberta, mentioned a day or so ago, Canadian ownership in business and industry is like motherhood; it is desired and it is respected. In a perfectly balanced world, if Canada had a much larger population, if geographical factors had been different, perhaps even if history had been different, foreign ownership in Canada might not be the controversial subject it is today. Then again, perhaps if geography had been different, if history had been different, if our population had been much larger, perhaps Canada would not be the great and marvellous country it is today. You cannot have everything, Mr. Speaker. You can try to have the best of both worlds, but you do not always get it. Actually, I think Canada has come closer than any other country to having the best of both worlds, and I think that with a little common sense we just might achieve it.

I say "common sense" because I recognize that, rightly or wrongly, foreign ownership in Canada has become both a controversial and a pressing subject. The New Democrats to my left, the party in Canada which is not happy unless it is kicking our closest neighbour south of the border, favour the ending of all foreign investment in Canada right now. Well, if we did that, many other countries would be very happy because it would mean that the United States would have to look elsewhere to invest its money. With investment you get jobs, lots of jobs. Most countries want to increase employment. They hate to see their citizens out of work. So, they welcome more foreign investment.

Some people in Canada still welcome foreign investment. In fact, Nova Scotia premier Gerald Regan, a Liberal, becomes upset when we talk about restricting investment in this country. He has good reason to be. The Maritimes are a have-not group of provinces with high unemployment rates, and Premier Regan knows he cannot say no to investment that will give more jobs to the residents of his province. Even though I am not a Liberal, I would like to see Mr. Regan in this House of Commons now giving his views on foreign investment. It might interest the government and it might interest the New Democrats who have failed to elect even one federal member of parliament from the Maritimes. They do not have even one from an area which, with its economic

problems, you would think would be a natural hunting ground for them.

Now, I have mentioned the foolishness of a small but highly vocal group which says: Let us end all foreign investment, let us throw out all the Yanks. That is foolishness, and I am sure that the premiers of Manitoba, British Columbia and Saskatchewan—all NDP premiers who have gone to the United States and spoken about the need for investment in their provinces—know how foolish it is to want to turn away that money and to let investors and jobs go elsewhere.

What I think is needed when it comes to discussing foreign investment and guidelines for foreign investment is common sense. I understand that 100 years or more ago there were people in the United States who worried about British investment in their country. Time has shown them to have been wrong. I guess it has also shown them that without that initial amount of foreign investment, the U.S. economy could never have expanded at the rate it has.

I think perhaps if we imagined a Canada in which not one U.S. cent, one English pound or one West German mark had been invested over the past 100 years, we would see that we would have a pretty sad country. Canadians did not have the money. We needed outside help, and we got it. We took that help for 100 years. Now, we start to say, "Go away; we don't want you any more." That is a strange attitude, Mr. Speaker. It is a strange attitude because if a foreign corporation wants to build an industry in one country, and that country says no, then it will simply build the plant in another country that says, "Yes, we need the jobs you can give us. We need them for our young people. We need your industry because it will contribute to our tax base and perhaps even build up our export trade."

● (1540)

I realize there are some problems with foreign investment. I realize that profits from some foreign-owned industries, not only U.S. but Japanese, British and West German, flow out of this country at an alarming rate. And so I think we have to have some regulations, some guidelines, and some rules, but not rules so tough that no one will locate here. Let us have some common sense. In fact, I think we have some common sense in the bill before the House. I will be interested to see it go through the committee stage and get some input from outside, some refining. But I do not think the bill as such, or the government as such, is tackling the problem in a realistic way. It seems to me that instead of restricting, instead of taking negative attitudes, we should encourage and take positive measures to deal with our foreign ownership problem. We should try to have the best of two worlds.

As I said before, Mr. Speaker, I do not believe we are in a position to turn down employment creating opportunities. At the same time, I realize that a country on the move has to guide its own destiny. I think we can have the jobs and also guide our own destiny if we approach the matter properly. Suppose that foreign investment in this country continued to grow at the rate that it has over the past decade or so, but that Canadian investment and ownership grew at a rate perhaps 5 per cent to 10 per cent higher than of investment by United States investors. It seems to me

[Mr. Hurlburt.]

that in this case, as U.S. and other foreign investment continued to grow, because Canadian investment and ownership would be growing at a rate 5 per cent to 10 per cent higher, then in a certain period of time Canadian ownership in the various industries would match foreign ownership. Then, if we could maintain the relative rates of growth, it would far surpass outside ownership. We would still get the foreign investment, still get the new jobs for our young people, but as Canadian ownership grew at a greater clip, the actual percentage of foreign ownership would slowly fall. And I stress slowly. We would have the best of two worlds. We would still get the investment and the jobs, but over a period of time we would gain the upper hand. I repeat that we would have the best of two worlds.

How can this be done? The weapon, if I can call it that, seems to me to be taxation. We should change our taxation policies so that they offer more incentives to Canadians—just enough to give Canadian businessmen and entrepreneurs an edge without scaring away outside investors. This certainly is not the case now. In the oil and gas industry, for instance, foreign investors putting their money into high-risk oil and gas exploration in Canada get more incentives and more taxation writeoffs than Canadians receive. It is a strange situation. And I note that the NDP, which only managed to gather some 17 per cent of the vote in the 1972 federal election and elected only 31 out of 264 members, but which is now the power behind the throne, views with alarm foreign domination of the Canadian oil and gas industry.

Why doesn't it do something about it? Why doesn't the NDP force the Liberal government to give Canadians the same taxation advantages that Canada gives to foreign investors? Because, as usual, the NDP can't see the forest for the trees, and competition scares the NDP. It does not feel it is equal to the task so it avoids the fight, and avoids innovation. The NDP and, I am afraid the Liberal government, avoid giving Canadian businessmen and entrepreneurs the encouragement and inventives they need to give them that little spurt which will put Canadians ahead just enough to control their own destiny without scaring off anyone else.

I remember that during the 1972 election campaign our leader proposed a revolutionary plan that would allow Canadians to invest up to $5,000 a year in a small Canadian-owned business and, at the same time, get an equivalent amount of deferred income for tax purposes. It was quite a plan. It was designed to allow the average Canadian, whether he had $500 or $5,000 to invest each year, to put it in a small Canadian-owned business and so help it expand. The government, under the Progressive Conservatives, would then allow him to defer paying income tax on that investment until he sold out his holding. That is what I call one positive step to increase Canadian ownership in this country, a positive not a negative step, a method by which more, not fewer, jobs would be created, and a measure, I might note, that would give more Canadian wage earners the opportunity to enjoy the fruits of the free enterprise system.

Is that idea lost, Mr. Speaker? I do not think so. I do not think so because I believe that sooner or later, perhaps sooner than most people realize, the Progressive Conserva-

tives will form a government in this country and will institute such realistic and advanced ideas. We have to, Mr. Speaker, because if we do not we are going to be in a terrible mess.

I was reading in the *Financial Post* on the weekend, the issue dated November 10, about a small Canadian-owned manufacturing company, Husky Manufacturing and Tools Works Ltd., of Bolton, Ontario. This company wanted to expand its manufacturing operation. What did it find? If found that every major cost and tax involved in the expansion would be higher in Canada than if the company located in the United States. It seems that after the company president, Robert Schad, looked into the matter, he found that his company's after-tax profits from a new manufacturing plant located south of the border rather than in Ontario would be more than double. The figures showed that the Canadian operations would yield an estimated pre-tax profit of $1.2 million, whereas his company would make a profit of almost $2.3 million before tax if the new plant were located just a couple of hundred miles away. So, we have a case of good-bye profits, good-bye jobs. We even force our own entrepreneurs and businessmen to expand their operations outside the country. It seems to me, looking at this particular case, that something is very, very wrong. Common sense tells me that. Let us give our own people the encouragement and incentives they need to invest in Canada. Let us give them all the help they need, because new jobs are too important to throw across the border.

A month or so ago the Prime Minister (Mr. Trudeau), who incidentally has alienated the entire province of Alberta and almost all of western Canada and the Maritimes with his strange attitudes and policies, went tripping off to Red China. My comment on that meeting would have been simple. His time would have been better spent in Washington. I cannot help but wonder why the Prime Minister was not trying to make Canadians better liked closer to home. I would have thought there was a more important job to do fixing up relations with our closest neighbour and biggest trading partner, the United States. I submit that instead of visiting Communist China the Prime Minister should have been in Washington, London, Japan and Europe patching up relationships which his government has destroyed. Ask the average Canadian who is his closest friend, and he is not likely to say Red China. He can see things clearer closer to home. It is a pity the right hon. Prime Minister cannot.

So, Mr. Speaker, let us stop kicking our neighbours. Let us stop ignoring our friends. Let us stop creating animosity with those who want to be our friends, and with our own Canadian businessmen. Let us help them create new industries. Let us help them create new jobs. Let us give them the encouragement and incentives they need to make Canadian-owned industries grow, without scaring off people outside our borders who want to invest in our future. I ask the House, where would we be today if we were not rich in resources, and no one wanted to invest in Canada? Let us thank God we have the resources, we have the people wanting to invest in our future. Now, all we need is the same quality to guide these investments that the Canadian businessman exercises in his own day to day operation—common sense. Let us be rational. Let us be fair. Let us be realistic. Let us help Canada grow, not hamper it.

● (1550)

Mr. Barnett J. Danson (York North): Mr. Speaker, I really did not intend to participate at this stage of the debate until I listened to some of my friends across the way. They made me wonder if they really want the bill, particularly the hon. member for Lethbridge (Mr. Hurlburt). He spoke about things that are not about to happen, such as the possibility of a Progressive Conservative government! What caught my ear and caused me to rise was his reference to the article which appeared in the *Financial Post* about Husky Manufacturing and Tool Works Limited. Mr. Schad is an entrepreneur. I knew him when he came to this country, a toolmaker from Baden-Baden, Germany. As a matter of fact, I knew his wife before he did but nothing can be read into that!

One should understand the nature of this operation, Mr. Speaker. It is a brilliant operation and Mr. Schad has done a brilliant job. The success which he has enjoyed has been largely the result of his own ingenuity and energy, and I think it is presumptious to say that Canada has made it so difficult for him to operate here that he would be better off if he were to go to the United States. I spoke to him last week about these same tax considerations. Of course, these considerations include DISC and we do not approve of that; it is not in keeping with the international atmosphere that should exist. I do not think we should just lie down to the United States dictates in this respect. We should not forget that many of these companies were built up largely with research and development funds supplied by the government of Canada, and with a great deal of assistance in displaying at exhibitions in Japan, Germany, the United States and other countries.

I think the case that Mr. Schad makes has some merit, but I do not think it is a classic example of the factors that should be considered in deciding our foreign investment policy. One of the interesting facets of our relationship with the United States is that it is taken so much for granted. The fact is that our trade continues to grow and the manufacturing segment of our exports to the United States continues to increase. We do some $30 billion per year of trade with the United States, so I would hardly think that relations with them are being destroyed. Visits to China, the Soviet Union, Asia and other areas of the world where we will find future markets are not counter-productive nor mutually exhaustive. Someone had to take the initiative in establishing the contacts and that was done very well by our Prime Minister (Mr. Trudeau) who was followed by leaders of nations greater in size than ours.

When this bill was studied in committee, Mr. Speaker, some members of the Conservative Party talked like nationalists. They know very well that the majority of Canadians support this bill, so while they talked like nationalists they amended like continentalists. I cannot help but feel that their amendments are designed to emasculate the bill.

Mr. Hellyer: On the contrary, to strengthen it.

Mr. Danson: To strengthen it by further prescribing procedures that must be followed is a rather negative approach, I think. The hon. member for Don Valley (Mr. Gillies) is trying to make this a debate on industrial strategy and the hon. member for Edmonton West (Mr. Lambert) talks about Toronto tunnelvision. Well, Mr. Speaker, perhaps the people from Toronto are in the best position to speak about this. They, and the people of southern Ontario, are well aware of the consequences of foreign investment in an unrestricted fashion. The hon. member for Lethbridge (Mr. Hurlburt) has suggested that we are going to scare foreign investment away. Mr. Speaker, that is not the intention of the bill; it is the nature and quality of investment that is important.

Mr. Hurlburt: A point of order, Mr. Speaker. The hon. member for York North (Mr. Danson) keeps referring to me and to my statement about scaring foreign investment away. I would like him to know that I am speaking from 25 years practical experience. The only reason I am here fighting this bill is because of this government.

Mr. Deputy Speaker: That is not really a point of order but rather a point of debate.

Mr. Danson: It is an interesting point of debate, Mr. Speaker. I speak from experience of doing business with many countries in the world, but mostly in the United States and Canada, as well as having a company in the United States.

The point is when you have a rule that the investment be of significant benefit to Canada, you can make a much better deal. You have a bargaining strength there that has a special value because the government has an opportunity to show potential investors how much greater the benefit to Canada will be if they invest in a different way. If there is no such agency investors go wherever they want, of course. If we are able to consult with the provinces, as a screening agency must, the benefits to other parts of Canada can be shown. Those of us from the so-called golden horseshoe are well aware that growth for its own sake is not the answer to everything. Votes are not won in that area by telling people how much bigger the area is to become and how the population is to be increased. If you want to win their votes you tell them how they can enjoy the good life in Edmonton or other places! The fact is that we deal from day to day with the dimensions of investment in matters over which we have very little control. Here we are trying to give the federal government an instrument to encourage investment in the best interests of Canada. But, Mr. Speaker, if I read the amendment correctly, it would give the provinces the power of veto in some cases, and I think this would be extremely unwise.

The industrial strategy to which the hon. member for Don Valley referred does not come by divine revelation, not like tax reform; it comes about by a series of policies in key areas. I suggest that these policies are developing at a rate at which they can be absorbed and discussed with a degree of intelligence in committee and in the House. That could not be done if you tried to impose some master plan from above. Think of what this government has done under regional economic expansion. Of course, it is not perfect but it is the first significant move of any government in our history. This bill will help improve and

strengthen regional expansion and will expand research and development programs. The growth of the Industrial Development Bank, and the restructuring which is about to take place, will be of tremendous value. The establishment of the Canada Development Corporation is another important factor. These are the things that are the matrix of industrial strategy.

As I said, I was constrained to enter this debate because I found my hon. friends opposite straddling the fence, trying to show the nationalist people that they are nationalists but at the same time showing their other friends that they really do not mean it. They do not want this measure to be effective. They do not want to see things changed. That is traditional. That is what we expect. Effectively, the amendment would give veto power to the provinces in many cases and emasculate the bill. The federal government should be in the position to act in the over-all interests of the entire country.

● (1600)

The hon. member for Nipissing (Mr. Blais) referred to auctions. I do not want to get into an auction with the hon. member for Lethbridge (Mr. Hurlburt). The fact remains that the provinces, particularly those which are not industrialized, perhaps in anxiety or over anxiety, might make or accept deals which are less favourable. In a recent private arrangement that I had, I found that by simply quoting from the intent of the bill, and some of the amendments to the corporation act, I could make a much more realistic arrangement, and one which certainly was in the best interests of Canada.

I was in New York a week or two ago where I met the head of a multinational corporation. I discussed the arrangements which they accepted, not anxiously but without reluctance, in other countries of the world. I was absolutely astounded. This company does business in virtually every country of the world. Whatever rules there are, they go along with them. They say they cannot afford to do otherwise because if they do not, their competitors will.

What we are proposing is certainly mild compared to countries less buoyant and with less stable governments. We are particularly favoured with a stable government. The opportunities, skills, educational level and resources that exist in this country count very much when investments are made here. If we have some restrictions and provide guidelines in some cases and incentives in others, we can develop greater industry. This will be of great value to Canada and all Canadians. What is important is the nature and quality of these investments and the distribution of them. I do not accept the fact that we should be ungrateful for all the investment we have had in the past. It has been good. However, we are seeing what effect it can have on us.

Many of our major decisions have been distorted by the decision-making location of multinational corporations. We must keep in mind that a lot of these decisions are made by Canadians who are employed by these companies. They think in a head office context which ultimately is not really in our best interest. We must have this opportunity to review these decisions. One example of this is the current oil situation. Had the major oil companies

been Canadian owned, the decisions would have been much different. It is true the investment for exploration and development came from multinational corporations. To say we would not have had this industry without that initial foreign investment is a bit of conjecture. I am sure other investors would have been found. However, if we had had regulations, rules and some guidelines for these companies to follow when they started in this country, we would not be boxed in as we are now. This is the time to do something. We cannot do it any sooner.

This is reasonable and fair legislation. It must go through to give us some degree of control over our own destiny. It is going to be of particular value to those parts of the country which in the past have been less favoured economically and, speaking selfishly as a Torontonian, in our best interests because we will see the rest of Canada flourish as well. We flourish only to the extent the rest of Canada flourishes. This is of real importance in the long run. One of our greatest problems in this country is economic disparity. This bill, certainly in concert with regional economic legislation and incentives, will do more for regional economic expansion, bringing industry to parts of Canada that do not have active industry, than anything else we have done.

If we fool around with this bill too much and put too many hedges in it, we will be in danger of limiting its food effects considerably. We must give the screening agency the opportunity to work, to consult with the provinces and work with them. This is an essential part of their job. It is an essential part of the bill. Amendments must not restrict their freedom to operate. If we are going to have a bill and a policy for which the provinces in the long run will thank us, the people who elect us will thank us and, perhaps even more important, our children will thank us.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have known the hon. member for York North (Mr. Danson) since he first came to this House. Perhaps I have a more retentive memory of the speeches he made when he was a new man in this House. He tried to win his spurs on the finance committee. At that time he made speeches on changes to the Canada Corporations Act, the changes made when the Liberal majority swung over to taking a more realistic view of the white paper on taxation. The hon. member should blush after making us listen to what was downright arrant nonsense this afternoon.

Some hon. Members: Hear, hear!

Mr. Danson: Did you say Arab nonsense?

Mr. Lambert (Edmonton West): I would not suggest the hon. member would use any Arab thinking. However, the points that he made demonstrate an attitude and a frame of mind which suggest that we poor individuals who live in the boondocks, in other words outside of metro Toronto, need the big brotherism of enlightened people like the hon. member for York North who suddenly has discovered that what is good for them is necessarily good for the rest of the country. I must say that Saul on the road to Damascus was no newer convert than the hon. member who just finished speaking.

I would say that it is great to be told by a member from a constituency like York North that what this country requires is some central reviewing agency which will tell any part of the country whether or not it should have an expansion of industry or a new investment with a modicum of foreign investment. We are to be told, not consulted. This amendment talks about consultation.

The hon. member for York North dared to talk about the oil industry. As a result of the tunnel vision prevalent in the area from which he comes he thinks that if the oil had been developed in a different way, we would not have the problems of today. Let him talk to his financial friends in Toronto. For example, would they have approved or even thought of a pipeline into Montreal three years ago when offshore crude was much cheaper to produce than domestic crude? Is it suggested that the Energy Conservation Board of the Province of Alberta knows not of what it speaks or that all the experience it has collected since 1947 is not worth one tittle by comparison with the newly acquired, unproven judgment of an agency making a recommendation without consultation? There is no word about consultation in this bill. All it says is that the minister, when making his recommendation to the Governor in Council, shall at the same time submit any representations which may have been made by the provinces. In fact, the bill does not require that a notice of an application be sent to a province which has not, in the language of the measure, stated its economic policies. I know this bill, and perhaps that is more than can be said for some of the other hon. members who have sought to support it on this question of consultation.

● (1610)

I want to make it clear that when it comes to the question of being Canadian, I defy anyone on the other side of the House to show that any of us on this side who may be critical of this measure are any less Canadian than they. But they have wrapped around themselves a toga of nationalism and virtue which ill becomes them because of the manner in which they have acted in the past. They remind me of one of my opponents in the last election. He had a Winnebago caravan with half a dozen Canadian flags on the back of it and, on the sides, the famous Liberal slogan "I care". What humbug! What hypocricy! What pretentiousness! Many of the speeches in support of this bill fall into the same category. Of course, we are all concerned.

Does the hon. member for York North pretend that no account is to be taken of decisions of the Alberta Energy Conservation Board, formerly the Energy and Gas Conservation Board, with regard to the quantities of oil to be exported from that province to the rest of Canada, or to the United States? Does he mean that those two bodies have been guilty of faulty judgment, judgment which could have been corrected by some old-fashioned Canadian company based in Toronto or Montreal? Did he not attend the committee hearings at the time the tax bill was under discussion and listen to representatives from New Brunswick and Nova Scotia saying that the fear among businessmen in those areas was not so much of a takeover by a Boston corporation as by a Toronto or Montreal corporation? It was the central Canada investors they feared, rather than the outsiders. This is all documented, and the hon. member for North York knows it, because he participated in those hearings.

Mr. Danson: But it was not true.

Mr. Lambert (Edmonton West): Does the hon. member suggest the witnesses from Nova Scotia and New Brunswick were lying? Because if they were making incorrect statements consciously, they were uttering falsehoods. Has the hon. member read the brief from Quebec with regard to this bill? Hon. members opposite sat here the other day and sought to draw about them garments of righteousness and honour because the administration in Quebec had secured a victory. This same administration has stated in a brief which can be found at the back of the proceedings before the Finance Committee considering this bill, that there must be prior consultation.

Mr. Breau: They ask for a veto. That is what they ask for. Parallel power.

Mr. Lambert (Edmonton West): They said consultation.

Mr. Breau: Parallel power.

Mr. Lambert (Edmonton West): I gather that in some parts they went further. But because a couple of commas have been misplaced, because they have gone further in one part than I would agree to—

An hon. Member: Oh!

Mr. Lambert (Edmonton West): I do not ask for a provincial veto over this bill but I do ask for consultation. I do not mean the kind of consultation the Minister of Energy, Mines and Resources evidently considers appropriate. He gave Alberta ministers a copy of a declaration by the National Energy Board two hours before its publication and then had the gall to say that the government of Alberta had been consulted before publication of the decision. The claim was totally false, almost to the point of being mendacious were it not for the obscurity of a definition of the word "consultation".

What my colleagues and I are seeking is this: if notice is received of a pending investment of a nature which would be subject to the terms of this bill, a copy of that notice should go immediately to the province concerned. At the moment there is no such requirement. Does the hon. member for York North suggest that in the event, for example, of an application in connection with a joint venture, say, Canadian and foreign companies, in connection with the development of the tar sands, which are a wholly Albertan resource, a decision should be made on that application by a screening agency here in Ottawa totally unrelated to any input of information or opinion form the Province of Alberta, although that province has a body of expertise in this field which cannot be matched by the federal government? The bill provides that there is that power.

● (1620)

Does the hon. gentleman suggest for one moment, since he is at least on the fringes, well exposed to the investment field, that there will be sufficient confidence to venture an investment not of $1 million, not $5 million but $1,000 million at today's prices for a 1,000 barrel a day oil well and refining complex? Or does he suggest that the province of British Columbia, having entered into an agreement for the development of, say, a copper-zinc refinery on the basis of a mixture of domestic and foreign capital, and having been satisfied that the project was wanted for the development of the resources of B.C. by the people of the province, should have that decision reviewed by a board appointed by the federal government under an act that requires that there be no consultation with the province of British Columbia?

I am amazed at the members of the New Democratic Party accepting this kind of bill.

Mr. Rodriguez: You are always amazed.

Mr. Lambert (Edmonton West): The hon. member for Sault Ste. Marie—

Mr. Rodriguez: Nickel Belt.

Mr. Lambert (Edmonton West): Nickel Belt; I apologize to the hon. member for Sault Ste. Marie. Having seen him perform in committee, only one course is open, and that is under his personal ukase. Everything must go as he says; nobody else is right.

Mr. Rodriguez: Not a Tory anyway.

Mr. Knowles (Winnipeg North Centre): With him and you on the same committee, it must have been quite a show.

Mr. Lambert (Edmonton West): The only thing we missed were these gentle, empty offerings of the hon. member for Winnipeg North Centre. Let me refer to the brief of the province of Ontario. Although it approved the principle of the bill, in its brief it said this:

> The government of Ontario places strong emphasis on the development of close consultation between the federal government and the provinces in the review process. Neither section 2(2)(e) nor section 14(2)(b)—

Nor, may I say in parenthesis, section 11(2) or section 9.

> —provide assurance of consultation, although the establishment of a consultative process has been indicated by the federal minister.

The minister's indication has been not that there will be consultation but rather a permissive, informative process. There is no consultation provided for in this bill. The Ontario government brief continues:

> It is therefore important that the proposed arrangements for consultation be clarified. In particular, we urge that the federal government provide the province in which the foreign investment is proposed with a copy of the notification and any additional information submitted by the foreign investor; the provinces be provided with full opportunity to submit their views on proposed investments; the federal government inform the provinces of any additional details concerning the criteria which will be used in the review process.
>
> In addition, Ontario attaches importance to continuing consultation with the provinces with respect to subsequent policy review and future policy development.

The DREE program of the federal government is not the only one that must apply. Many of the provinces have an industrial development program, whether it has to do with native peoples or is a decentralization of industry from major cities into rural areas. But the hon. member for York North stated that it will be this agency and the

recommendation made to the Governor in Council that will determine the nature of any investment.

Mr. Breau: The provinces are informed.

Mr. Lambert (Edmonton West): I defy the parliamentary secretary to tell me where in this bill it is provided that a copy of the notice concerning the investment shall be sent to the provinces.

Mr. Breau: No, I did not say that.

Mr. Lambert (Edmonton West): No. Therefore, there is no obligation to have consultations. I am not saying that a province must consent, otherwise there would be an absolute veto. What I am saying is that the provinces must be consulted, and there is nothing about consultation in this bill. Information given after the event is not consultation. This is what I call this administration's tunnelvision with regard to consultation. You tell them what you think and they must conform.

Mr. Breau: There is consultation every day with the provinces.

Mr. Lambert (Edmonton West): But it is not provided for in this bill.

Mr. Breau: It is not provided for in any act.

Mr. Lambert (Edmonton West): The hon. member says that it is not provided for in any act. Of course it is. It is provided for in many acts.

Mr. Breau: Which ones?

Mr. Lambert (Edmonton West): There is provision that the minister, after discussion or consultation with the provinces, may do a certain thing. That is provided for all along. Or there is a general agreement reached by the federal government and the provinces that they are talking about a certain thing. This is why I contend this point is one of the chief weaknesses of this bill.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member for Edmonton West but the time allotted to him has expired. He could, however, continue if there was unanimous consent.

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Another two or three minutes.

Mr. Lambert (Edmonton West): I thank hon. members. My throat will not last as long as their ears, so I shall only be about one minute. However, in all earnestness I must come back to my point. I say that needless confrontation now exists between the people of this country and the province of Alberta in regard to oil development in that province. Any assertion that the development of the resources of that province are going to be interfered with will certainly put Canada on a terribly rough course. The danger of confrontation between the federal government and the provinces will be rife. Although I have not argued this here, I suggest there are many people who maintain there is a very serious constitutional question about the propriety of the action that is being taken by the government under this legislation. I am not the only one to say that. Many of the provinces have said there is no constitutional difficulty, just as the province of Quebec has, in its brief. I am not going to suggest, as the parliamentary secretary is saying, that we should dismiss the Quebec brief and dismiss the view of the Quebec government in this regard.

● (1630)

Mr. Breau: I did not say that.

Mr. Lambert (Edmonton West): In his previous remarks he said they wanted the right of veto, parallel development and this and that. He said that their brief was far and away from being acceptable. That is fine if the parliamentary secretary, coming from New Brunswick, wants to say the views of the government of the province of Quebec should not be accepted, but let us put it on the record.

Mr. Breau: I did not say that.

Mr. Lambert (Edmonton West): I should like the hon. member to say whether he is prepared to accept the reservation as to consultation. I am talking about the amendment regarding consultation. Let us look at the views expressed by the various provinces. I think this amendment hits at one of the weakest parts of the bill if it is to be made to function as a useful tool with a view to achieving some of the hoped for benefits asked for by that government in its proposal.

Let me suggest that we will have some real quarrels over the first decision under this bill, and we will really have some trouble. We will see another situation such as that created in respect of the development and marketing of oil in the province of Alberta. I think that could have been avoided if there had been proper consultation, and I think we could avoid a lot more trouble in the future if the government will amend the act in the appropriate way.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, perhaps it is my background before I arrived at this House which makes me view Bill C-132 with a great deal of doubt. Throughout the years I spent in the provincial legislature of New Brunswick it seemed as though federal policy made one incursion after another into the rights of the provinces. To me, this bill is equal to any in its imposition of federal government position upon the provincial domain.

While this principle may apply in an important way to that area of Canada which is well developed, where income is above average, where employment opportunities, as has been shown by the figures released on October 20, would very well indicate that the unemployment problem there is by no means as serious as it is in the periphery of Canada, particularly in the provinces of New Brunswick and Newfoundland, and while these areas from Quebec City to Windsor may be able to withstand a lot of unemployment, particularly if investment control is imposed by Ottawa, I submit that there has to be some discretionary power and some provincial input in order that we shall not find ourselves even worse off than at present in under-developed areas of Canada.

It is with this in mind that I fully support all those amendments which pertain to input by the provinces and guidelines by the provinces regarding investment within their domain. I am not one who is absolutely against the control of foreign investment in Canada. I recognize fully that it is necessary for Canada to have a policy, but this particular policy, as introduced to the House of Commons by the government on your right, Sir, is such that once again it is a patchwork policy which applies only to certain portions of Canada. It bodes very serious hardships for other areas if it is not administered in a very lenient fashion, indeed.

It is never good that a government should be vested with the power by its own legislation to create policy at the whim and pleasure of the government of the day and apply it in locations which it may choose for one reason or another. It is quite possible that reason could pertain to the politics of the government of the day. I say this with no particular accusation against those on your right; I say it as it applies to all governments. There is an inclination by governments to be a little more lenient in areas where the people have been much more favourably impressed by their policies and candidates.

It is with this in mind that I do not like enabling legislation by this or any other government, but suggest that legislation should spell out in detail the policy the government has in mind rather than enabling it to create regulations, to make decisions ad hoc in respect of a particular situation and adjust policy under it on a momentary basis. This is the primary danger of this bill and it is in this field that it infringes mostly on provincial rights.

I think the bill overlooks the relationship of the economy of Canada to the economies of the various regions of Canada. Again, I am going to cite the example I feel is basically the best example. The net income which the agriculture industry of Canada may experience from time to time reflects itself upon the total income of Canada by virtue of the demands of the agricultural community as it expands its plant and spends its money for improvement in its operations and thus makes demands upon the national income in an expansive sort of way. What applies to agriculture, which is today a small percentage of our total economy, will apply equally to developments on the periphery as well as developments in the centre.

If it is possible to create a financial climate in which development will take place in the Atlantic area, as an example, it will most certainly be reflected in a very important way in the more highly industrialized areas of the rest of Canada. It seems to me that the policy of the government should be that where it is possible investment shall be directed to those areas of Canada where the economic structure is the weakest. I do not say this should happen on the basis of, let us do something for New Brunswick, Newfoundland, Saskatchewan and so forth, but rather that there are products and commodities which lend themselves to economic production outside the basically industrialized areas of Canada.

Perhaps the Minister of National Defence (Mr. Richardson) epitomized best the feeling I have when he expressed himself as feeling there might be cause for resignation from Cabinet if heavy water was not produced in his province. It was amazing that the Minister of Public Works (Mr. Dubé) from New Brunswick did not join him in chorus because certainly heavy water is a commodity on which transportation costs have very little influence in respect of the total cost at the point of use. It is, therefore, a product which could and should be developed by Canada in areas where economic expansion is required. This is a case for the development of a national economic policy, not for the development of a patchwork quilt, and not for the allocation of a heavy water plant to an area of Canada which is already more industrialized than many others. It is in this field that the government could play an important part.

It has recently been announced that there are no additional plans for a heavy water plant in New Brunswick. This takes away the economic base and employment opportunity, as well as a tax base, for both Canada and New Brunswick which would be most favourable in that area. It would provide for energy requirements which, in turn, would create further employment and perhaps further subsidiary development around the heavy water plant. It was with deep regret that I read the news report this morning that it has been pretty well finalized that New Brunswick shall not receive the initial allocation of a heavy water plant.

● (1640)

Let me repeat that it is not my feeling that we should be without a policy in respect of Canadian ownership of Canadian resources and Canadian industry. I feel very strongly on this, and have felt that way for a good many years. Perhaps in my initial year at college during the study of economics it became a matter of some serious concern to me that the flow of cash from Canada in respect of dividends, interest charges and so on as a result of our dependence upon foreign currencies for our civic, provincial and federal development as well as our industrial development was draining away Canadian opportunity. This is no new, snap decision that there should be a national policy for us to obtain owernship or our own community.

However, it is my opinion that this cannot be done with drastic enabling legislation of this type, a type which enables the government to make a decision on a political basis rather than on the basis of the economic necessities of the area concerned. It is very interesting to note that virtually the whole of the first part of the last issue of the *Financial Post* carries several items to indicate that Canada has not created a climate in which Canadian money is particularly interested in development and expansion within our borders. It pointed out three specific additional cost factors for one concern, which exceeded the cost factors in respect of this plant if it were to expand outside our border. The first of the additional costs was the sales tax. The second was the very substantial differential between the income tax structure in Canada and the income tax structure in the United States. The third was the fact that the Government of Canada has not to date been able to negotiate a trade situation in which our products could go to the United States without duties which prohibit their production in Canada.

It is important that we develop the economic climate in Canada whereby Canadian money will reinvest in Canada

rather than seek opportunity abroad in more attractive economic climates. We have heard several companies in Canada criticized because of their increased charges to the consumers for goods and services. Among these companies, for instance, is the Bell system. I have no quarrel with the Bell system and do not wish to interfere with those who oppose its rates. But it is significant that in the first three-quarters of this year that system has had a tax demand of $33 million higher than the tax demand of one year ago and that this tax demand comes from all levels of government, municipal, provincial and federal. The accumulated increase to date is $33 million for a single corporation in Canada. It is no wonder that subscribers scream when there are applications for rate increases, but if the taxes are to be increased at this rate then I submit to you, Mr. Speaker, there is little recourse to industry but to ask the consumers of these various goods and services to pay more.

This is not the fault of the producer, the service industries or the manufacturers. It is caused by the lack of an economic policy in Canada which would recognize for Canada the need of an internationally competitive economic climate which we lack. It seems to me that the bulk of those who have spoken in strong support of this bill are those who come from the industrialized areas of Canada. Those of us who have the misfortune to live in areas of Canada which are not industrial, those of us who live in the area of Canada where unemployment went up by 2.8 per cent in the last month, those of us who have seen the unemployment rolls increased by 7,000 within one province, those of us in another province who have watched unemployment rise by 1.5 per cent in the last month's statistics are the people who are concerned about the fact that we are about to control investment without any suggestion that there should be special consideration, special input and special participation by the areas which need this.

Let me quote from page 7638 of *Hansard* from the remarks of the Minister responsible for DREE. He said:

The implication of this are—

He is referring to the economic expansion program, the control and so on.

—first, that it is a commitment on our part to reinforce provincial priorities;

If it is the intention of the government to reinforce provincial priorities, then it should incorporate them in one of the amendments in respect of provincial participation in the decision-making process. Let us go on.

... that is, how a province uses its resources or, in the general scheme of things, how those resources are to be developed is something that the province will need to decide in the first instance. Second, once we have identified a major developmental opportunity on which we are prepared—

Please note that word "prepared".

—to work, the very fact that the federal and provincial governments agree on that and sign an agreement to that effect will, of course, be as strong an assurance as you can get that that enterprise is going to be acceptable within the criteria set down in this bill.

The real problem is that the government of Canada shall make the final decision in respect of priorities within the boundaries of a province concerning what is developed, how it is developed and where the money will come from. This is made very clear by the minister's remarks. Let us take another look. In respect of the provinces and regions of Canada, as recorded again at page 7638, he said:

... the provinces are given strong assurance that provincial interests and provincial rights will be taken into account.

If these assurances are, in fact, acceptable to the provinces, then I say incorporate them in an amended bill so that the provinces will in fact see that they have an element of authority in the decision-making process in respect of their own economic development. I might add that the minister took unto himself the opportunity to deny statements he made in the past in respect of the rights of his own province, a province of comparable economic development. There is the implication in his speech that he is very unhappy with the premier of his own province in respect of development in that province. It is implied that he is critical of his political patron who put him where he is today, and it is very doubtful if that political patron were able to speak out in his own defence that this gentleman would be returned to this House of Commons. In his remarks he certainly has abdicated the position which any member from the Atlantic area should take in support of the requirements of that area.

He went on to imply in his speech again that the provinces would come to the lap of the federal government because of the goodies the federal government had to deliver. There is the suggestion that only if the provinces comply with the wishes of the federal government will they have their wishes met in respect of development. This bill puts in the hands of the government of Canada discriminatory powers. It must be recognized that in the Atlantic area, if there is a takeover by a Canadian firm, the process of the removal of employment and earning opportunities begins forthwith. The accounting, the invoicing, the high salaried individuals associated with a firm taken over in the Atlantic area by a central Canadian firm creates additional job opportunities in the high salaried class in that area which I mentioned from Windsor to Quebec city and withdraws from the Atlantic area the executive opportunity which the business would present, very often under foreign management.

● (1650)

It is significant, I think, that the bulk of the industries which have been taken over by Canadian capital have, as a result of these policies, contracted employment opportunities rather than expanded them. It is dangerous for a business to be taken over in any area, but its hope for expansion in the Atlantic area is amplified when the source of funds does not come from central Canadian industry. This is not a condemnation of central Canadian industry; it is merely a recognition of the economic facts of life, such as, that you should have centralized administration, you should expand as best you can within sight of your head office, and you should get the economic structure of your firm as centralized as possible to exercice mass economies for national distribution. This practice has been followed.

The prime example that we can cite, of course, is the takeover by a Canadian firm some years ago of a soap

factory in the town of St. Stephen in my constituency. They took away every single job that was in that industry to central Canada and left the town holding the bag. We can go to the same town where a Canadian operated branch closed. It is Milltown, adjacent to St. Stephen and now incorporated with it. The Canadian corporation in the textile industry was closed down. We can also take a look at the town of Marysville where a similar occurrence took place. These companies closed down after a takeover with central Canadian money; they closed their doors and several hundred jobs were lost to the province.

Mr. Deputy Speaker: I hesitate to interrupt the hon. member, but the time allotted to him has expired. He can continue with unanimous consent.

Some hon. Members: Agreed.

Mr. McCain: Nobody wanted to start at three minutes to five, any more than I did. However, I will not take much more of your time.

Mr. Knowles (Winnipeg North Centre): There is no private members' hour.

Mr. McCain: The business world in Canada has found, for instance, as I have mentioned earlier, that no competitive situation is created in Canada when interest rates are as high as they are and when taxes are as high as they are, for Canadian money spent in this country. The outflow of Canadian currency to foreign fields is something which should be discouraged by government policy and not by government regulation. It should be encouraged by our efforts to negotiate a reasonable tariff structure with many of our world partners. It should be created by an analysis of our income tax structure in Canada, our depreciation structure versus that offered in the competitive field in the world market.

If this bill gave any indication whatsoever that the government of Canada, as it is today, had a program for the development of opportunities for Canadian taxpayers to buy shares or for the creation of an atmosphere in which the international world would be prepared to sell its shares to Canadian participants, this would be a step in the right direction. But no such program has been suggested. The speeches in support of this bill have not been in condemnation of those who have spent money on Canadian development. However, they have in no way encouraged further development. It is quite proper to say that the red tape which has existed in the Ottawa structure has made it most discouraging for any individual to try to undertake such a development, with the assistance of DREE or any other department of government.

It is significant to note that several applicants who were desirous of spending money in Canada for development of Canadian industry decided that this bill was the last blow to their application and, as a result, tens of millions of dollars of potential investment, some in secondary industry, some in the processing industry, have been withdrawn from the Atlantic area. They are not interested in investing in Canada. These instances did not involve processing or manufacturing which exploit our natural resources only but rather relate to secondary manufacturing.

I will not impose upon the privilege extended to me. Let me only say that I deplore the fact that the government has chosen not to assist New Brunswick in the opportunity it had for a heavy water plant. I deplore the fact that it has not recognized and taken advantage of the opportunity to scatter some items of high cost—low weight high value items—throughout Canada so that we could develop them. It is then, and only then, that an act such as this can be productive in Canada for our ownership and at the same time for development. In no way can the Atlantic area share or look forward to sharing equal opportunity in employment or standards of living at its present rate of development. There is great fear and mistrust in respect of the way in which this bill may be administered, and in respect of the potential opportunity which may develop, if judgment is not made with great discretion and in recognition of the employment and development requirements of our area.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Northwest Territories (Mr. Firth)—Northern Affairs—Northwest Territories—Alleged letting of contracts by Hire North without tenders; the hon. member for Grenville-Carleton (Mr. Baker)—Public Service—Alleged rug-ranking system of promoting secretaries—Request for substitution of point rating system and tabling of relative Treasury Board minutes.

GOVERNMENT ORDERS

[*English*]

FOREIGN INVESTMENT REVIEW BILL

PROVISIONS RESPECTING ACQUISITIONS OF CONTROL OF CANADIAN BUSINESS ENTERPRISES AND ESTABLISHMENT OF NEW BUSINESSES

The House resumed consideration of Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and motions Nos. 2, 3, 4, 5, and 6.

Mr. Charles H. Thomas (Moncton): Mr. Speaker, a stranger who reads the many speeches made today on Bill C-132 might be pardoned were he to wonder just which

party in the House was sponsoring this legislation—surely not the junior partners in this unholy alliance of unhappy bedfellows. The NDP has done nothing but criticize the bill. They say it is too weak; it will not do the job, but it is better than nothing. The Liberals have been distinguished mainly by their silence. Until today, I believe only three Liberals rose to speak on this bill, although they have been somewhat more vocal this afternoon. However, they all have one thing in common. They continually and consistently accuse the Official Opposition of being opposed to any control of foreign investment, which is a deliberate distortion of the facts. Why do they adopt these tactics? It reminds me very very much of the old debating ploy in school circles. When you had a very weak argument which you could not support with facts, the usual tactic was to confuse the issue and ridicule the stand taken by your opponent. This debating ploy seldom worked in school circles, and I suggest it will not fool anyone in this debate.

● (1700)

On the other hand, the position of the Official Opposition has been stated over and over again. It was stated very clearly by the hon. member for Central Nova (Mr. MacKay), in whose name stand two of the amendments on which I wish to speak later. It was stated most eloquently again this afternoon by the hon. member for Don Valley (Mr. Gillies). Certainly, we want to retain control over our natural resources. Certainly, we recognize the political implications of foreign economic domination. After all this is the party of Macdonald, and we were the first proponents of economic nationalism. We still believe in economic nationalism but in its proper perspective. It is fine to encourage Canadian ownership, but only if it is done within the framework of a broad national industrial policy. But in encouraging economic nationalism let us be very careful that we do not drive away foreign capital from those areas of the country which still need massive infusions of capital, unless we make sure that we replace that foreign capital with Canadian capital, or with some other form of capital investment.

Recently, I read a paper put out by the C.D. Howe Research Institute, prepared by Dr. David Springate, dealing with regional incentives and private investment, in which he gave an assessment of regional incentives offered by DREE. I think it is appropriate at this time to quote briefly from Dr. Springate's paper. It outlines our position very well. It outlines what should be Canada's national industrial policy. He refers to the fact the RDIA program has two subsidiary goals, and then writes:

> The final goal is that of encouraging international investment in Canada. The pursuit of this objective confronts two opposing constraints and trends. One is the country's apparent need for such investment. The other is a growing sense of economic nationalism.
>
> Canada traditionally has been a heavy user of foreign capital in the form of both portfolio investment and, more significantly for our purposes, direct investment. The familiar arguments relating to capital need and the extent of foreign ownership will not be repeated here. It is enough to state that one implication of a situation where over half a country's manufacturing capacity is foreign owned is that attraction of foreign investment must continue to take place if a steady expansion in the economy and in the number of jobs is to occur. If foreign owners do not find Canada an attractive place in which to invest (or re-invest), they can withdraw funds and invest elsewhere. Given Canada's need for economic expansion and job creation, the possibility of reduced foreign investment is a prospect that many Canadians find undesirable.

Dr. Springate is not the only one to state this point of view. It was stated clearly by the Premier of Quebec back in January, 1972, when he said in effect that we absolutely need foreign investment. He added:

> Since we don't have any alternative, at least in the short term, we can't have too restrictive a (national) policy on foreign investment.

This is an attitude that is quite prevalent among the less fortunate and less developed regions of the country. Officials of DREE were quoted by Dr. Springate in his paper.

> In the presence of such an emotional issue, DREE has proceeded with this aim of attracting foreign investment to Canada. "We just keep a low profile in trying to attract multinational firms," said one official of the department who is active in investment promotion.

The premiers of the four Atlantic provinces have stated publicly that their provinces still require foreign investment if they are to make progress and reach the levels attained by the rest of Canada. Many of the witnesses appearing before the committee studying this bill made the same point.

But the point that stood out in my mind after reading the committee evidence and other articles is the fact that not only are many people in these various areas afraid that the government will legislate foreign capital out of the country but are also worried about this bill, because its implications are so uncertain. The bill is so badly written that many people fear foreign investors will not even take initial steps to invest here because they do not know the ground rules that will be applied under the provisions of this bill. This is the danger that I see. This is the danger that my party has stressed. The regulations may be so uncertain, and give so much discretionary authority to the federal government that they will discourage foreign investment in those areas of the country where it is still needed, and yet there is nothing in the bill to encourage Canadians to move in and take up the slack.

This is why two amendments have been proposed by my colleague from Central Nova, because if the effort to regulate foreign control is to succeed without destroying our whole national industrial policy, there must be consultation, realistic consultation, true consultation between the federal government and the provinces. At this stage of the game when so many people agree that foreign capital is still essential to the development of the country, we should be careful not to do anything that will discourage such investment from coming in, unless we can guarantee that it will be replaced from other sources.

My hon. friends in the NDP say, "There is no need to worry if you drive out U.S. or other foreign capital. There is lots of money here in Canada to take up the slack." They point to the fact that there was an outflow of capital from Canada last year. They say it is a simple matter to replace what is cut off by using available Canadian funds. Many hon. members of this House realize it is not as simple as that. Traditionally Canadians do not invest in Canada unless they are given some encouragement. Certainly, the present government has done nothing to encourage Canadians to invest in their own country.

I have said that not too many members on the government side of the House spoke, but there was one speech from there that did make sense. In fact, if one did not know who made it one could almost take it as a criticism of this bill. It underlined many of the things that we on this side of the House have been saying. I refer to the speech that my colleague from Carleton-Charlotte (Mr. McCain) has already quoted from, the speech made one day last week by the Minister of Regional Economic Expansion (Mr. Jamieson) who, if not one of the better ministers, is certainly a minister who has intimate knowledge of the problems of the regionally depressed areas of the country.

Mr. Hellyer: He is at least one of the most eloquent.

Mr. Thomas (Moncton): I will agree with that, and the most sensible. Here is the minister who has been given the task of making DREE work, who has continually told us of the problems he has met in the interference and inconsistencies offered by other government programs, which destroy the efforts of DREE. He has talked about government interference in regional problems, and certainly he is one minister who recognizes the problems. Like my colleague, I should like to quote a remark made by the minister. When we talk about this business of Canadian capital, and say we do not need to worry about foreign capital because Canadian capital will replace it. At page 7637 of the *Hansard* report of that same speech, still speaking of the need for foreign capital in the Atlantic region, the minister said:

● (1710)

> . . . the biggest failing, in terms of Canadian control of the Canadian economy, over the past 50 years or so has been the lack of initiative and entrepreneurship and the timidity of a great deal of Canadian capital.

He went on to talk about the fact that Canadians did not take the opportunity to invest in the Atlantic region, and so it was left to foreign capital to come in and develop the fishing, lumber and mining industries. In fact, practically all the development that took place in the four provinces was due to the initiative of foreign capital. The minister spoke of the pitfalls that occur when foreign capital gets control of the resources. He referred to several big fish plants that had closed and someone mentioned Devco and several other enterprises.

This happens, of course, but I would also point out to the House something that the hon. member for Carleton-Charlotte (Mr. McCain) referred to; that the record of the Canadian corporations is no better in this respect. Canadian corporations, too, have moved in and bought small locally owned plants and then, within two or three years when the operation was not viable, have moved out. I could name a dozen instances, Mr. Speaker, and my colleague the hon. member for Central Nova (Mr. MacKay) referred to a plant which was taken over a few years ago by a Canadian corporation and which now is just a warehouse. This happens all the time, so it is not just the foreign corporations that are at fault. It does not matter whether the money is international or Canadian, naturally the investors are going to make their decisions on an economic basis, and if they have to close the plant they do so. The argument that international corporations have no

heart and do not consider the interest of the regions is not valid; it applies regardless of the ownership of capital.

If one read that speech without realizing that the minister had made it, one would almost think he was attacking the principles of the bill. He mentioned all the things that should happen, and the fact that it is very important that there be meaningful co-operation between the provinces and the federal government as well as with the industry in the area, but he also admits that many of the problems are due to the fact that there has not been consultation and co-operation between the governments involved. Industries have been established or assisted when it has been obvious that they could not succeed. Had there been local consultation the grants would not have been recommended.

All through his speech the minister pointed out the dangers of attempting to restrict foreign capital unless something can be done to encourage Canadian capital to take up the slack. While our postulations are the same, Mr. Speaker, our conclusions are the opposite. The minister takes the position that these departments have been set up and, therefore, in some cases when foreign capital begins to investigate the possibility of establishing in an area they have to go to the federal government for some type of assistance. He says, therefore, that there are plenty of safeguards in his department to ensure provincial input and provincial co-operation. This is only partly true, Mr. Speaker. The type of consultation and co-operation that the minister mentions usually comes after many months of negotiation when the program is pretty well set up. At that time the company or the province usually comes to the federal government. That is not the type of meaningful co-operation that is needed if we are to establish viable ownership in these areas.

What we are talking about, and what the premiers of the provinces are talking about, is prior consultation and prior knowledge of what is going on. We have heard apologists for the bill on the government side say that this is provided in the bill. Mr. Speaker, there is nothing in the bill to establish prior consultation. The only stipulation in the bill, and it appears more than once, is that the minister "may" consult the provinces; after proceedings have gone so far he may hear provincial representations. How can representations be made on something about which you have no knowledge? If you do not know that there is an application, how can you make representations? This may be the government's definition of co-operation, and possibly that is why we have seen the confrontation between this government and Alberta or Quebec or various other provinces. We on this side do not consider it to be either consultation or co-operation.

In order to meet all the requirements of the foreign ownership program which the Minister of Regional Economic Expansion outlined so eloquently, there must be prior meaningful consultation and co-operation between the federal government and the provincial governments involved. That is why my colleague has introduced this amendment; that is why I say that this bill can be immeasurably strengthened by the government showing good faith. Let them show they really mean to follow a policy of consultation and co-operation by adopting these amendments and making the bill workable.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, perhaps at this late hour, it would be worth while to pause in this debate and review historically why the ownership of our industry is in its present state. Let us hear what some of the people in the business community are saying about Bill C-132 and ask why this legislation is before this parliament at this time.

It is obvious to anyone remotely connected with business that a great deal of rationalization is afoot in certain nations and groups of nations. Many tariff walls are falling, a few are being raised. Considerable scientific research and industrial research is being carried out on a joint or on a multinational basis. Coupled with this, we have an alignment, or perhaps we should call it a realignment, of several European states into a common market with other smaller nations who are classed as associated states. Canada is not part of this alignment. In fact, it is a matter of embarrassment to this government that the European Economic Community has not responded in kind to the overtures made to it by this government.

The November 7 issue of the Montreal *Gazette* featured an editorial entitled "The Euro-Canadian Doldrums". It tells of the "brushoff" Canada has received from the European Economic Community. While Canada has appointed a senior ambassador to the EEC, that community has not established parallel representation in Ottawa. It is obvious to trading groups that specific spheres of influence in our industry are going to establish trade patterns that will last for many years. Many people in industry and many people throughout this country are asking where Canada fits into this picture. More pointedly, where does our industry fit into this picture?

• (1720)

From the turn of the century to 1973, all we have really done, in so far as industry ownership is concerned, is to have the largest percentage of ownership change from British to American. This is an historical fact. Bill C-132 will do little to change that course, but it is a first step, albeit a weak and faltering one, to attempt to change the thrust of the ownership of Canadian industry. Many people are concerned that we may be left out of industrial alignments or trading alignments and our trading position will be considered secondary to that of the United States. Their concern is justified, but this bill is not going to change that possibility.

There is a wave of nationalism in Canada at present. Much of it is well founded. We should have national aspirations and goals, but they should be realistic and attainable. We should be realistic enough in our outlook to be sure our national zeal does not move us into a position of isolation. If we move in that direction, then we will surely be left out of the market groups and trading blocs that are being formed.

It is proper at this point to note our Prime Minister (Mr. Trudeau) has been quick to accept invitations to visit Russia and China and had one scheduled for Chile until that country had some internal problems. However, we could not convince the Prime Minister to travel to Washington to talk trade with the Americans, or to Britain to discuss our falling trade balances with that country. He apparently cannot get an invitation to Europe to visit the EEC.

The thrust of Bill C-132 has caused much concern to segments of Canadian business. Let us hear what some of them have to say. The Calgary Chamber of Commerce says it is for the bill, with reservations, but points out that the bill deals with property and civil rights which are provincial matters. The Canadian Bankers Association is against the bill. They state that provisions of the Bank Act already limit foreign participation. I have yet to hear the Canadian Bankers Association or any Canadian bank come forward with a suggestion or recommendation to government as to what it could do to help develop Canadian business.

I have numerous letters from small and medium sized business complaining about the rates of interest charged by our banks. We have not heard from them how they will deal with government loans to small business, farmers and fishermen. They say they cannot make a profit at the rates set by government. But what about the large sums of money the government leaves on deposit in the various banks in Canada? Let the Canadian Bankers Association tell us the rate of interest they pay the government for the average of those deposits. Maybe we could play one off against the other.

The Canadian Bar Association sees problems with ministerial discretion, as do several others who submitted briefs. All agree it should be limited. They also see an infringement on the rights of Canadians to dispose of their business holdings as they see fit. The Canadian Chamber of Commerce is for the bill with reservations. Like many others who submitted briefs, they comment on the intrusion of government into the economic process of the private sector. They further contend that the bill is strongly biased against foreign investment and they state it creates a conflict between the provincial and federal governments.

The Canadian Chemical Producers Association are against the bill and state it is negative and discriminatory. The Canadian Federation of Agriculture is for the bill with reservations, but feels the bill is not specific enough regarding its effect on farm industry. The Canadian Manufacturers Association is against the bill saying, among other things, that it will have a detrimental effect on small business in Canada.

We received something like 50 or 60 submissions. The minister of finance of the province of Saskatchewan expressed his approval of the actions proposed in Bill C-132 in so far as they represent a step forward in dealing with problems of foreign ownership. He questioned the discretionary powers of the minister. In spite of the criteria set out in the legislation for making assessments, recommendations will still be arbitrary and judgemental. This is of concern to Saskatchewan.

George Wimpey Canada Limited, a large building and engineering contractor, is for the bill with some amendments. They say that the definition of "Canadian business" is general and would include land acquisitions which would result in classification as "non-eligible". That the concept of "unrelated business" requires clarification. That is the thrust of many of the briefs presented. The companies do not feel the language is clearcut.

W. Darcy McKeough said the province of Ontario is generally for the bill with reservations. He said this bill is only considered as a first step. More effective control of foreign investment should follow within a specified time period. A more detailed list of factors should be considered in the review process, including cultural criteria. The federal government should provide the province in which the foreign investment is proposed with a copy of the notification and any additional information submitted by the foreign investor. There were many submissions by business and provinces along this line. Mr. McKeough concluded by saying the bill should provide a statutory right of appeal to the courts in the case of any rulings or decisions under it, including the minister's rulings.

Richard Hatfield, the premier of New Brunswick, is against the bill. He feels it would be harmful to New Brunswick's attempts to attract and to accelerate industrial developments. National policy on foreign investments is of varying applicability to regions. It would adversely affect the Maritimes. For example, the New Brunswick Development Corporation helped launch 76 projects since 1970, for which half the total investment came from foreign sources. Previous speakers expanded on that view of Mr. Hatfield. It is very valid and we should listen to it.

Investment Dealers' Association of Canada are for the bill with reservations. They say there is a lack of provision for a formal summary procedure for determining whether a transaction is, in fact, an acquisition of control. The Mining Association of Canada is against the bill. They say that provincial and federal governments, with present legislation, have enough power to safeguard the ownership and control of Canada's mineral resources. Monarch Construction Limited, a firm similar to Wimpey, is against the bill but agrees with the principle. Their major objection is that having to submit bids on land to clearance by review agency would reduce Monarch's competitive position because of the delay factor.

Reichhold Chemicals Limited of Weston, Ontario, a 60 per cent Canadian held corporation, say there are more effective ways to control economic environment than by stifling foreign investment. In other words, they are saying what I said previously that we should encourage more investment in Canada by Canadians. Stelco, one of the largest Canadian corporations, is for the bill, with reservations. It says the regulations and prohibitions should be restricted to cases where there would be a clear injury to society, and should not unnecessarily interfere with freedom of action by individuals. It says the onus should be on the Crown to prove all aspects of its case, including whether the legislation applies to any particular person.

● (1730)

The Toronto Stock Exchange is for the bill, with reservations. It states that foreign portfolio investors who do not represent any threat to Canadian control are not able to ascertain quickly, in present circumstances, whether they are free to invest. Foreign investment should not be entirely discouraged. So the submissions go on. There are some 50 or 60 of them and a similar thread runs through them all. What Bill C-132 lacks, in my view, is supporting legislation or government policy to create and foster growth of small and medium sized businesses in Canada.

There has been some talk about the reorganization of the Industrial Development Bank, but what is required are amendments to the Bank Act and to the Income Tax Act which will create an atmosphere in which business can grow and develop and look outward beyond our shores into Europe and Asia. We need a government in office which will come to grips with our trading partners to the south and improve relations with them to the point at which we can attain the special status we have always enjoyed.

The success of Bill C-132 will not be determined by the bill itself. The measure before us is a weak, ineffective, faltering first step. But success will come if the appropriate supporting legislation is brought forth. It will come when the government realizes that regardless of the trade opportunities available to us in Russia and China, we shall always be tied to the United States in economic matters. I do not find this to be any great problem. I am aware that some of the people in the New Democratic Party are so anti-American they would build a Berlin wall on our borders; I know they cannot share my view. But most Canadian businessmen believe they can compete in the United States market on equal terms, and they say to us: Don't legislate us into a corner.

The success of the bill depends on whether or not the federal government is able to see the provincial point of view. As long as the provinces must go outside Canada to get loans at reasonable rates of interest, and as long as they must sell the bulk of their bonds and debentures outside the country, we shall not find a financial atmosphere in Canada which is conducive to the development and realization of industrial aspirations.

The hon. member for Oshawa-Whitby (Mr. Broadbent), whose constituency is the farthest east of any member of the New Democratic Party, has expressed his view by—

Mr. Alexander: Blowing his tongue.

An hon. Member: Spell it.

Mr. Kempling: The position taken by the NDP in this area, as in many others, is very interesting. They represent the views of four provinces out of ten in Canada. They represent the views of 17 per cent of the people.

Mr. Broadbent: The sensible portion.

Mr. Kempling: They have no representation in this chamber east of Oshawa. What a great record! The Minister of Justice (Mr. Lang) talks about tunnel-vision. These guys are all in the tunnel at the same time. They hold and represent a very narrow view. I have been provoked into saying this by the comment of the hon. member for Oshawa-Whitby.

An hon. Member: Comment?

Mr. Kempling: I would recommend that while driving his foreign car—

Mr. Broadbent: Retract.

Some hon. Members: Order.

Mr. Broadbent: I rise on a point of order, Mr. Speaker. I am sure the hon. member who is speaking would not wish to leave on the record his gross mistake in suggesting that I drive a foreign car. He knows very well that I have a car assembled in Oshawa by the fine, hard working people in my community.

Some hon. Members: Hear, hear!

Mr. Kempling: I could be mistaken. I thought the car he was driving was assembled in the United States. That is why I called it a foreign-built car. I cannot find fault with nationals of other countries who see a void in Canadian legislation and take advantage of it. By putting a few logjams in the way we shall certainly not alter the ownership pattern of Canadian industry. This will only be done when the government is prepared to come to grips with the total issue of trade, industrial development and adequate financial facilities so as to give Canadians an incentive to reach out into the world and thus provide the fullest possible employment in all parts of the country.

Mr. Alexander: That is so right.

Mr. Kempling: The success of this bill will depend upon how well the government handles inflation. One of the most perplexing difficulties facing industry at the present time is the increasing cost of some of the materials they use, coupled with shortgages of materials in certain sectors. The success of the bill will depend, too, upon whether or not the government can reach agreement with the provinces on tax-sharing arrangements. Each province has its development programs affecting industry and natural resources. We see the federal government trading off one part of the country against another, while at the same time talking about federalism. This is hardly the way to encourage agreement on industrial development.

Thus, as hon. members will appreciate, there are many factors outside this bill which will determine its successful operation, or the reverse. I am not convinced that hon. gentlemen on the treasury benches are capable of bringing forth the necessary supporting legislation to create the right atmosphere. It is a dismal picture when one contemplates the government's lack of direction in trade matters, particularly when they must depend upon the NDP for support. The NDP, with its well known anti-American stand, is hardly the party to encourage legislation which is broad, mature and outward-looking in temper and thrust.

Nevertheless, we will pass this bill along the third reading, with the reservations I have noted. I say again, as I have before, that if the government is not up to the task before it, it should, in the interest of Canada, step aside and let those who see the picture more clearly come to grips with the problem.

Some hon. Members: Question.

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to take this opportunity to present my views on foreign investment specifically as it relates to areas which have been designated by the Department of Regional Economic Expansion as areas eligible for special government programs for the encouragement of industry, specifically manufacturing and processing operations. I wish, also, to explain why I believe the amendments presented by my colleagues are essential for the strengthening of Bill C-132. I firmly believe that any legislation can be improved, and I suggest the amendments presented by my hon. friends are designed to do exactly this; in other words, to strengthen the legislation and make it more meaningful.

● (1740)

For the last decade at least, many Canadians, I would think especially those who are somewhat younger than the average age of members of this House of Commons, have been concerned with having a distinct Canadian nationality and with the very attributes of what Canadian nationalism should really be. A distinct facet of this search has been the question of, to what extent should we have foreign investment in this country and to what extent should we control foreign investment? By "foreign investment" I mean the type of foreign investment for which we are looking, be it from American, German, Japanese or other sources.

While the question of buying Canada back, or making Canada uniquely Canadian, whatever these clichés mean, has a lot of appeal today, not only to Canadians generally but especially to younger Canadians, in coming to grips with the matter I think it behooves all members to examine the central question, and in doing so not to go overboard on one side of the question, as members are so often in the habit of doing, and say that in order to create a unique Canadianism we are going to control foreign investment right down the line. In taking this approach, often we do not look to the end of the road and examine the damaging effects on the economy and on job creation in Canada. Therefore, we must have some form of balance between these two positions.

Since the days of confederation the CPR has been a prime example of foreign investment that has been used for the development of Canada. While this investment brought much benefit to Canada, it was often regarded by many people, especially those in western Canada, as a controlling factor in the development of the western Canadian economy rather than an encouragement to new growth. Although new growth was developed, it was always felt that the capital generated by that particular company often went out of the area in which it was most needed.

Mr. Peters: So did the resources.

Mr. Epp: In creating the Department of Regional Economic Expansion, the government recognized the fact that foreign or non-Canadian investment to create manufacturing and processing industries in regionally depressed areas can be of great benefit. During some questions which I asked the Minister of Regional Economic Expansion (Mr. Jamieson) in the committee a while ago an exchange developed in regard to where the best record of DREE has been when the investment picture is looked at.

At that time I criticized the department for what I said was investing money in industries where very often I felt market research had been limited. Investments had been made in companies 40 miles away from where the same type of company had gone broke. I had examples of this in my own riding. The minister indicated that he felt that up

to the moment DREE's best success record had been where DREE had gotten together with established companies, be they Canadian or foreign-owned, which were willing to invest in regionally economically depressed areas jointly with DREE, and often with local investors, in order to create new industries. I think the track record of DREE is much better in the area of joint development with existing companies than it has been in cases where funds are provided to people who might just have had a dream at best.

While I personally accept the proposition that we want a truly Canadian identity, and with it investment on a controlled basis in Canada, those of us who come from regionally depressed areas are not anti foreign investment. We need that investment. But in saying that, we are also saying we would like to see incentives given, through a system of tax credits, to Canadians to invest in the expansion of Canadian industry within those regionally depressed areas.

We all know that the largest amount of foreign investment in Canada has gone into our resource industries. Nowhere are we more aware of this than in western Canada. It finds expression in the petroleum industry, in the gas industry and in the mining industry. We are all familiar with the fact that 99 per cent of the petroleum industry is foreign-owned.

Mr. Peters: And look at the disaster we have had.

Mr. Epp: I will get to the disaster in a minute.

Mr. MacKay: They are living disasters.

Mr. Epp: If a Canadian identity is to be developed, and if control of foreign investment is the way to do it, then I submit to the government that it should strengthen Bill C-132 in such a way that the aspirations of the regionally depressed areas are not thwarted as they attempt to engender investment that will create jobs and develop resource industries. I make that submission to the government in the hope that it will review once again its stance on consultation. Consultation can take place at any time, but consultation in a crisis situation, which comes about only after the crisis has developed and the premier of the province rears up and defies the federal government, is not the type of thing that we are looking for.

I find it very interesting that my NDP colleagues to my left feel that foreign investment can best be controlled by nationalization. They feel that this is the panacea. Nationalize everything, they say, and this will solve all our problems. Let me point out to those hon. friends to my left that the province of Manitoba has a socialist premier, even though some people question whether he is a socialist. When asked whether he was a socialist, he said, "Yes, I am a socialist, but firstly I am a pragmatist". His pragmatic approach to government led him to go to such foreign capitalist areas as New York City to find out whether or not capital could actually be obtained by the province of Manitoba for the development of the Manitoban economy, and I would say he was somewhat successful.

Let me also point out that the government of Manitoba has a tremendous record of failure in its Manitoba Development Corporation. I should like to give an example of this. That corporation helped to build the *Lord Selkirk II*, a ship plying Lake Winnipeg that has been used for many conferences held by the NDP government in Manitoba. It has a strange reputation, Mr. Speaker. It has the only bar in Manitoba which is losing money. So I question whether nationalization is really the panacea it is said to be.

Seriously, what bothers me most about the NDP approach is that they seem to be willing to expand our energy resources to buy back Canada, whatever that means. Rather, let us use the investment capital that we can generate as Canadians to develop new industries. Let us use that capital to develop our resource industries.

Mr. Knight: You just do not like our methods, that is all.

Mr. Epp: No, I do not. I submit to the government that we should use this Canadian money to develop our resources in order to provide more labour-intensive industrial areas.

• (1750)

An hon. Member: That's a socialist approach.

Mr. Epp: I do not think it is a socialist approach. It is a common sense approach, without nationalization. It is rather interesting to hear that the NDP somewhat agrees with one plank in an economic policy that has already come full circle. I point out that fundamentally this is nationalism, and I am in no way a proponent of this policy because I have seen its failure in areas even within Manitoba.

An hon. Member: We are just glad to know that Manitoba people always agree.

Mr. Epp: Mr. Speaker, I would like to speak specifically about the amendments proposed, and clearly give my views to the government as to why they are essential to the strengthening of Bill C-132. As I have already pointed out, there are certain merits to this bill and there is a desire to have some control over foreign investment. This desire is not unique in Canada. Every western industrialized nation has some form of control over foreign investment. This is nothing out of the ordinary. But what we must keep in mind is that Canada is a federalist state having ten provinces and a central government, and in no way in respect of future economic development should the central government unilaterally declare this is the way things are to be done, because this affects the provincial governments and the economic lifeblood of each.

It is staggering to the imagination that the federal government would be willing to pass a bill in which it has the option to consult. At some future time the government may say it intends to consult with a province, but there might be an industry which is willing to come to Manitoba to invest, thus creating jobs, and it would be up to the federal government to decide whether that would be good for Manitoba. Surely the Manitoba government, representing the people of that province, should have some voice as to whether such an industry should locate there.

This matter of consultation has become abundantly clear to us. Within recent days, with the energy crisis, the federal government, in what I would call a very naked

political approach to the problem, has come out with a policy—supposedly to be changed whenever it is politically expedient—which, in its hope, will ease this crisis. Producing provinces have always had the right to a return on the resources which exist in the province. The federal government now simply goes ahead without consultation, and in fact with confrontation, and says it is going to establish an energy policy without even asking the provinces whether they agree. Surely the least the government could do when it comes to foreign investment is to avoid this type of confrontation.

It is the very nature of a federalist system to consult. This is not a legislative union, this is a federalist state. I submit that Bill C-132, without the amendments proposed by my colleagues, is a bill which is much weaker and will lead to very serious confrontation between the provinces and the federal government if this government is willing to exercise the jurisdiction it will receive through passage of the bill.

I would like to see foreign and Canadian investment encouraged in Canada. Western Canada needs foreign investment, we need better tax credit programs and incentives which will encourage confidence on the part of holders of small portfolios to invest in Canadian industry. This is essential.

A Science Council study pointed out that Canada has one of the lowest percentages of workers employed in the manufacturing sector of any industrialized country. If we are to approach anywhere near full employment, let us not say that foreign investment is to be discouraged. We should not cut it back, because certain areas in Canada require foreign investment while in other areas perhaps it has gone far enough. In this area we must take into account growth factors, how far growth should be allowed and how fast it should be allowed. But because of regional differences, our growth factors are not similar or parallel. Some of our areas need the foreign investment which I am afraid Bill C-132 would thwart.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Epp: Mr. Speaker, in summarizing some of the thoughts I expressed prior to the six o'clock recess, I should like to refer to three points. The first is that nationalization of industries is not the manner by which Canadian content or the amount of Canadian investment in industries in Canada should be increased. The answer is not suggested so often by members of the New Democratic Party. I categorically reject it.

Second, whatever foreign review we might engage in so far as foreign investment is concerned, let us not make the review in such a manner that it becomes a disincentive for foreign investment, especially in depressed areas and areas of regional economic disparity where foreign investment is desperately needed. Third, as Canadian leaders we should encourage Canadian investment in Canadian industry, especially in manufacturing and secondary processing, in order that a balance might again be established between foreign investment and Canadian ownership.

I feel one method by which we could obtain this balance would be by offering incentives through which we could encourage employee participation in the ownership of companies. A number of industrialized countries have been successful in this type of approach. Second, we should make incentives available, especially for small businesses. We should encourage greater investment in such businesses so that jobs are created. Tax credits should be granted so that more people would be willing to invest risk capital, especially in smaller Canadian businesses.

In many areas of western Canada, to a great degree jobs are created by small industries. If we could provide benefits through tax incentives for companies to invest in Canada, not only would we have a broader balance but we would create the jobs which are desperately needed. A change should be brought about in succession duties so that when death occurs the beneficiaries of a small business are not forced to sell out very often to a foreign-financed company because of the ready availability of cash. Rather, some kind of tax credit should be provided whereby succession duties will not be so prohibitive as to force beneficiaries to sell Canadian companies.

Mr. Joe Hueglin (Niagara Falls): Mr. Speaker, all persons seeking public office have reason for so doing. The lack of effective action by the present government in protecting and developing Canadian control of our economic destiny was one of the three prime concerns which motivated my quest for this office.

During the years from 1968 to 1972 there were three takeover attempts which the government was called upon to deal with in the energy field. Each was a matter of "significant benefit" to Canada. Each was dealt with separately. Dennison Mines was refused permission to sell. Home Oil was placed in a situation of remaining Canadian. However, the third, Supertest Petroleum, was allowed to fall under foreign ownership and control.

I have no argument with the first two decisions. The third, however, is of great concern because the outlets of Supertest are spread throughout my section of Canada. It was the slogan of Supertest that it was an "all-Canadian company". Indeed, these words still remain on some gas stations though the company is clearly no longer all-Canadian. Clearly, it could have remained so since it was a profitable Canadian-owned company, and a home with a Canadian- owned firm could surely have been found if there had been concern by the government that this be done.

It is true that the terms of this bill set up a system other than that which existed under the government's arbitrary decision-making, but clearly the government's will will continue to play a part in decision-making since law is always open to varied interpretations. I suggest it was public pressure that saved Home Oil, not government direction. I suggest it was lack of public pressure that saw Supertest slip away.

Under this bill there is no definite, positive direction; there is merely a more formalized screening that would

not necessarily save those Canadian companies that remain from being absorbed. This is an indictment of the government, an indictment which proves that it still has no firm commitment to anything that will in substance assist us in controlling our own destiny but, rather, a commitment to pass into law a bill which can be used as window-dressing in an effort to convince Canadian voters that action is being taken.

Style, not substance, has been the technique of this government in its five years of life—style in holding conferences and ignoring the promises made, style in appointing commissions and never forcing them to report, style in hurriedly implementing programs and then having moneys wasted on jerry-built schemes. The Canadian people need more than style, they want more than style, and they deserve more than style.

Perhaps the most unfortunate aspect of the bill is that when it becomes law people will perceive that something has been done, when in fact it has not, and the pressure for real and meaningful steps to be taken will abate for a time. The pressure will abate and this will make the job all the more difficult in the future. That there is a real concern by Canadians, and a real need to develop and implement positive programs, cannot be doubted.

Fifteen years of dealing daily with the youth of our country—as a student at university and as a teacher of history in the high schools of Ontario—has convinced me that there is an ever-growing concern in this respect. This concern has not been allayed during these years, nor will it be allayed by this bill.

There is, in fact, a real danger that the polarization represented by the Prime Minister (Mr. Trudeau) on the one hand and the New Democratic Party on the other will leave those of us who believe in positive, responsible government action at a disadvantage. The Prime Minister time and time again has compared government action in Canada to the Cuban revolution. He has held up the spectre of radically decreased living standards if steps are taken to control the effects of foreign investment. He gives only two alternatives: do nothing, or suffer greatly. We have done nothing, and we have suffered greatly in any case through unemployment and inflation running unabated at high levels.

● (2010)

If my information coming from the Niagara peninsula is correct, the shortages which are occurring in Bell Canada cable, in hydro cable, in insulation, brick and aluminum siding, will bring the construction industry to a halt. We are short of even such things as tires and anti-freeze at the distribution level. If such shortages, some of which apparently have lasted since last June, are not corrected we will suffer greatly again, not because of lack of effective control of foreign investment but because of general economic mismanagement. The Prime Minister's gross distortion of the choices that face Canada, and his inaction, have spurred the NDP to hold out the need for state intervention on a massive scale as the only means and as the dogmatic truth.

Our youth are responsible citizens, and they are desirous of seeing Canada controlled by Canadians. But because the loud trumpet notes carry farthest, the responsible middle ground is often lost to their ears. In years gone by I have attempted to seek the opinion of the youth in my area. I have participated in the deliberations of the Young Progressive Conservative Association of Ontario as it surveyed the opinion of our youth in the wider area. The conclusions reached by these soundings have been that the young people want the government to provide leadership, that they are willing to accept sacrifice and to play whatever role they can in bringing about the desired result.

The onus that falls upon us as members of parliament is to provide constructive leadership. The present government has not done this. The NDP is blatantly emotional and anti-American in its mouthings, and thus cannot be constructive. Therefore, the burden must fall upon the Conservative Party to provide the constructive Canadianism that our youth seek and that our country so badly needs. I will have more to say about this later.

Is there a need for expanded Canadian ownership and control and for positive measures to assist in bringing these about? In my experience, there is no doubt at all that there is. Last week, acquaintances of mine from Denmark arrived in Canada after a week's visit in the United States. They came to look for products that could be purchased in Canada and merchandised in Denmark and, through their connections, in six other countries in Europe both within and without the European Common Market.

To their satisfaction—and these are men with buying experience in all parts of the world—certain of our products were of a higher quality than those produced in the United States and were capable of competing successfully in European markets. When they asked about these Canadian-produced goods, when they talked about exporting, they were told there would have to be consultation with home offices to see if these Canadian firms could export. How will this bill remedy such a situation? Surely it cannot and will not—and Canadian jobs based on export will not develop.

In Niagara Falls, as well, orders went to U.S. plants when work was slack in a Canadian company because of management decisions, even though the Canadian plant was more efficient. This firm has since changed ownership and aggressive Canadian control has led to expansion of the work force and of the plant. There is also a foreign-owned but Canadian-operated firm which could be Canadian-owned if money were available for the management to buy it out. It has the potential to penetrate the U.S. market if it could obtain capital to expand the production of its excellent product.

Case after case can be cited where Canadian interests are not best served, and this bill does nothing to correct that situation. Case after case can be cited where Canadian-owned or operated firms are unable to expand because capital sources are not available to them on terms they are capable of handling. It is certain that unless positive steps are taken, this bill will solve none of the problems I have mentioned and in fact may cause harm by preventing expansion unless other capital sources are available. Also, it may create a false sense of security which can lead to our economy coming even more under foreign domination.

At this point may I state that it is control, more than ownership, that concerns me. Ownership implies a reasonable return for investment. This is right and just for

anyone who believes in capitalism, in someone other than the state undertaking business enterprises. It is the direction that a business takes that is the real concern. If it is, as in some cases, a direction that maximizes output for sale in Canada and abroad—with attendant increases in Canadian labour and resource input—then it is a fair bargain. If it is a direction which seeks raw materials from Canada and components from other Canadian-based operations, then it is a fair bargain. But if it is a direction restricting competition to the Canadian market, regardless of ability to compete, and if it is a direction maximizing the use of foreign-produced goods, then it is not a fair bargain and action must be taken. The bill before us provides no steps in this direction.

Is the state the only mechanism through which we can regain Canadian control? Must there be massive state intervention and nationalization before something can be done? Is outright socialism the only way? Personally, I believe there is a better way. But no other way has been tried, so the socialists can point to continuing failure and beat their drums of nationalization. Perhaps the socialists are right. Perhaps Canadians are not capable of reaching out to control their own destiny with government assistance. But this is questionable, because Canadians have never been asked or given the opportunity by this government to share in obtaining this control. It may be that Canadians are not willing or capable of doing so. It may be that only the government can change the direction in which we are proceeding. But I do not believe so and I will bend every effort to see that Canadians are given a chance to participate before the heavy and inefficient hand of state ownership comes to this country.

Lest our socialist friends jump to the conclusion that I am a classical Liberal calling for no action by the state, or a complete "free enterpriser" unwilling to see the government intervene in the economy, may I make these points of clarification. The first duty of a government, in my view, is to assess the needs of its people; the second is to set objectives to satisfy these needs; the third is to assist and encourage private citizens in their striving to reach these objectives.

Clearly, the need of the Canadian people is to control their own destiny. The objective is to make this country as productive as possible and to provide all of us with a good and continually improving life. The means, just as clearly, must be to have the government provide whatever assistance is needed for Canadians to increase their productivity and to control our economy if it is agreed that Canadians will work more for themselves than will foreigners. The role of the state is not to provide for the well-being of individuals, but to produce circumstances whereby they can best provide for themselves—where through their energy and initiative a better life can be developed.

The government of the day has not set down clearly defined objectives. Indeed, through its various ministers it has tried at one time or another to grasp all sides of the spectrum. The government has not provided the means whereby individuals can, acting alone or together with state agencies, participate in maintaining or regaining control of our economic destiny on any regular basis. The positive steps that have been taken, such as interest being written off, have come only after provincial initiative has made it necessary to act. True, the CDC has been established with the promise of participation, but without the substance of involvement. Indeed, the use of tax laws to provide incentive has been suggested, but not adopted as yet. The designating of key sector in the economy has been suggested, but not followed up. The provision of low interest capital equal to foreign loans has been suggested, but not acted upon.

Surely these and other alternatives could be brought into effect by a government concerned about setting positive directions and assisting with positive programs. We are a people who, through our history, have had confidence in our government, as witnessed by lack of civil strife compared with other states. We are a people who have been provided with leadership and assistance from governments in the past. Today we are a people who will respond to constructive Canadianism. I wonder how much further we would be on the path of grasping firmly the reigns of our own destiny if some of the positive programs put forward by the PC party had been implemented years ago?

● (2020)

Opportunities for Youth and LIP grants do not provide permanent jobs. If the money spent on these programs had been put into capital assistance, jobs would have been provided. The advertising moneys spent on telling our senior citizens that they would get $2.88 more, displaying flower-pots and saying, "It is up to us," and encouraging us to use a zip code have long gone, with no real lasting effect although they totalled hundreds of thousands of dollars. How much greater and longer lasting would have been the results of these advertising campaigns if they had been aimed at encouraging Canadians to participate in an effective Canadian Development Corporation, or advertised the fact that Canadian entrepreneurs would be assisted in their efforts to share in directing Canada's economy for the benefit of Canadians?

Instead today we are faced with the reality of a bill that will do little but which I am certain, come the next election, will be called a great leap forward by every Liberal candidate in the land. Fortunately, the Canadian people have had enough of style and subterfuge and will recognize the substance of the Conservative policies and the opportunities that these will present to them when implemented. Among them will be a policy of encouraging the incentive that exists in our people, marshalling our resources to the task of obtaining as much independence as possible in economic decision-making.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have listened with much attention to a number of hon. members who have spoken on these amendments. I am surprised at the lack of sympathy for the federal system shown by some of my colleagues and their lack of appreciation of the obligations which must be met by the federal government in designing a program covering foreign investment and implementing it in the national interest.

I have heard much comment from some of my colleagues in the House on the amount of influence they feel the provinces should have in deciding the degree of permissible foreign control. I am in complete disagreement with those who believe that the provinces should decide, sepa-

rately in their own interests, what should be the interest and obligation of the federal government. Later on I intend to move an amending motion that I am sure will add to the position taken by some of my colleagues in this House. If they want all the provinces to make this decision simply because they have friends in certain provinces, it seems to me to be a grave oversight to omit the executive councils of the territories that are not yet provinces but which possess great potential in terms of natural resources.

I have always believed that a Canadian in one part of Canada should be equal to a Canadian in another part of Canada. For a long time I have lived in northern Ontario, an area rich in resources but where this has not been a fact. This is an area which has supported southern Ontario, in particular Toronto and Montreal, and the financial institutions of the country. It did so initially at a time when other parts of the country were producing very little to contribute to national income and national productivity. And in that area we have never received our fair share from either the federal government or the provincial government.

I suggest that some hon. members of this House should look at some of the disadvantaged areas of Canada. They should look at the Maritimes which have contributed a great deal of industrial input to Canadian society over the years. The Maritimes have provided the resource base for other sectors of Canada. Some of that contribution came to my area because maritimers also came there to help develop our resources.

The people of Great Britain did not bring about the industrial revolution there all on their own. Certainly initiative was shown in the invention of the cotton-jenny and in developments in the mining industry at the beginning of the industrial age. But one of the main contributions came in the form of capital supplied from Switzerland, by the people of Germany, by Dutch people, as well as by some of the landed gentry in Britain. That sparked the industrial revolution and produced a great nation that eventually was able to establish the Commonwealth of Nations which in turn has really been responsible for the development of half the world as we know it today.

Years later, when the industrial revolution began in the United States, again capital was needed. This has always been the case and always will be the case. Capital came from countries such as Switzerland, Holland and Great Britain, but it was supplied to the United States in the form of loans. It took 100 years to develop the industrial revolution in England. It took probably 30 to 40 years to do the same in the United States. Both were financed with imported capital, but in both cases that imported capital represented borrowings by the particular country or by the particular industries in that country.

In Canada, our industrial revolution was late in starting. We are one of the richest natural resource countries in the world, and our development was begun by the use of our pioneering spirit in conjunction with the use of outside capital. But the difference between our industrial revolution and those of Great Britain and the United States is that in Canada we sold our resources to other countries. We sold our resources to the people who had the capital. The people who came in did not lend Canadians capital; instead, they bought the resources.

At present, a great controversy is taking place in my area. In it we have probably the highest hill in Ontario. It is about 1700 feet high. In effect, it is a resource that cannot be duplicated anywhere else in Ontario. At present, the provincial Conservative government is talking about spending $82 million in my area. I certainly have no objection to that if it will do anything for the people of Timiskaming.

● (2030)

What are we talking about really, Mr. Speaker? We are again talking about selling our resources—selling a piece of land to Holiday Inns and a number of other American companies. Tourists will come to the area for $100 a day or $200 a day and take advantage of whatever resources are there. We will have bellboys and waiters, but certainly we will not have cooks because for $100 a day they will want cooks from Paris. But we will have sold our resources, and $20 million or $30 million of that amount will have come from the people of Ontario.

It would seem to me, Mr. Speaker, that it is time we made a decision. We are God-blessed with resources, but we are certainly not God-blessed with the ability to develop them. We sell everything that is not nailed down, and we are willing to sell some things that are nailed down as well. I have heard some of my colleagues in the Conservative Party speak today about the desire of the provinces to have an input. Provinces be damned!

Some hon. Members: Oh, oh!

Mr. Peters: They want the development for their own benefit. That also goes for the provinces with NDP governments in western Canada. In my opinion we have developed an attitude in this country that is not to our advantage. We hear about separatism in Quebec. What is the difference between separatism in Quebec and separatism in northern Ontario where we give away the resources, whether they be iron, gold, silver or the tourist industry? There is no difference, Mr. Speaker, as long as we are willing to give resources away.

We may talk about separatism because of linguistic differences or because a province is willing to give away its resources, but it is all the same. I think my colleagues in the Conservative Party had better look at some of the resources that they are going to defend on behalf of the provincial governments. One of the Conservative governments owns most of the oil potential in Canada at the present time, and I live in a province with a Conservative government that needs the major portion of that oil.

Mr. Kempling: Now you know how lucky you are.

Mr. Peters: I will not know that until I know how much electricity and oil I am going to get this winter. That is true of all Canadians. One of our major problems is the oil industry, which is 99 per cent foreign-controlled. I think it is a disgrace to allow one of our major resources to be controlled 99 per cent by American interests. We have been willing to sell these resources, Mr. Speaker. I do not suggest that we buy them back, but I do suggest that they

are still Canadian resources which belong to the Canadian people. Every member of parliament is going to find it very difficult to persuade a constituent who complains that he does not have enough oil for his furnace that it is all right for most of it to go south of the border. I suggest that it is time we controlled our economy and our destiny.

I was shocked to learn recently that our troops were not acceptable as members of the peacekeeping force in the Middle East. It turned out that we were acceptable in the end because, as a member of the NATO forces, we were balanced by Poland as a member of the Warsaw Pact. If we are to maintain our reputation in matters like peacekeeping, it seems to me we must establish control at home. We are no poorer than countries such as Mexico and others which have decided it may be necessary to tighten the belt. It may be necessary to establish our Canadian independence and our ability to play a role as an independent nation industrially, commercially, philosophically, and politically if necessary.

If my colleagues believe that the provinces have a role, I am not sure what it should be, but they should have some input into the question of federal control of the Canadian economy. The provinces should not have a veto. If my colleagues in the Conservative Party believe in the veto, then it should also be extended to the territories of Canada which have uncontrolled resources. I therefore move, seconded by the hon. member for Comox-Alberni (Mr. Barnett):

That motion numbered 2 be amended by inserting in line 7 thereof, following the words "a province" the words, "or a territorial council".

I move this motion, Mr. Speaker, because I believe that what is fair to the ten provinces is also fair for the territories which have not yet been raped but obviously will be raped if we do not provide a national philosophy that will give full play to the development of Canada rather than to the development of veto power.

This is an important bill, but it is a lousy bill. The Liberal Party never had a philosophy that would take them far enough toward solving a problem. This bill is part of a solution. If anybody asks why we did not support the Conservative Party and so call an election right away, it was the fear that the Conservatives would form the government of Canada.

Some hon. Members: Hear, hear!

An hon. Member: Don't worry about a thing.

An hon. Member: Just give us a chance.

Mr. Peters: Judging by the wording of the clauses that it is sought to amend, Mr. Speaker, we would have no one Canada; we would have ten states. That would "make it" for Alberta because they have the oil to sell, and it would "make it" for Ontario because they have to buy the oil and they also have other resources.

An hon. Member: What about British Columbia?

Mr. Peters: British Columbia would have its own inclination, under a Conservative government, and the Maritimes would have theirs. They might even establish northern Ontario as a separate province, and then we could fight more effectively for our needs. I was elected to this House as a Canadian.

• (2040)

Some hon. Members: Hear, hear!

Mr. Alexander: Right on.

Mr. Peters: I believe that most of the amendments introduced by the Conservative Party are divisive. I understand the Liberal Party will be supported by the Conservatives on this bill. Therefore, I suggest that they do something about the bill, strengthen it as much as possible, so that we can develop a strong, independent nation. In that way we will no longer be the nominee of the United Nations for a peacekeeping force. Canadians are independent enough in industrial development, resource development and international relations to be looked upon by the rest of the world not as an industrial satellite of the United States but as people willing to spend money to develop our resources and make whatever sacrifices are necessary.

I move this amendment in the hope that my proposal for unity will be accepted by the Liberals and Conservatives so that those people in the Northwest Territories and the Yukon will be able to play an equal role with the provinces in dividing the spoils of Canada.

Mr. Alexander: I wonder if the hon. member would allow a question.

Mr. MacKay: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: Before listening to the point of order, may I ask the hon. member for Timiskaming (Mr. Peters) who is seconding his motion. Is it the hon. member for Comox-Alberni (Mr. Barnett)?

Mr. Peters: Yes, Mr. Speaker.

Mr. MacKay: Mr. Speaker, perhaps I should not have risen on a point of order. I really want to ask the hon. member for Timiskaming (Mr. Peters) whether he will accept a question.

Mr. Peters: Go ahead.

Mr. MacKay: First, may I say that I think the hon. member's amendment is very useful. However, I want to ask the hon. member whether, when doing his research for this amendment, he formed the opinion that the definition section includes in the definition of a province the same purpose in so far as a territory is concerned. Other than that, I think it is a good amendment.

Mr. Deputy Speaker: Before the hon. member answers I would ask the indulgence of the House. The hon. member's time has expired. Therefore, it would require unanimous consent for the question to be put and answered. Is this agreed?

Some hon. Members: Agreed.

Mr. Peters: Mr. Speaker, I am inclined to believe that the hon. member is probably right in regard to the definition. However, the fact remains that the hon. member for

Northwest Territories (Mr. Firth) and the hon. member for Yukon (Mr. Nielsen) have both stated on a number of occasions that because of the territorial status the Councils representing the Yukon and the Northwest Territories are not clear as to identity; they are still dominated to some degree by decisions made by the Department of Indian Affairs and Northern Development and other federal government agencies.

I point out to the hon. member that in the case of PanArctic and one of the known resources in the Northwest Territories, the federal government entered into that agreement not as a participant in the area, because of the Northwest Territories Council, but as their right under the Department of Indian Affairs and Northern Development. This was not at the request of the Council, but independently. For this reason, by adding this wording to the clause we will be establishing something that at the moment is not very clear. I am referring to the boundaries of the authority of the Northwest Territories Council and the Yukon Council in making decisions that sometimes have a countereffect regarding the wishes of the federal government.

Mr. Alexander: Mr. Speaker, I do not believe you caught my eye before the hon. member for Timiskaming (Mr. Peters) sat down. I was up like a flash—but things happen. I wonder if I could have the same consent in order to clarify a position that the hon. member has put before us. It is for the edification of all members.

I am trying to rationalize the position which the hon. member took. He said in no uncertain terms, in fact almost vehemently, that he was against the motion placed on the order paper by the Conservative Party. Then something strange happened. He brought in a motion. This is where I became a little confused. His motion does not try to wipe out or to reduce the Conservative motion, but extends the motion of the Conservative Party. This is where I find some difficulty in trying to rationalize the hon. member's argument.

If the hon. member is against something so violently, how can he move an amendment which enlarges upon that which he is so violently against? If he could help me on that I would possibly give his motion further consideration. That is my confusion and that is my question.

Mr. Peters: Mr. Speaker, I apologize for confusing the hon. member. I belong to a minority party and therefore do not have the say. I cannot prejudge the vote that will take place on this motion, for several reasons. However, I am not sure whether they will support the government's bill. However, I am not sure whether they will support it with or without this amendment. That is important. The government may vote for this amendment. Coming from a minority area of a very large and wealthy province, we do not have many of the advantages of the rest of the province.

An hon. Member: Thanks to Bill Davis.

Mr. Peters: Thanks to Bill Davis and his predecessors. I do not know what the outcome of this vote will be. if it passes, I, as a member of parliament representing a minority resource area in a large province, would be remiss if I did not ensure that the people of the Northwest Territories had the same kind of control that is being asked for the ten provinces.

• (2050)

I may say to the hon. member for Hamilton West (Mr. Alexander) that I certainly do not want this to happen to the Northwest Territories and the Yukon, since the members from those areas are not here I feel obliged to protect their interests as far as I can. I hope sincerely that everyone will vote for the amendment because I certainly believe they can all do so. Whether or not they all vote to support the motion is another story.

Mr. Deputy Speaker: I think the Chair should reserve the right to make a ruling on a future occasion should an amendment of this nature be proposed at the report stage. However, the matter has not been raised by way of a point of order this evening and I do not intend to raise it myself except by way of entering a caveat.

Mr. Gillespie: Mr. Speaker, I wish to seek guidance on precisely the point of order to which you have alluded. It seems to me this is an important point and one which needs clarification, and I would very much welcome a ruling as to whether or not the amendment is in order.

Mr. Deputy Speaker: In that case, the Chair will be grateful to hear the views of hon. members. I did reserve judgment, but the minister has raised the matter fairly and squarely. It is a moot question and one for the Chair to determine. Perhaps I can look to the hon. member for Winnipeg North Centre (Mr. Knowles) for assistance; he is always a source of sustenance and guidance in these matters.

Mr. Knowles (Winnipeg North Centre): My hon. friend and affectionate colleague, the hon. member for Timiskaming (Mr. Peters), tells me I may say publicly that I did not encourage him to make this amendment. That is putting it mildly.

Mr. Alexander: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Now that he has done so and now that the minister has called upon the Chair to make a ruling, it looks as though I shall have to say something.

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

Mr. Knowles (Winnipeg North Centre): I thought I was already speaking on the point of order, Mr. Speaker.

Mr. Deputy Speaker: All members who wish to do so will have an opportunity to say something on the point of order, but at the moment the hon. member for Winnipeg North Centre has the floor.

Mr. Knowles (Winnipeg North Centre): Whatever any of us might think of the purpose of the amendment, it is clear from our Standing Orders that the amendment as it reads is in order. I draw Your Honour's attention to Standing Order 75(8) which reads as follows:

When the order of the day for the consideration of a report stage is called, any amendment of which notice has been given in

accordance with section 5 of this order, shall be open to debate and amendment.

So there you are, Mr. Speaker. Notice of the motion being debated was properly filed under Standing Order 75(5). Therefore, it is before us and it is open to amendment. Your Honour would not be obliged to accept the amendment if it were completely removed from the subject matter of the question being debated; it has to be relevant to what we are discussing. But whatever my own views might be about the tactic followed, since we are discussing a motion which calls for reference to the ten provinces it is perfectly proper to move that there be reference to the Yukon and the Northwest Territories as well. It appears to me, therefore, that you and the House are stuck with this amendment.

Mr. Deputy Speaker: Maybe stuck, but I shall recognize the Minister of Industry, Trade and Commerce (Mr. Gillespie) who may unstick us.

Mr. Gillespie: The last thing I would wish to do would be to make Your Honour's job more difficult or to complicate an already complicated situation. I would have no objection to the Chair reserving its opinion on this issue, if that were Your Honour's wish. However, it seems to me that if the amendment is allowed we should be given an opportunity to debate it on its merits. I am afraid that this provision, if accepted, would weaken the bill and I wish to serve notice that I would wish to argue the merits of the case in that light.

Mr. Peters: If the minister wishes to argue the merits of the case, he should do so during the debate and not on a point of order.

Mr. Baker: I, too, have read the rule to which my neighbour and very distinguished constituent, the hon. member for Winnipeg North Centre (Mr. Knowles), has referred and I believe it embodies the extension of a reasonable principle. For such an amendment to be out of order it must involve something completely new, and it is clear to me, as I hope it will be clear to Your Honour, that it involves nothing more than the extension of a principle already implicit in the motion under discussion. It does not depart from the spirit of that motion.

I agree with the hon. member for Timiskaming (Mr. Peters) that the minister ought not to seek to debate it on a point of order. He is taking a narrow view—so narrow that he can look down the neck of a milk bottle with both eyes at the same time. I am very pleased to support, with more enthusiasm than the hon. member for Winnipeg North Centre has shown, the amendment moved by his hon. friend, the hon. member from Timiskaming.

Mr. Deputy Speaker: I think the amendment is clearly in order, and I suggest to the minister that he will have a chance to express his views in the debate which will follow.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I thank you for having allowed my to express my opinion concerning Bill C-132.

As we all know, this bill provides for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons.

[*English*]

Mr. Deputy Speaker: I must apologize to the hon. member for Lotbinière (Mr. Fortin). I gather the hon. member for Sarnia-Lambton (Mr. Cullen) rises on a point of order.

[*Translation*]

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I beg the indulgence of the hon. member for Lotbinière (Mr. Fortin).

● (2100)

[*English*]

Mr. Speaker, I beg the indulgence of the hon. member for Lotbinière and I also ask the indulgence of the House. I endeavoured to get Beauchesne's but it was not easy to get it from the library quickly. In considering the admissibility of this subamendment, I suggest reference must be had to citation 406 of Beauchesne's. I refer specifically to the section that says that amendments are out of order if they are irrelevant to the bill and—I stress this point—beyond its scope.

Mr. Baker: The ruling has been made. This is not a court of appeal.

Mr. Deputy Speaker: I apologize to the hon. member for Sarnia-Lambton (Mr. Cullen). He was on his feet when the debate on the point of order was begun, and I apologize to him. I cannot see that the point raised by the hon. member really changes the opinion of the Chair. To me, the amendment proffered by the hon. member for Timiskaming is by way of detail, adding something to a matter already before the House, rather than being something that is entirely new or different. However, I do regret that I did not give the hon. member for Sarnia-Lambton his moment in the sun on this particular point. The hon. member for Lotbinière.

[*Translation*]

Mr. Fortin: Mr. Speaker, the House of Commons is studying Bill C-132, entitled an Act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons.

Since the beginning of this debate, Mr. Speaker, Progressive Conservatives and New Democrats have proposed a number of amendments which I have read without seeing how they can really change the spirit of this bill. Generally speaking, they seem to simply play around in this bill which, itself, solves nothing much. This may be a harsh judgment, but let me read the very beginning of this bill.

PURPOSE OF ACT

2. (1) This Act is enacted by the Parliament of Canada in recognition by Parliament that the extent to which control of Canadian industry, trade and commerce has become acquired by

persons other than Canadians and the effect thereof on the ability of Canadians to maintain effective control over their economic environment is a matter of national concern, and that it is therefore expedient to establish a means by which measures may be taken under the authority of Parliament to ensure that, in so far as is practicable after the enactment of this Act . . .

Mr. Speaker, if you read the preambule of this legislation you find that as far as possible the government will try to implement Bill C-132 to achieve a certain degree of control over foreign corporations or foreign investment in Canada.

But such a control can be implemented financially only. I remember a report that was tabled in the House, a report which had been prepared for the Privy Council Office and was entitled "Foreign Ownership and the Structure of Canadian industry", Report of the Task Force on the Structure of Canadian Industry.

A Crown minister was the sponsor of this study and under the responsibility of the then President of the Privy Council this task force carried out this study and took rather radical positions requesting the government to take energetic measures. Of course, the government did not agree with the conclusions of this study. Later on, further studies were prepared with a view to demonstrating to parliamentarians and Canadians in general that Canada did not belong to us anymore or only a very small part of it.

I will quote only one excerpt from this study. It is taken from page 87 and I quote:

35. An alternative means of Canadian participation in the profits of direct investment firms is minority Canadian ownership. The extent of such participation by Canadians is at present relatively limited, reflecting the strong preference of foreign corporations for operating abroad through wholly-owned subsidiaries.

Those are statistics which rebut anything the minister responsible for this legislation told us as well as the spokesmen for the Progressive Conservative and the NDP parties.

● (2110)

For 375 of the largest non-financial Canadian corporate complexes in Canada (for a detailed discussion of these and other data on this topic, . . .), 162 or 43 per cent are private companies with no publicly traded shares, and about 75 per cent of these private companies are controlled by non-residents. It has been estimated that approximately 18 per cent of the total corporate taxable income in Canada in 1965 was earned by about 130 of the largest private corporations, most of which were foreign-owned.

Mr. Speaker, that is one problem. The second is the approach to or the participation of Canadian provinces in the protection of our economy and the ensurance of a steady development of our economy in the interest of, by and for all Canadians.

Mr. Speaker, one finds that once more such is not the case. At federal-provincial meetings, we witness lengthy discussions that end up in smoke or lead to practically nothing or big statements of intent. But in the end, Mr. Speaker, what tools are available to the provinces to really protect their own regional or local economy in the Canadian or North American context so the Canadian entity will be preserved? I must say, Mr. Speaker, that those means are more means in principle than effective financial means.

[Mr. Fortin.]

How did foreigners chiefly acquire control over our economy? With money. And what will be the way for all Canadians to regain the economy of their country? Again, with money.

Mr. Speaker, with respect to the James Bay development project, or the need for nuclear, electrical or petrochemical energy in Quebec and other provinces, what means are available to the provinces or to the federal government to provide for the protection of the Canadian control over such projects or such new essential and vital developments?

What do our governments do, whether they are Progressive Conservative or Liberal, provincial or federal? Once they have prepared a plan, once they have given it sufficient publicity to sell the idea to the public and do some window-dressing, then, Mr. Speaker, the little procession begins: the Minister of Finance, the Prime Minister, officials, the Minister of Natural Ressources, the Minister of Energy, the ambassador and all the others are going where? They are not asking the Canadian people to get in, in order to develop the country. They go abroad. They go to the United States, to other countries. On the pretence that they will create employment—poppycock again on the part of this government—they go to France where they try to convince the Michelin or Renault companies to settle in Canada to create employment in this country. Those firms are granted subsidies and the first thing we know, Mr. Speaker, is that it does not work, for all kinds of reasons.

I do not wish to weigh the situation to know whether they should be granted a subsidy or not, but I want to say that every time there is a desire to create employment, economic or financial, gigantic or fantastic projects, like James Bay, Hydro-Québec or Ontario-Hydro projects or any other similar venture, they go begging, they negotiate with American people or foreigners, but especially with Americans. Then, they invite and help them invest in our own country. In return, the Prime Minister, the minister, or the government representative, whether on the federal or provincial level, may come forward, under the cover of a press conference with cocktails and all, rise and state in the faces of Canadians or Quebecers: "I am happy to announce that foreigners trust in the future of Quebec, in the future of Canada, and that thanks to that trust, we shall be able, from such or such date, to proceed with the development of the James Bay project or some other project".

Well, Mr. Speaker, that is a shame. I have nothing against foreigners eager to come and invest in our country; I suggest however that if foreigners trust in our future and see in our province or country a potential for economic development, if they have found resources worthy of being developed in a profitable way for Canadians, if they trust in the economy of Canada, why is it then that Canadians, and Quebecers in particular, should not have also the opportunity and the same trust to invest in our own country?

Mr. Speaker, I will give you just one concrete example on this subject. We know that under the new tax system implemented by this government, the savings of Canadians are taxable. The worker, the farmer or the day labourer cannot invest several hundred thousand dollars but

they could invest in Canadian businesses not only their work, the fruits of their labour but also their small savings. Even if he is poor, if he has plenty of guts the average citizen could invest but he cannot because the tax legislation discourages his willingness to save money. To invest he has to save money first.

Mr. Speaker, when the time comes to complete his income tax return, the average citizen receives from his bank a note telling him he has to pay taxes on his savings. Mr. Speaker, this system is all wrong. Then the government will tell us, referring to political principles in order to obtain votes, that it defends an economic nationalism policy and that it presented a bill that is honest and well-intentioned; it will tell us that it wants to give back Canada to Canadians through Bill C-132 or any other inquiry or brief.

Mr. Speaker, how far will Bill C-132 go? It will create another gizmo of civil servants which will be called the Foreign Investment Review Agency and will provide for the appointment of a commissioner. This bill also states, Mr. Speaker, that we shall pay the expenses of the large corporation representatives that we shall call before us.

Mr. Speaker, this indicates the intention of the government. Even if I read it in the newspapers or even if they repeated here ten or twenty times that this government is well intentioned in wishing to control Canadian business instead of nationalizing it as the New Democratic Party would want it, or to "play" with their profit as the Conservatives would want, I would not believe it. But if the government were well intentioned, Mr. Speaker, it would begin by allowing the provinces the financial possibility of ensuring the development of their own resources through financial means belonging to Canadians and Quebecers, that is the use of the Bank of Canada.

Mr. Speaker, if the Canadian government and the provinces trust American funds invested in our country and guaranteed by our values, I do not see why this same government, if it is really Canadian, if it is really elected to serve the interests of Canadians, would not use the Bank of Canada to invest in our own resources, since it is the same mortgage. Mr. Speaker, the government could then prove that it believes in Canada and I have no doubt that Canadians would follow its example.

I do not want to hear that Canadians do not control anything or that they are not interested in their country when their own government never gives them a good example and when it is crawling in front of foreign businesses, in front of foreign capital to develop our country.

Mr. Speaker, it is easy to preach in favour of Canadian unity. The other day, I heard a rather interesting remark. The Conservatives in western Canada say that the Liberal Party is a French-Canadian party and consequently that it is not a good party. Therefore they invite these people to vote Conservative.

At the same time, Liberals in eastern Canada say to the people that the Progressive Conservative party is an English-speaking party and, therefore, they should vote Liberal, for it is not a "representative" party.

• (2120)

Finally, both these so-called great national parties attempt to build up their political prestige, for this is what counts in the end, in order to prevent the division of the country.

However, the price for national unity is to be paid financially. We have here a Minister of Finance, as in each provincial legislature. If these people are honest and not puppets of high finance, but are there to serve the interests of the Canadian people, for which they have been elected, they will stop to think instead of flippantly rejecting solutions enabling the government and the Canadian people to regain control over the economy.

Mr. Speaker, I believe—and I think that the other hon. members of my party agree—in private enterprise and in individual initiative.

We are against economic nationalism whereby we must nationalize to be at home. We feel, Mr. Speaker, that in the system of free enterprise, the human being finds his strength, his vigour and his wish to better himself. We firmly believe that if a person is to live decently in free enterprise, earn his living and support his family, he must have the ambition to better himself.

It is the same for a country. If we want the provinces to wish to improve themselves and to grow together in this confederation, the federal government, which is here to harmonize relations, must provide them with the financial means necessary for their development, for instance by creating subsidiaries of the Bank of Canada in each province.

Mr. Speaker, this solution is rediculed, but it remains that the abject position of our Prime Minister when dealing with foreigners to develop James Bay is much sadder.

Mr. Speaker, I would have something else to say about that. Even if we believe in private enterprise, it does not mean that we are idiots. It is essential that private enterprise be supported. This government, through its own measures, had made private entreprise practically dependent on a new kind of social welfare.

We have been left with the impression that the government is responsible for the creation of employment, but this is an entirely wrong concept. The government alone could not create a single job. It was private enterprise that created those jobs in this country.

A problem that this bill tries to deal with is the control over investments in this country so that companies should be Canadian. But what steps can the government take in this regard? All it thought about was to create an agency.

Mr. Speaker, when I said at the outset of my comments that unless it is materially possible to have statistics available and to know who controls such and such company, we shall awaken in five or ten years with another so-called Gordon or Watkins report or another Bill C-132 and we will be no better for it. On the contrary, foreign capital will have continued to pour into our country.

If Canada is to develop, Mr. Speaker, it is not a question of doing what some members would like, that is send foreigners back to their country. There is so much room in Canada to develop and live. Those people have a right to live in our country. But, Mr. Speaker, if the government

really is Canadian, if it is not paid by foreigners, let it make use of the present financial means to develop our country without going to war against foreigners.

Mr. Speaker, this is exactly the same thing as when we say that English-speaking people are to blame when separatism is mentioned and when things are going bad in Quebec. In the Social Credit party, we say that the English-speaking people are not to blame, but that Quebecers are because they never gave themselves real representatives to lead them.

Let us stop saying that the English or the foreigners are to blame if we do not live suitably in Canada. It is our fault if we fail to give ourselves a truly Canadian government and if we keep on having governments paid, elected and controlled by high finance.

Would this government, which was elected by finance, be able through a bill to control its investments? This is totally ridiculous, Mr. Speaker. They are bluffing in an attempt to silence the nationalists who believe in Canada and, at the same time, leaders keep on currying favours with large companies. What is the difference between Progressive Conservatives and Liberals? Absolutely none: both are courting the same corporations and the same corporations contribute to replenish the electoral funds of these two parties. They in turns come into power without changing the situation at all.

Mr. Speaker, the NDP claims that the only way to solve the problem is to nationalize companies so as to make them companies of the state in order to see what is going to happen. They still believe in the CBC and in all these gimmicks. As for us, though small in number, we are sincere and we are Canadians. We believe in free enterprise, in the value of the person and his right to develop in free enterprise.

We are Canadians and we say that neither the English, nor the French Canadians nor the Americans are to be held responsible because Canada does not belong to Canadians any more; those responsible are the political maneuverers who get elected through finance, stay there with a title and serve financiers. As long as we have to bear with such politicians, the House waste its time on tame bills and Canada will still be sold to foreigners for a mess of pottage.

[*English*]

Mr. Gillespie: Mr. Speaker, I should like to speak to the subamendment offered by the hon. member for Timiskaming (Mr. Peters) with regard to motion No. 2 which is before us. When motion No. 2 in its original form was first debated, I made it clear that I thought the amendment would do nothing to strengthen the bill and that in fact it would have the effect of weakening the bill.

I should like briefly to review two points. The first is that as the bill now stands, it provides for the government to take into account provincial industrial and economic policies in respect of any province likely to be significantly affected. The amendment standing on the order paper, not the subamendment, focuses only on provinces in which the enterprise or the business is carried on or proposed to be carried on. The subamendment offered this evening is limited in exactly the same way. It would limit consideration with regard to provinces or territories only to those provinces or territories in which the enterprise is carried on or in which the new business is proposed to be carried on.

Clearly, this would have the effect of narrowing the intent of the bill. It would have the effect of making it more inflexible than would the present wording. It would exclude, as I have mentioned already, provinces which were significantly affected. It would include only those provinces in which the enterprise is carried on or in which the proposed enterprise is to be carried on. Provinces significantly affected by the enterprise would be excluded from any consideration. That is the first point.

I should like to give an example of how this might work. For instance, it is quite conceivable that a province might be affected in a very substantial way by the existence of a new investment to be made or a new firm to be acquired in a province. One might visualize—I believe I used this example before—the case of a major tire manufacturing operation. A tire manufacturing operation which might be located, let us say, in Quebec could affect a major tire factory operating in the Maritimes. This could have an effect not only on the neighbouring province or provinces, but the new or proposed investment could equally have an effect upon existing tire manufacturing firms in other provinces including, for example, Ontario.

The subamendment offered to the original amendment would exclude any consideration of those provinces which would be significantly affected, because it limits the consideration to the province in which the enterprise, takeover or proposed investment would be carried on. A province may have a very large interest in a takeover or investment because of its position as a consuming province, or because of plants in that province that would be in a competitive position with the firm to be taken over or established.

I submit that the first amendment, No. 2, would weaken the bill because it introduces this degree of inflexibility, and I submit that the subamendment offered this evening does nothing to strengthen the first amendment offered. I would argue that flexibility is an essential element in the operation of the bill and that its removal would have a serious effect on the effectiveness of the bill.

I would hope that on reflection the House would decide to reject the subamendment offered this evening because it does nothing to strengthen an amendment which already, in my view, would weaken the effectiveness of the bill.

Mr. Baker: That is a fatuous argument.

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, at the outset I wish to say I share the objective of this bill, which is to realize the ambition of a growing number of Canadians at last to live our own life. But we cannot achieve this objective unless to a much larger degree than Bill C-132 proposes we repatriate our economy and replace our branch plant status, a status which a generation ago replaced the old colonial way of life but replaced it with something not much better.

One of the tragedies of Canadian history has been the way in which Canadians have never been just Canadians. We began as a colony of France and so some of us were

French Canadians. Then we became a colony of Britain and some of us were British Canadians. A generation ago, at the end of World War II, we became increasingly a subsidiary of the United States economically, culturally and in our life style, and so we became American Canadians. But at last there is a significant movement across this country to become a true nation of our own and to be simply Canadian Canadians.

We cannot achieve this objective, however, unless we can demythologize the kind of myths that almost lulled our people to sleep. One example has been the myth that foreign investment equals capital inflow, that we must have great capital investment so that necessary foreign capital will come into this country. The reality is that according to a report of the Department of Industry, Trade and Commerce, two-thirds of the money used in the transactions of foreign-owned companies comes from Canadian banks rather than from sources outside the country. For example, McGraw-Hill bought the Ryerson Publishing Company for $2 million with a Canadian bank loan; ITT bought AIMCO with a Canadian bank loan; the Export Development Corporation gives most of its loans to eight corporations, five of which are foreign-owned.

● (2130)

The second myth we must demythologize is that foreign investment means jobs, that we must have more and more foreign investment so that Canadians can gain employment. But we are now realizing that foreign investment can mean unemployment through foreign-dominated companies and unions often giving priority to production in other countries. We know, also, that it can mean a concentration in the development of natural resource industries and a lower priority to secondary industries where most of the jobs are to be found. It is a tragic fact that of all the industrialized countries of the world, Canada has the smallest percentage of its investment in secondary manufacturing.

The third myth that we must demythologize is that Canadians need foreign management and foreign technology in order to develop their industry. I think there was a certain validity in this claim at one time, a validity in that at one time Canadian companies required the kind of expertise and know-how that had to be imported, just as at one time I think it was necessary for the Canadian labour movement to have international unions for precisely the same reason. But we have moved beyond that need, I hope, in both instances, both in terms of industrial and commercial management and in terms of the direction of our union movement. Given the opportunity, surely this country now has the mental equipment and the practical experience to develop its own resources and to manage its own affairs.

It seems to me that we should be able to go beyond the limitations of Bill C-132, we should be able to demythologize the notions that have so gripped the thinking of many Canadians throughout this country and have too long made us accept a branch plant mentality. If we look at the Toronto *Star* of January 12, 1973, we find that 68 per cent of the people of this country, according to the survey published in that newspaper, believed that the government's foreign ownership policy was inadequate or very inadequate. Two-thirds of the people surveyed were dissatisfied with the kind of direction they were receiving from this government, the direction presented in the legislation we are debating tonight.

According to the *International Review* of March, 1973, in reply to the question, "Is foreign ownership good or bad?", we find that those who believe it is bad rose from just 33 per cent in 1969 to 47 per cent in 1972; that is, just a third of the Canadians surveyed four years ago were discontented with foreign investment, but now the fraction is almost one-half. Se we have to be conscious of the fact that a growing number of Canadians want the goal which is surely the objective of this bill, but an objective that is realized only to a very limited degree by this legislation. I would hope that we would all see Bill C-132 as simply the beginning, the first step down a road that we hope will lead us to an objective which surely we should all share and support, the kind of objective that Canadians have now delayed too long in seeking.

For those reasons, it is possible for all of us to support the principle and the objective of this bill; but there are some points upon which I think criticism needs to be directed against it. The first of these is the assumption of the government that you can achieve this goal by passing a law which generally approves Canadian ownership, when what we need is not just legislation along this line but an economic policy that will give some assistance to Canadian business and industry striving to uphold Canadian ownership. It would be much more inspiring to parliament and to the public if this legislation could be accompanied by that kind of economic policy.

Tonight I would like to ask that the attention of the House be directed toward the need of Canadian business for much more assistance than it is now receiving from this government. I refer in particular to small business, the kind of business that generates jobs, the kind of business that is surely the backbone of the Canadian economy. The sad fact is that Canadian small business is now suffering as never before. According to the Toronto *Star* of February 13, 1973, 2,848 businesses that could be described as small businesses went into bankruptcy in the previous year. It was the worst record since 1942.

The reasons so many small businesses, those companies that have assets under $1 million, are having such a difficult time are such facts of life in Canada today as the exorbitant taxation imposed on business by the government, the unfair and unreasonable interference with business by the government, the shortage of capital under which so many small businesses suffer. For example, the small business loans administration of this country reports that under the Small Businesses Loans Act, in 1972 only $28,328,126 were advanced in such loans compared with $25,582,269 in 1961. There has been almost no advance in ten years in actual dollars, let alone in purchasing power.

The fact is that this government is simply not getting behind small businesses in Canada. No wonder so many of them found it impossible to survive. I stress this point for this reason, that it is not enough for us as legislators simply to say that business shall be Canadian. What we must do is to initiate and support policies that will make it more and more possible for Canadians to go into business and to stay in business. It is so often a sad fact that a

businessman today finds it too attractive to sell out, faced as he is by the many problems of keeping a company going: there are the problems of taxation, government interference, shortage of capital, labour difficulties, and the like. It is often much easier simply to look in the mirror one morning and say, "Why should I go on this way?" It is easier to pick up the telephone, call New York, Chicago or Detroit and say, "If you still want this business, come and get it." What we need, therefore, is to bring about an economic policy that will make Canada a much more attractive country in which to do business; and the great failure of this government is not simply in initiating inadequate legislation but, much more seriously, in bringing about inadequate policies.

Much has been said in this debate on the amendments proposed by the hon. member for Central Nova (Mr. MacKay). In the interests of federalism there has been a denigration of the rights of the provinces to participate in the repatriation of our economy, to have some voice in the decisions that are made, decisions affecting their lives. I find it very interesting that so many members, particularly those to my left, who have been so articulate in speaking about participatory democracy and the rights of individuals to participate in decisions that affect them, in this instance turn away from that principle and seem to be opposed to the provinces having some say in that which affects them.

● (2140)

I have been particularly intrigued by the reasoning of the hon. member for Timiskaming (Mr. Peters), who spoke with his usual power in criticism of this amendment, speaking in favour of federalism—I must say a federalism without precedent in the history of Canada, that is, a federalism that would ignore the rights of the provinces—but then going on to move his curious subamendment that would give the same rights to territories. It would seem that he reasoned that what was wrong for ten should suddenly be right for 12, and that something which was to be rejected when applied to the provinces should be accepted if applied to provinces plus territories. We welcome the subamendment and I would hope that, if it passes, its mover would be prepared to support the amendment as modified by it.

The Minister of Industry, Trade and Commerce (Mr. Gillespie) has criticized the subamendment and the amendment proposed by the hon. member for Central Nova on the grounds that they do not do justice to the needs and desires of all provinces concerned. It would seem to me, on reading the amendment as proposed, that there is nothing in it which would prevent the federal government from consulting with any province and eliciting from any provincial government a report on how a proposed takeover would affect its economy and its life.

The amendment requires that the province in which a business is being carried on shall be consulted. It requires that the compatability with that province be considered. But it certainly does not prevent the federal government from carrying on consultation with any other province. It seems to me that the intention of this amendment is not in any way to minimize the leadership of the federal government but, rather, to assert what is a basic principle of

[Mr. Stackhouse.]

Canadian confederation, that the federal government and the provincial governments shall work together.

We look at Bill C-132 with some gratitude in so far as we all recognize the need for the Canadian Parliament to enact legislation that will put us on the road toward the repatriation of our economy. We can regret that it does not go further. We can regret that there is an inadequate economic policy accompanying it, making its objective that much more unrealizable. But we can still support it, I think perhaps because of the philosophy expressed in a certain saloon sign in the Klondike many years ago which said, "Don't shoot the piano player—he's doing the best he can." Neither should we shoot down this bill, in so far as it is going to achieve something and the minister, we think, is doing the best he can. Maybe he is doing the best he can in that this is the best bill he can get through his own caucus and cabinet, and we welcome it to that extent and support it to that extent.

But I want to say, in closing, that I would hope and earnestly plead that this legislation be not the last step this parliament is asked to take. May it be but the first, not the last step that we will take down the road we hope will lead us to an objective that a growing number of Canadians seek. And if we are to follow that road, surely the government must be prepared to give leadership—greater leadership than it has given in the past. In this regard, the government has been content simply to follow public opinion rather than to give it direction. Its record to a great extent has been an acceptance of the willingness to have this country sold out.

Our memories go back to the 1956 pipeline debate when we recognized the attitude of the Liberal government of that time putting resources into the hands of foreign investors, resources that certainly should have had Canadian ownership and control. Perhaps at one time this might have been justified. I would have to admit that probably nobody is innocent enough to be justified in throwing the first stone. But we cannot justify it any longer. No party, no government can justify continuing Canada in the direction it has been going since the end of the Second World War. Therefore I would hope that Bill C-132 would be supported generally, at least as a symbol of the way in which Canadian parliamentarians and the Canadian government are going to turn this trend around and to move in another direction.

So very frequently it has been the case that our leaders in government have wanted to say to the people, "Tell us where you want to go and let us lead you there." But we would hope that for once the government would be willing to point this country in the direction it should follow; that for once we could at least gain a fraction of the kind of faith, conviction and vision that made the founding of this country possible.

Just the other night I read this statement by A. R. M. Lower, an historian who surely should be respected by members on the other side of this House, commenting on historic developments just a few years after the beginning of confederation: "Confederation was kept alive only by the faith of its founders and the vision they had of a country yet to be developed." I think that across this country tonight there are millions of Canadians, especially young people, who have that kind of faith and that kind of

vision and who are looking to us to give them that kind of leadership.

Just a century ago Thomas D'Arcy McGee could speak of a new nationality. At the end of 100 years and more of confederation we can see that a new nationality has come into being. Yet it has not taken the full form that all of us could wish it might take. What we are seeking is a new sense of that nationality, a new awareness that we are neither colony nor subsidiary nor branch plant, but a nation whose people are masters of their fate and captains of their soul. And to achieve that we can look forward to a time when in the economy, as in the political and cultural life of this country, we will truly be living our own life.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, the subject of foreign ownership has been foremost in the minds of Canadians for the past several years, although in most people's minds, encouraged by the members of the NDP, it is American ownership rather than foreign ownership that concerns them. This concept is, of course, wrong and as Canadians we should be concerned about the inflow of any capital into our country whether it be from the United States of America, Germany, Britain, France, Japan or other country.

● (2150)

There is no question that foreign investment in our country has been increasing at a fairly rapid rate over the years. It is the effect that foreign investment has on our economy that is of concern to the public. We cannot really blame the foreign investors; we must blame ourselves. When the minister of finance for the province of Saskatchewan appeared before the Standing Committee of Finance, Trade and Economic Affairs on June 19, he said that foreign investors operating in Canada have until now simply operated by the rules of the game, and there is no reason why they should operate differently in the absence of adequate guidelines and controls by Canada.

As the problem is a national one, it is the responsibility of the federal government to enact the legislation necessary to minimize the effect of foreign ownership on our economy, and I emphasize the word "minimize". There is no question that foreign investment is necessary if Canada is to continue to develop as an industrial nation, but I believe it is the responsibility of parliament, as was said by a spokesman for the government of Ontario, "to ensure that future investments by foreign corporations make an effective contribution to the achievement of national economic and social objectives."

Quite frankly, Mr. Speaker, I was disappointed with this bill. All it does is allow a group of bureaucrats in Ottawa to make decisions with respect to foreign investment which affect every region and province of Canada, and this without consultation or input by the region or province. This bill is another example of the arrogance of the government in presenting legislation which affects every region and province in the dominion, without first having met with the provinces and come to a consensus. It is a bill which is politically motivated, a vote-catcher, because the subject of foreign ownership is on the lips of almost every concerned Canadian today.

That Canada is a country made up of economic and physical regions is a fact of life and has been since confederation. Every region, in fact every province, has its own problems and there is a great deal of regional disparity. Because of this we have a program such as DREE and, of course, we have equalization payments which are worked out every year to help the have-not provinces. Industrial development has been concentrated in central Canada over the years because the wealth of the country has been siphoned into the financial circles of Toronto and Montreal, there to be utilized in industrial development in the area immediately surrounding the cities.

It is granted that industry tends to concentrate where the markets are, in the areas of greatest density of population; but inequities in freight rates over the years, particularly between central Canada and the west, have tended to discourage industrial development even of a secondary nature. Only in recent years has there been any move toward developing industry on the Prairies, and this has primarily been due to foreign capital. As I said, Mr. Speaker, foreign capital is necessary, but there must be some means of controlling its use in a way that will effectively benefit Canada. I am very disappointed with this bill, and one of the reasons for that disappointment is lack of participation by the provinces or regions concerned in the decision-making.

When I attended the Western Economic Opportunities Conference in Calgary in July as an observer, I was told that the conference was the first occasion on which some of our top civil servants had visited western Canada and that they were amazed to find such a large and attractive city as Calgary out on the Prairies. I do not know how true that statement was, but it concerned me a great deal. What concerns me even more is that, if it is true, it is this type of person or possibly persons without any intimate knowledge of the economic and social needs of the area who will be sitting on the screening agency making recommendations on whether foreign capital should be allowed to come into the Prairies. The analogy applies equally to the Maritimes.

Notwithstanding what the hon. member for Timiskaming (Mr. Peters) said, Mr. Speaker, each province must have input with respect to applications by individuals or corporations who plan on making an investment in that province or region. In addition, a majority of the persons in the agency considering the application must represent the province or region where the applicant intends making the investment. Without this type of input and representation, the province will be at the mercy of Ottawa—and I feel that will tend to further the alienation which appears to be building between the outlying regions and central Canada.

We in this party believe in one Canada. In order to keep going ahead, it is important that major pieces of legislation such as this bill be acceptable to all provinces.

I see it is ten o'clock, Mr. Speaker.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

NORTHERN AFFAIRS—NORTHWEST TERRITORIES—ALLEGED LETTING OF CONTRACTS BY HIRE NORTH WITHOUT TENDERS

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I rise again on this occasion to bring up the matter of apparent conflict of interest in the awarding of contracts for the Hire North program in the Northwest Territories. I very much like the concept of this program under which northern natives are hired to clear land for the Mackenzie Highway right-of-way and are trained to operate heavy equipment. This program, funded by the government of Canada and carried out by the government of the Northwest Territories, has provided native people with some of the direct economic benefit of the highway construction and with training and experience which may prove useful in future projects.

This program also has its dark side and it is of this side which, unfortunately, I feel I must speak tonight. It appears that the man hired to supervise and manage this project, Mr. Rudy Steiner, has awarded contracts of substantial value to firms, in which there is evidence to indicate he has an interest, without calling tenders. I have demanded that an appropriate committee of the House investigate this matter, and I asked the Prime Minister (Mr. Trudeau) on Monday, November 5, in the absence of the Minister of Indian Affairs and Northern Development (Mr. Chrétien), whether he would agree to refer it. The Prime Minister answered that he had not understood my question and that he would read it when it appeared in *Hansard*. Mr. Speaker, I have submitted written questions on this matter because I want to see what information the government has in its possession, that it can treat this affair so flippantly.

I have information in my possession which warrants serious investigation, as do many thousands of newspaper readers across the country. I should like at this juncture to commend the reporters of the Edmonton *Journal* who have pursued this matter and who have delved a little more deeply into it than many reporters in this country are prone to delve. Let me share some of this information with the House. As the election approached last fall, the government was anxious to push ahead with land clearing for the Mackenzie highway. The Hire North program was to be a vehicle for this, and someone had to be found to manage the project who could get things done in a hurry. Accordingly, senior territorial officials approached Mr. Steiner who had a reputation for getting things done with a minimum of bureaucratic delay. He did away with a lot of bureaucratic delay all right; before he had even signed his own employment contract he had committed the government to expenses in excess of half a million dollars.

[Mr. Neil.]

• (2200)

He was also responsible for awarding contracts in the amount of $227,110 without tender calls, and $46,700 with questionable tender calls, to two companies—Great Bear Industries Ltd. and Homes North. It was alleged that these were the only companies that could provide the equipment required in these contracts. But there are others who would like to have had a crack at them. Mr. Steiner co-signed a loan for Great Bear from the Canadian Acceptance Corporation on August 31, 1972, just two days after the firm was legally incorporated as a Northwest Territories company. This company received $124,560 in contracts.

Mr. Steiner was also at the time a director of Berg Insurance Agencies Ltd., of which Homes North is a division. Homes North received $154,920 in contracts, all without tenders. A number of contracts were also awarded to Cross Arctic Transport Ltd., of which Mr. Steiner is a director and major shareholder. At least he got the job done with a minimum of bureaucratic delay.

The Minister of Indian Affairs and Northern Development knew about this, because he received a letter dated October 12, 1972, from Mr. André Carrell, office manager of Hire North at Fort Simpson, who felt he could not remain silent. His letter was sent back north to Stuart Hodgson, commissioner of the Northwest Territories, who asked deputy commissioner John Parker to investigate. Mr. Carrell, incidentally, is no longer employed in the Northwest Territories. In spite of these and other irregularities, of which the minister and top territorial officials are aware, Mr. Steiner is back on the job with Hire North.

I repeat my demand to the government, Mr. Speaker, that this matter be submitted to the Standing Committee on Public Accounts or to whatever committee is deemed appropriate. I am not after anyone's head and I do not wish to delay the Hire North project: I hope it is clear that this is not my intention. What is important, though, is that the people of the north be protected from this phony frontierism, from this disregard for the fundamental rules of fairness and honesty in awarding contracts. I respectfully await the response of the government.

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I wish to make a few points in response to the hon. member. I assure him the government has nothing to hide in this regard. At some later point I would be happy to discuss this matter with the hon. member very fully, as would the minister at an appropriate time before the committee.

When this subject was first raised in the fall of 1972, it was investigated by the deputy commissioner of the Northwest Territories. The report supplied by the commissioner indicated the following points. First, although Mr. Steiner was a director of Berg Insurance, a parent of Homes North which company rented portable homes to Hire North, he had no financial interest in the company. He later resigned his directorship. Second, there appeared to be no connection between Mr. Steiner and Great Bear Industries Ltd. and no evidence of impropriety in Mr. Steiner's dealings with any of the companies supplying goods or equipment to the Hire North project.

Third, Mr. Steiner was authorized by the Northwest Territories government to rent portable camp buildings and other pieces of mobile equipment. Since companies normally supplying portable camp buildings could not meet the requirement in time, a purchase was negotiated. The total amount involved in these arrangements for portable camp buildings and mobile equipment amounted to $219,100. After the initial camps and equipment had been assembled late in August and early September, 1972, all further equipment required has been obtained through tendering procedures.

PUBLIC SERVICE—ALLEGED RUG-RANKING SYSTEM OF PROMOTING SECRETARIES—REQUEST FOR SUBSTITUTION OF POINT RATING SYSTEM AND TABLING OF RELATIVE TREASURY BOARD MINUTES

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, on July 23, 1973, as recorded at page 5870 of *Hansard,* I directed a question to the President of the Treasury Board (Mr. Drury) with regard to a problem that has been rampant in the Public Service of Canada, namely, the practice of what is commonly called rug-ranking. I asked the minister whether he would consider replacing that unfair and discriminatory practice with a system which would provide for promotion by way of merit for secretaries in the public service. I asked this question particularly in view of the fact that other professional groups in the public service have enjoyed such assistance for more than a decade.

In his answer, the minister did not respond to the question put to him. I think what he said could properly be described as an impressive defence of the status quo. The purpose of the question was to secure recognition of the duties actually performed by secretaries in the public service. I want to point out that secretarial work was not always considered to be women's work. Despite opposition to women in the labour force, many women continued to seek and find employment in government service and elsewhere almost a century ago. In 1885, only 23 of more than 4,000 civil servants were women and one-third of these were third-class clerks—the lowest level—in the Post Office Department. But times have changed and women now make up an important part of the public service.

In 1970, the Royal Commission on the Status of Women made a special recommendation to the federal government with regard to the ST occupational group. In the chapter headed "Women in the Canadian economy," the commission stated that the present system of classifying STs, referred to as rug-ranking, seriously infringed on the rights of individuals to equitable treatment and placed secretaries in a position in which their pay was dependent on the pay received by others. The Royal Commission on the Status of Women echoed some earlier findings in a study made for the Public Service Commission. It went on to say:

> The career structure of STs looks more like a steeple than a pyramid. This is attributable to rug-ranking which not only curtails opportunities for STs but means that lower level officers whose work requires a very good secretary either cannot get one, or, should they succeed in getting an exceptional stenographer, cannot treat her fairly, or increase the chances of her staying by rewarding her adequately. This form of linking of the fate of secretaries to the fate of their bosses has another interesting "hooker" in it; a woman of ST-6 level or higher may well find herself in a state of suspended animation should the boss leave the public service since the incoming boss will be inclined to promote his own secretary.

Lately, with full implementation of the Public Service Commission's bilingualism program and the realization that bilingual secretaries' quotas which once seemed safely far away are already looming on the horizon, the ST classification system has acquired still another "hooker". A number of recommendations have been made, and in my view they should be taken up by the government. First, with respect to the language question, there ought to be a standard testing system uniformly administered. A second language training course for secretaries should be developed and instituted by the language bureau. Increased access to French language training in all aspects, reading, writing and comprehension should be made possible.

These are not the end of the recommendations which have been made on the matter. I commend this brief to the government. With respect to the revision of the ST classification standard, may I say that approximately 15,000 employees are classified as STs in the administrative support category of the public service. The STs have the specialized skills of typing, working with dictaphones or taking shorthand dictation and transcribing it. Many of them have the added and demonstrated ability to perform as executive assistants to management executives. If the present system of rug-ranking is not curtailed, these latter abilities will not be allowed to flower.

A further recommendation which I pass on to the government is that as an alternative to rug-ranking, a point rating system be developed, that there be an immediate revaluation of the ST group and of ST positions, and that a full examination of promotion, training, career development and mobility opportunities be made. Another recommendation is as follows:

● (2210)

> That the administrative and attitude barriers be removed that prevent STs from entering competitions for other categories.

The objective of the Public Service of Canada and all of those who perform services on behalf of the people of Canada for the Government of Canada and those of us that work in this chamber ought to be that the best and fairest system possible be applied; that a person be permitted to advance on his or her own merits. With respect to those in the ST categories, that facility and avenue is sadly lacking. I hope that as a result of this debate and the questions which preceded it, the government will take a long, serious and hard look at the problem of those who are caught in this dilemma.

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I have heard the representations of the hon. member. Some of the questions to which he has referred are already being studied by the Public Service Commission. I shall be happy to refer his arguments to the public service commissioners and to the Treasury Board authorities.

Motion agreed to and the House adjourned at 10.14 p.m.

HOUSE OF COMMONS

Wednesday, November 14, 1973

The House met at 2 p.m.

[*English*]

PRIVILEGE

MR. LUNDRIGAN—REQUEST FOR CHANGING OF WORD USED BY MEMBER IN REFERRING TO NEWFOUNDLAND JUDGE IN MAY 18 DEBATE

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I should like to raise a question of privilege which relates to my verbal disability. If Your Honour and the House will bear with me for a moment I should like to ask the House to consider an amendment to *Hansard*. On May 18 of the present year a statement was attributed to me in the debate on the redistribution of seats in Canada. I was referring to a judge of the Supreme Court of Newfoundland who was in charge of the Newfoundland boundaries commission, and I used the term, "notorious" judge. Then I was reminded by an hon. member that the word should be "noteworthy", and I made the correction as found in *Hansard*.

I was somewhat surprised when on July 16 I received a two-page reprimand from His Honour, with supporting documentation from other distinguished gentlemen of the court of Newfoundland, asking that I be a little more careful with my language and that I recognize the meaning of a particular word. I replied to the distinguished gentleman on August 8, and I should like to quote one brief paragraph from that letter:

> I know my choice of words, although laterly corrected, would prick the sensitivity of one of Newfoundland's elder statesmen and gentlemen. I can assure you that my language choice was purely a form of verbal "subrogation" which is frequently associated with outport Newfoundlanders, especially those of us who speak off the cuff rather than the premeditation of the brain.

I thought, Mr. Speaker, that that would have resolved the problem and would set the record straight. Thus I was a bit surprised today to receive in the mail a letter from His Honour, who has now retired, which says, in essence, that he could not rest if the record were not permanently corrected. Therefore I wonder whether the House would consent to have the permanent record corrected to read "noble" or "noteworthy" judge, or some such word as that, which would convey the respect and honour that should be associated with a man who has now retired from such an eminent position. Perhaps I could also apologize for my language in that respect.

While I am at it, though it was not on the official record may I say I used exactly the same word in 1967 during my first speaking engagement to an eminent body of educators in introducing Sister Nolasco, who is now dean of graduate studies at Carleton University.

Some hon. Members: Oh, oh!

Mr. Speaker: I am not sure what conclusion should be drawn from the hon. member's intervention. Perhaps it would be possible to accede to the request made by the hon. member, and I certainly appreciate the point he has made. Since he gave me notice of his question of privilege I have made inquiries as to the possibility of having the record corrected. I am told that the official edition of *Hansard* is under print, but I think certain arrangements might be made, even at this late date, to give effect to the hon. member's suggestion and to ensure that a more appropriate description of the honourable judge's contribution to his province and to Canada's national life is inscribed in the permanent record. I will do this, of course, with the consent of the House.

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

JUSTICE AND LEGAL AFFAIRS

Eighth and ninth reports of Standing Committee on Justice and Legal Affairs—Mr. Jerome.

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Third report of Standing Committee on Broadcasting, Films and Assistance to the Arts—Mr. Stewart (Cochrane).

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

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FISHERIES

STATEMENT ON FLEET EXPANSION IN ATLANTIC COAST INDUSTRY, SUBSIDIES AND LICENSING

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, as hon. members know, there has been a three-month freeze on subsidies for new fishing vessels on the Atlantic coast. It was introduced in August in order to slow down a boom in fishing vessel construction which was unprecedented. With the continuing depletion of a number of our more important fish stocks, we are in danger of over-capitalizing a fleet which is already large and which should be tailored to future needs rather than expanded on all fronts.

Fisheries

● (1410)

During our recent three-month moratorium we have discussed the twin questions of federal subsidies and additional licensing with representatives of the fishermen, the fishing companies and the provincial authorities. While new vessels are needed, especially in the offshore trawler fleet, it is generally agreed that the number of new entrants into the industry should be controlled. More attention should be given to catching species of fish which have not previously been taken in large numbers by Canadians and a determined effort made to take up our international quota for cod in northern areas. Less effort should be directed toward the harvesting of traditional species some of which are over-exploited at the present time.

As a result of these consultations, we have decided to lift the freeze on subsidies. The accent from now on will be on modernization. Replacements and conversions of existing vessels will be encouraged. Grants will also be given for new vessels to be used in areas where the resource is plentiful. The customary 35 per cent subsidy will not be paid, however, in fisheries where it is agreed that we have too much catching capacity. This is true of lobsters, scallops, herring, salmon and snow crab.

A word with respect to licensing, Mr. Speaker. All fishermen presently in the industry will be protected. New entrants will be encouraged as long as they do not add, unnecessarily, to the over-all pressure on fish. To do this, we need to know who are bona fide fishermen and who are not. We need this licensing data in order to upgrade the fishery. We need it in order to develop a sound system of catch insurance as well.

Accordingly and effective immediately: (a) All commercial fishing vessels, traps and other catching units will be registered by the Fisheries and Marine Service; (b) all vessels, skippers and operators will be licensed; (c) only Canadian citizens and landed immigrants will be eligible; (d) all craft, skippers, crews and other operators which have a history in the industry will continue, automatically, to have the right to fish; (e) new entrants will be limited, in the case of lobsters, scallops, salmon, herring and snow crab fisheries to replacements. As hon. members know most of these fleets are already limited in size; (f) new vessel registrations in the groundfish fishery will be encouraged for underexploited species and areas. As for those that are fully exploited the moratorium on new vessel registrations will be continued for a nine-month period. This time is required for further consultations with fishermen, companies and the provinces as to the future of the industry; (g) special committees will be set up in our principal fishing areas in order to advise the government as to the manner in which this program should be administered; and local fishermen and local company representatives will have a voice in the management of the fishery in this way.

Registration of vessels and the issuance of operators' licences will begin early in the new year, and will start with large vessels and the fleets which are already limited in size.

I hope this statement comes across as being optimistic in tone, Mr. Speaker. We have negotiated new and larger quotas in the North Atlantic fishery. Canadians can also take many species of fish which they have not harvested in the past. So, while we have too many boats chasing too few fish in some areas, we can redirect our efforts and expand our activity in others.

We must increase our over-all capacity and if we do this wisely we will increase the income of our east coast fishermen substantially in the years ahead. The industry agrees with this approach because it is sound from a conservation point of view. It will also increase the average income of our fishermen in eastern Quebec, the Maritimes and Newfoundland.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, speaking on behalf of the Official Opposition may I say that we listened with considerable interest to the lengthy statement made today by the Minister of the Environment and Fisheries (Mr. Davis) concerning the government's Atlantic fishing vessel licensing program and subsidies policy.

I wish to thank him for the courtesy he has shown to this side of the House by giving us a copy of his remarks at least an hour before delivering them, a policy which I would commend to other ministers of the government.

Some hon. Members: Hear, hear!

Mr. Crouse: When the minister announced the start of a thorough review and assessment of the Atlantic fishing fleet development program on August 13 he indicated that the review would lead to the introduction of new licensing and vessel construction subsidy policies, and at that time he stated that an immediate three-month freeze would be placed on construction subsidies available under the fishing vessel assistance regulations. That type of unilateral action as contained in the minister's statement, along with his statement today, has of course been the hallmark of the present minister. He will go down in history for his acts of confrontation rather than his acts of consultation on the fisheries.

The present government's policies have been dictatorial, coercive, abrasive and contradictory. On the one hand, this minister has asked the fishermen to go out and catch more fish. On the other hand, he has made it extremely difficult for the industry to expand, thereby creating problems for our fishermen, our processors and shore workers who would otherwise gain from increased catches. When I sit in on fishermen's meetings and discuss their problems with them it immediately becomes evident that they are concerned and worried about the regulations emanating from Ottawa and the degree of control presently exercised over their operations and industry by the present Minister of Fisheries and his staff.

The vessel inspection report put out by the minister at the beginning of the 90-day freeze is a classic example of what can happen when he and his staff confront rather than consult the fishermen. The fisheries officers along the coast have valiantly tried to carry out bureaucratic Ottawa's dictates but they have found it extremely difficult, if not impossible, to secure the signature of the captains or owners after inspecting the inshore or offshore fleet. Under this situation I wonder on what grounds the minister has today based his statement concerning the licensing of ships, operators and crews. The captains and

owners refuse to sign the forms because they have no confidence in this minister or in this government. This is understandable since, long after the minister announced his freeze on ship construction subsidies due to a lack of funds, the government made vast amounts available on some dubious and questionable make-work projects while at the same time they preferred to spend more than $2 billion on unemployment benefits, some of which would have stimulated the shipbuilding industry in Atlantic Canada.

When the industry is allotted catch quotas through the efforts of government certainly there has to be a partnership between industry and government to plan for the most efficient fishing effort and, undesirable though it may be, licensing may be the only answer. But the average fisherman today, especially the inshore fisherman, seriously questions the quota allotted to him and he asks, for example, why he is prevented from catching herring on Georges Bank next year beyond 25,000 tons while Russia is allocated 342,500 tons. This summer, while the minister was talking about a 200-mile controlled limit on our continental shelf, our fishermen were denied the right to fish for herring in the Bay of Fundy.

In his freeze on construction subsidies we on this side cannot help but wonder why the minister penalized the growth of the Atlantic lobster and the Pacific salmon fleets which are already licensed. Now he wants to further control and manage these fisheries by demanding that the fishermen obtain entry permits before they can go fishing. He has added scallop, herring and snow crab to the list of controlled fisheries and these existing fishermen will still not receive construction subsidies.

We welcome the minister's statement that subsidies at the current level will be provided for replacement vessels, conversion of existing vessels to increase productivity, and for new vessels designed to fish unexploited stocks. However, as the minister is well aware, the quantity of unexploited stocks in the North Atlantic is definitely limited and his moratorium or freeze on new vessel registrations for an additional nine months will definitely be harmful to the over-all expansion of our fishing industry. This action makes a mockery of the minister's statement that our stand at the upcoming Law of the Sea Conference is to give Canadians a larger share of the harvest from fisheries resources off our coast.

● (1420)

Finally—and it was a long statement by the minister—we on this side share the fishermen's concern over the minister's statement of August 13 that vessels already fishing, or for which firm commitments have been made, will be granted licences providing they meet existing regulations. All the special committees representing all the fishing interests, including provincial representation, will not upgrade more than half of the existing fleet to meet the new regulations. In our view, too strict an application of this particular clause could well work a hardship on our existing inshore and offshore fleets. If it is the government's intention to enforce the new regulations strictly before licences are issued, then the government should be prepared to pay an improvement construction grant, in the same manner that assistance is provided shore-based industries, in order to enable the fishermen to upgrade their boats and equipment in compliance with the new regulations.

Obviously the intent of this new policy is to encourage diversification through multipurpose vessels, but we are concerned about the overlapping authority granted to inshore and offshore licensing committees which is bound to be confusing when applied to multipurpose vessels. We also believe that the new fee structure will restrict young progressive fishermen from entering into new areas of opportunity.

Some hon. Members: Hear, hear!

Mr. Crouse: In conclusion—

Mr. Speaker: Order, please. I think I have to interrupt the hon. member at this point. The hon. member did refer to the fact that the statement made by the minister was long. However, the Standing Order does not refer to the length of statements made by ministers but requires that statements made by spokesmen for parties in opposition commenting on ministerial statements should be brief. Perhaps the Standing Order should be changed, but the position now is that the requirement of brevity applies. I appreciate the fact that the hon. member just said "in conclusion", but I thought this was a good opportunity for the Chair to remind all hon. members of the requirement of the Standing Order.

Mr. Crouse: Thank you, Mr. Speaker. I have one more brief comment to make.

The minister's statement indicates that he still remains totally unaware of the heritage which is ours and that he is not prepared to create the national and international climate which is necessary for the profitable operation of our fleet and our packing and processing industry which means so much to the economy of Atlantic Canada.

Some hon. Members: Hear, hear!

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I join the hon. member for South Shore (Mr. Crouse) in thanking the minister for having made available a copy of his statement far enough in advance of delivery for us at least to examine it in a preliminary way. The twin subjects of the vessel construction subsidy and the plans for the licensing of fishermen and fishing vessels constitute the nuts and bolts of the whole fabric of the involvement of the individual fisherman in making a living. Therefore I am sure all hon. members will appreciate the importance of the statement the minister has made today which, as I read it, introduces some rather drastic innovations in past practices on the Atlantic coast of Canada. As I read the statement I find that it introduces in many ways a system parallel to that which fishermen on the Pacific coast have enjoyed, or perhaps I should say endured, for a good many years. In that respect perhaps it does not represent any drastic departure from the over-all policy of the Department of Fisheries.

Only time and a much more extensive analysis than one can make at this point will determine whether or not the minister's proposals are adequate and feasible in the circumstances of the Atlantic coast fishing stocks and our arrangements under ICNAF. They may be the subject of

extended consideration by the fisheries committee in due course.

The principal point on which I would like to comment is the reference in the minister's statement to the fact that consultations were held during the three months freeze with the industry, with fishermen and with provincial governments, and the later reference to the fact that local consultative committees are to be established. In the view of those with some awareness of the outlook of the fishermen this is the key point that should be commented upon in connection with the statement rather than engaging in an attempt to analyse all the details of the specific proposals.

I suggest to the House—and this is in agreement in part with the remarks made by the hon. member for South Shore—that as long as parliament continues to allow a Fisheries Act to stand on the statute books which gives absolute discretion to the minister in the matter of leases and licences to fish, then for just so long will we be engaged in debate on whether consultation has been meaningful or meaningless. The fact is that under the law the minister does not have to consult with his cabinet colleagues, does not have to consult with members of the House, does not have to consult with the fishermen. All too often the fishermen themselves, and some of us in this House, feel that the minister, while going through certain motions, does in fact act in a very dictatorial and at times inscrutable manner when making decisions.

This is the principal question that should be raised at this point. It is certainly the point of view from which Atlantic coast fishermen should examine the new proposals with respect to the licensing of fishermen and boats. I am sure they will do so in relation to the real question of the proper conservation and utilization of the fishing resources of Canada.

* * *

EXTERNAL AFFAIRS

DETENTION OF CERTAIN PEOPLE BY SPANISH GOVERNMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43. In view of the recent arrest and detention by the government of Spain of 113 leading professionals, academics and workers who represent the democratic forces in all sections of the community, and in view of the open intervention of the Archbishop of Barcelona on their behalf, I move, seconded by the hon. member for Vancouver East (Mr. Neale):

That this House deplore the actions of the Spanish government in denying its citizens their democratic rights to freedom of association as embodied in the Universal Declaration of Human Rights.

Mr. Speaker: The hon. member's motion is proposed under Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

[Mr. Barnett.]

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

[*Translation*]

HOUSE OF COMMONS

DISCUSSION OF DECLARATION ISSUED BY EUROPEAN AND CANADIAN PARLIAMENTARIANS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Maurice Dupras (Labelle): Mr. Speaker, pursuant to Standing Order 43 and in the interest of this country, I request the unanimous consent of the House in order to move, seconded by the hon. member for Hillsborough (Mr. Macquarrie), the following motion:

That the content of the joint statement issued at the end of the meeting between delegations of the European and Canadian parliaments in Ottawa, November 1, 1973, be discussed in this House at a time set with the common agreement of all parties.

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

[*English*]

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Labelle. Under the terms of Standing Order 43 the motion requires unanimous consent. Is there unanimous consent?

Mr. MacEachen: Mr. Speaker, on a point of order that may facilitate matters, instead of passing this motion we might agree to have this debate on Friday during private members' hour. If that were generally acceptable I would certainly concur in the motion.

Mr. Speaker: I understand there have been consultations and discussions with respect to this proposal. Is this agreed and so ordered?

Some hon. Members: Agreed.

* * *

• (1430)

INDIAN AFFAIRS

LICENCES FOR 1974 BRITISH COLUMBIA HERRING ROE FISHERY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I rise pursuant to the provisions of Standing Order 43 to propose a motion of urgent and pressing necessity. I should like to move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That in the opinion of this House the Minister of Fisheries should immediately clarify and define the "special consideration" to be given to Indian applications for licenses in the 1974 British Columbia herring roe fishery; and in the event of the failure of the minister to do this within the next week, the subject matter of Indian license applications be referred to the Standing Committee on Indian Affairs and Northern Development for urgent consideration and report.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

CAPITAL PROGRAM TO RAISE PRODUCTION AND IMPROVE QUALITY OF SALTFISH

Question No. 2,233—**Mr. Marshall:**

Under the $2,100,000 capital program budget designated by the Department of the Environment to raise production and improve the quality of saltfish, where will the new facilities be located in the Province of Newfoundland?

Hon. Jack Davis (Minister of Fisheries): Under the Canadian Saltfish Corporation's $2.1 million capital program budget which is being funded by loans, equipment and facilities will be placed according to needs and circumstances, after consultation with agents and/or fishermen. Investments this year have been mostly for moveable equipment and this will be used where it appears to be most effective as the season develops.

OFY—PROVINCIAL FINANCIAL ALLOCATIONS

Question No. 2,260—**Mr. Marshall:**

1. Under the 1973 OFY Program, what amounts of money were allocated to each province and how many jobs were created in each province?

2. What specific criteria were used to determine the allocation of OFY moneys to each province?

Hon. James Hugh Faulkner (Secretary of State): 1. Under the OFY Program in 1973, funds were not allocated by province but according to regions and subregions. From those statistics, we are able to provide an approximate breakdown of amounts paid and the number of jobs created, by province.

Province	Project Grants	No. of project participants
Newfoundland	$1,457,765	1,921
Prince Edward Island	385,496	372
Nova Scotia	1,638,540	2,123
New Brunswick	1,388,525	1,628
Quebec	12,745,865	11,523
Ontario	9,020,339	9,445
Manitoba	1,534,148	1,834
Saskatchewan	1,348,615	1,622
Alberta	1,764,781	2,055
Northwest Territories	294,970	435
British Columbia and Yukon	3,512,919	3,709
National	403,055	282

2. The allocation of moneys to each region and subregion was based on the following factors: student population of the age group 14-25, student unemployment rates (secondary and post-secondary levels), regional disparities. Certain revisions of regional and subregional allocations were subsequently made, according to the number and quality of applications submitted to OFY.

AIR CANADA FINANCE BRANCH STRIKE, WINNIPEG

Question No. 2,460—**Mr. Mazankowski:**

1. Since May 24, how many (a) supervisory personnel (b) unorganized personnel have been transported to Winnipeg from Montreal to carry out the duties of employees of the Air Canada Finance Branch in Winnipeg?

2. What is the cost to the airline in lieu of lost revenue passenger seats for this exercise?

3. What living accommodation and expense allowance is being provided for by Air Canada?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: 1, 2 and 3. The labour matter referred to has now been resolved and a collective agreement signed. The information requested by the questions is considered to be of a proprietary nature.

RETURN OF T-4 SLIPS FOR THE TAXATION YEAR 1972

Question No. 2,614—**Mr. Forrestall:**

1. How many T-4 slips were returned to the government for the taxation year 1972 because the persons for whom such forms were intended could not be located or did not exist?

2. (a) What was done with these slips (b) under what specific authority was any action taken?

Hon. Robert Stanbury (Minister of National Revenue): In so far as the Department of National Revenue is concerned: 1. There is no record available of the number of 1972 T-4 slips returned because the persons for whom such forms were intended could not be located.

2. (a) The T-4 and T-4A returns are prepared by individual employers and the employees' copies mailed directly to the employee by the employer. In circumstances where such forms are returned to the employer by the Post Office as undeliverable, there is no requirement for the employer to take further action to locate and deliver the T-4. Some employers will hold the forms until specific requests are received from employees, while in other cases the forms may be directed to the department. In those cases, forms are related to the taxpayer's file if one exists and held in the event that a request is received from the employee. (b) There is no specific authority. The requirements for the preparation and delivery of forms T-4 are given in Part 2 of the Income Tax Regulations. Section 200(1) states who shall complete a T-4 return, Section 205 sets out the date by which the return is to be filed, and Sections 209(1) and 209(2) contain the requirement to provide copies to employees and the method by which the copies are to be delivered. Having complied with the above requirements, the employer has fulfilled his responsibility to the employee. It is the employee's responsibility to ensure that the employer has his last

known address or to present himself at the employer's place of business to personally pick up his copies of the T-4.

CANADIAN GOVERNMENT TRAVEL BUREAU—TOURISM PROMOTION

Question No. 2,642—**Mr. Forrestall:**

1. How many letters have been sent, by month, to residents of countries other than Canada by the Canadian Government Travel Bureau since its inception?

2. For each of the above months, what percentage of those letters were sent promoting (a) Nova Scotia (b) Prince Edward Island (c) New Brunswick (d) Newfoundland (e) Quebec (f) Ontario (g) Alberta (h) Manitoba (i) Saskatchewan (j) British Columbia?

3. What is the policy of the Canadian Government Travel Bureau with respect to the promotion of the various provinces with some degree of equality in its letters sent to persons resident outside of Canada?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. Records are not available, by month, of the approximate total of 73,000,000 letters sent to countries other than Canada by the Canadian Government Travel Bureau since it was established in 1934.

2. It is not possible to give the percentage of letters that promoted a particular province. The objective of the Bureau is to promote all parts of Canada. Most of the letters cover more than one province, and some letters are aimed at special groups, such as those interested, for example, in golf, skiing or fishing.

3. Apart from letters replying to specific questions from inquirers, the policy of the Canadian Government Travel Bureau is to use its direct mail program to promote all parts of Canada. Samples of letters sent out in quantity are sent, at regular intervals, to each province and territory, and observations are welcomed from provincial and territorial government travel authorities about the content and balance of coverage. Currently, letters are weighted approximately as follows: Atlantic Canada, 15 per cent; Quebec, 25 per cent; Ontario, 25 per cent; Midwest, 15 per cent; West, 20 per cent. Inquiries about specific regions are either answered from Ottawa using literature from the provinces and territories or referred to them for information to supplement CGTB literature already sent. In addition to CGTB direct mail programs to promote all of Canada, on occasion direct mail promoting travel to the Atlantic provinces is given additional emphasis as part of the special Atlantic Provinces Travel Advertising Campaign established as an economic incentive measure in 1957 and still continued (at $350,000 a year).

LIP PROGRAM

Question No. 2,681—**Mr. Cossitt:**

1. Of the 264 Members of the House of Commons, how many replied and how many did not reply by September 7, 1973, as requested by the Minister of Manpower and Immigration, to his letter of August 23, 1973 on the subject of this year's LIP Program?

[Mr. Stanbury.]

2. Of those who replied, how many (a) agreed (b) did not agree to a Constituency Advisory Group as outlined by the Minister in his letter?

3. For what reason did the Minister permit the announcement of the creation of Constituency Advisory Groups by means of a press advertisement before he was aware as to whether or not his suggestion was acceptable to Members of Parliament?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): As of September 7, 1973: 1. (a) 107; (b) 157.

2. (a) 82; (b) 25.

3. The purpose of the press statement published in various newspapers was to acquaint the public with the new LIP program and its principal characteristics including the fact that a member of parliament might decide to recommend the appointment of a Constituency Advisory Group. It was not intended in any way to suggest, by this wording, that an M.P. would or would not decide to recommend the appointment of such a group in his or her own constituency. At the time the advertisement was published, the minister had already received replies from many M.P.s indicating their acceptance to approval of the CAG. concept.

PROVINCIAL CITIZENS' RIGHTS AND FREEDOMS CONFERENCE GRANT

Question No. 2,752—**Mr. Hellyer:**

1. Was the grant of $500 to the Provincial Citizens' Rights and Freedoms Conference, St. John's, Newfoundland, made after the Conference had been held?

2. On what date was the cheque for $500 forwarded?

Hon. James Hugh Faulkner (Secretary of State): 1. A grant of $4,500 was made to the Provincial Citizens' Rights and Freedoms Conference of Newfoundland-Labrador in January 1973, for a two day conference that was held on March 2 and 3. The conference sponsors incurred an unexpected additional cost in holding an Inuit workshop at which Inuit people from northern Labrador were involved. The committee asked for and received an additional $500 from the Department of the Secretary of State to cover this deficit.

2. The cheque for $500 was forwarded on May 18, 1973.

AIR ACCIDENT INVESTIGATION

Question No. 2,763—**Mr. Forrestall:**

In what proportion of the accidents involving significant property damage and/or serious or more grievous injury to occupants to aircraft has the investigation been partially or otherwise concerned with procedures of the other agencies of government that are charged with a regulatory function, in the past two years?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of National Defence and Transport as follows: None.

OBJECTIVE TESTS FOR REHABILITATION TRAINING PROGRAMS

Question No. 2,786—**Mr. Hellyer:**

1. What objective tests are given before the Department of Manpower and Immigration authorizes rehabilitation training programs?

2. Are objective tests given in all cases?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. Tests authorized for use within Canada Manpower Centres include: (a) General Aptitude Test Battery: This test battery measures nine aptitudes found to be important for successful performance in a wide variety of occupations. (b) Non-verbal Test of G: This is a non-verbal test designed for use with persons who have low level reading skills. It measures one's ability to understand instructions and underlying principles, the ability to reason and make judgments. It is closely related to doing well in school. (c) Kuder Preference Record Test: This measures one's interests as they relate to the world of work. (d) Achievement tests for clerical, stenographic and typing ability.

2. No.

SHIPBUILDING—CANADIAN DESIGN AND ENGINEERING AS A CONDITION OF FEDERAL SUBSIDY

Question No. 2,790—**Mr. Forrestall:**

Will government give consideration to providing Canadian design and Canadian engineering as a condition of federal subsidy in the construction of ships and marine vessels and (a) if so, at what point in time could such provision be expected (b) if not (i) what are the reasons for not encouraging Canadian design and engineering firms (ii) was the increase in Canadian shipbuilding and construction that can be expected with the implementation of the Darling report taken into account?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The government is considering strengthening requirements for Canadian content including Canadian design and Canadian engineering with respect to shipbuilding subsidies. (a) These additional requirements will be implemented as soon as they are approved; (b)(i) not applicable; (b)(ii) The Darling report has been taken into account.

CONSTRUCTION OF MARINE VESSELS IN EXCESS OF 25,000 TONS

Question No. 2,791—**Mr. Forrestall:**

1. In each of the past five years, for how many new marine vessels in excess of 25,000 tons that were eligible for federal subsidies in construction, was construction actually started in Canada?

2. What percentage of such vessels were (a) products of Canadian engineering and naval design firms (b) products of foreign non-Canadian engineering and naval design firms?

3. What is the policy with regard to granting federal shipbuilding subsidies to construct ships that are not the product of Canadian engineering and naval design firms?

4. What steps has the government taken to encourage the development and growth of Canadian engineering and naval design firms?

Order Paper Questions

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. Three new vessels in excess of 25,000 gross registered tons (G.R.T.) were started in the last five years. These were all of the same design for the same owner. Two were started in 1971; one was started in 1972.

2. These vessels were designed by non-Canadian naval architects.

3. Subsidies are granted to construct ships designed by non-Canadian naval architects provided it can be demonstrated that there is sufficient reason for this decision.

4. Canadian shipowners and shipbuilders are encouraged to use Canadian engineering and design firms and the government uses Canadian firms as a matter of policy.

TARIFF ITEM 18030-1

Question No. 2,793—**Mr. Forrestall:**

1. What are the requirements of Tariff Item number 18030-1?

2. What dollar amounts have been collected for the past fifteen years under this heading for items related specifically to the shipbuilding industry, by year?

Hon. Robert Stanbury (Minister of National Revenue): In so far as National Revenue is concerned: 1. Tariff Item 18030-1: Plans and drawings, related specifications, any substitute therefor, reproductions of the foregoing, n.o.p.; maps and charts, n.o.p. British preferential tariff, 12½ per cent. Most-favoured-nation tariff, 17½ per cent. General tariff, 27½ per cent.

2. Plans and drawings of ships and items relating to the shipbuilding industry are not classified under tariff item 18030-1. Rather, they are accorded duty free entry under tariff item 18025-1. Accordingly no duty was collected on these items during the past fifteen years.

EMPLOYMENT OF MISS LUCIE DION

Question No. 2,799—**Mr. Cossitt:**

1. Is Miss Lucie Dion employed by the government and, if so (a) in what capacity (b) what are her specific duties (c) what is her annual salary?

2. (a) What previous positions has she held in the Public Service (b) what were the periods of time involved (c) what were the annual salaries in every case?

3. Did Miss Lucie Dion attend the National Meeting of the Liberal Party of Canada held in Ottawa in September 1973 and, if so, was she a representative from the electoral district of Brome-Missisquoi?

Hon. Jean Marchand (Minister of Transport): 1. (a) Personal staff, Minister of Transport. (Section 37(1) Public Service Employment Act); (b) Special Assistant; (c) $15,000-$17,500.

2. (a) (i) Assistant Secretary Canadian Radio-Television Commission; (ii) Correspondence secretary office of the Secretary of State. (b) (i) 1 Aug. 1971-14 May 1973; (ii) 1 June 1969-1 May 1970. (c) (i) scale $15,737-$17,883; (ii) scale $6,294-$7,402.

3. Miss Dion attended the National Liberal Convention in September 1973 as an observer.

Order Paper Questions

*DIFFICULTIES EXPERIENCED BY CARVERS AT BAKER LAKE, NORTHWEST TERRITORIES, IN OBTAINING SOAPSTONE

Question No. 2,808—**Mr. Orlikow:**

1. Is the Minister of Indian Affairs and Northern Development aware of the difficulties experienced for several years by carvers at Baker Lake, Northwest Territories, in obtaining soapstone for carving and, if so, can the Minister indicate if the difficulties have now been cleared up?

2. Is it true that the soapstone located near Baker Lake is available to all the local carvers without charge and without any obligation on their part to sell their carvings to any particular dealer?

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the answer to part 1 is yes, the minister is aware of difficulties encountered in the past due to a shortage of soapstone in the area, but with assistance from the Northwest Territories government these difficulties have been cleared up. The answer to part 2 is that the commissioner of the Northwest Territories is making soapstone available to all local carvers without charge. Not only is it available at the quarry but it is also stockpiled in the community. The carvers are under no obligation to deal with any particular dealer.

UNDERCLOTHING SUPPLIERS TO BRITISH COLUMBIA PENITENTIARY

Question No. 2,821—**Mr. Howard:**

1. What is the name of each manufacturer of underclothing that is purchased for inmates in the British Columbia Penitentiary?

2. Upon what date did each such manufacturer commence supplying said underclothing?

Hon. Warren Allmand (Solicitor General): 1 and 2:

Manufacturer	Date	Item
	Summer Underclothing	
Reliable Wholesale Vancouver	10 April 1972	Shorts
Nova Scotia Textiles	12 March 1973	Shorts
Stanfield Ltd.	9 April 1973	Shorts and T-Shirts
Stanfield Ltd.	19 April 1973	Shorts and T-Shirts
Stanfield Ltd.	20 June 1973	T-Shirts
	Winter Underclothing	
Regent Knitting Ltd.	3 October 1972	Shirts and Drawers
Regent Knitting Ltd.	20 November 1972	Shirts and Drawers
Regent Knitting Ltd.	1 December 1972	Drawers
Nova Scotia Textiles	10 September 1973	Shirts and Drawers

[Mr. Marchand (Langelier).]

NATIONAL DEFENCE—EXPENDITURES IN CONSTITUENCY OF GREY-SIMCOE

Question No. 2,823—**Mr. Mitges:**

What was the breakdown for dollar expenditure by the Department of National Defence in each fiscal year 1965 to the present, inclusive, in the electoral district of Grey-Simcoe?

Hon. James Richardson (Minister of National Defence): The Department of National Defence records and accounting system are not maintained in such a way that expenditures by electoral district can be determined.

CONSTRUCTION OF RIDEAU CANAL SYSTEM HEADQUARTERS, SMITHS FALLS, ONTARIO

Question No. 2,845—**Mr. Cossitt:**

1. On what date does the government intent to proceed with construction of a new Rideau Canal System headquarters at Smiths Falls, Ontario, as originally announced in April, 1965 and which it stated it still proposes to construct in answer to Question No. 2,606?

2. What is the anticipated date that tenders will be called and for what reason has no action been taken since April, 1965?

3. Have architectural plans been completed for such headquarters and, if so (a) on what date (b) by whom (c) does the government have any estimated cost of this project?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. In the 1975-76 fiscal year.

2. Tender call for the project is scheduled for 1975-76 fiscal year. No action has been taken since April 1965 because funds were required for projects of higher priority.

3. Final architectural plans for the project have not been completed. It is not possible to give an estimate of cost at this time.

FEDERAL ASSISTANCE TO VENTURE CARPET OF CANADA LTD., MONTREAL, QUEBEC

Question No. 2,981—**Mr. Boisvert:**

1. What was the grant made to Venture Carpet of Canada Ltd., Montreal, Quebec by the Department of Industry, Trade and Commerce and/or by the Department of Regional Economic Expansion?

2. What are its (a) gross (b) net profits?

3. What are the assets of that company?

4. What investments were made during the past twelve months?

5. In comparison with the net profits, what salaries are being paid?

6. What is the government's evaluation of the company's prospects?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): In so far as Industry, Trade and Commerce is concerned: 1 to 6, not applicable. In so far as Regional Economic Expansion is concerned: 1. An incentive grant offer made by the Department of Regional Economic Expansion under the provisions of the Regional Development Incentives Act was accepted by Venture Carpet of Canada Ltd. The estimated amount of the incentive grant was $658,600.

2 to 5. In accordance with existing departmental policy, information about individual applications and case file

documentation containing commercial information that has been provided to the department on a confidential basis cannot be made public.

6. The Department of Regional Economic Expansion considers the company's prospects to be favourable.

COURSES TAKEN UNDER PROVISIONS OF THE ADULT OCCUPATIONAL TRAINING ACT—CONSTITUENCY OF GREY-SIMCOE

Question No. 3,003—**Mr. Mitges:**

1. How many adults took courses under the provisions of the Adult Occupational Training Act in the constituency of Grey-Simcoe in the years 1971 and 1972?

2. How many adults took courses under the provision of the Adult Occupational Training Act in each province in the year 1972?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. 1970-71 fiscal year: 297; 1971-72 fiscal year: 304.

2. 1971-72 fiscal year: Newfoundland, 10,642; Prince Edward Island, 5,121; Nova Scotia, 12,495; New Brunswick, 13,996; Atlantic, 42,254; Quebec, 126,124; Ontario, 70,617; Manitoba, 10,306; Saskatchewan, 7,743; Alberta, 17,593; Northwest Territories, 480; Prairie, 36,122; British Columbia, 32,230; Yukon Territory, 805; Pacific, 33,035; Canada, 308,152.

NUMBER OF PERSONS ADMITTED TO PENITENTIARIES, 1972, WHO HAD PREVIOUS INCARCERATIONS

Question No. 3,006—**Mr. Mitges:**

What was the number of (a) males (b) females admitted to each Canadian penitentiary for the year 1972 who had previously been committed to a penitentiary or other adult correctional institution?

Hon. Warren Allmand (Solicitor General): (a) Her Majesty's Prison, Newfoundland, 2; Carleton Community Correctional Centre, Halifax, 2; Springhill Medium Security Institution, 35; Springhill Minimum Security Institution, 1; Dorchester Penitentiary, 77; Dorchester Penitentiary Farm Annex, 19; Blue Mountain Correctional Camp, Kings Co. New Brunswick, 1; Parr Town Community Correctional Centre, Saint John, New Brunswick, 2; St-Hubert Community Correctional Centre, Montreal, 4; St-Vincent de Paul Penitentiary, Ville de Laval, Quebec, 10; Laval Maximum Security Institution, Ville de Laval, Quebec, 16; Laval Minimum Security Institution, Ville de Laval, Quebec, 13; Regional Medical Centre (Quebec), Ville de Laval, Quebec, 14; Federal Training Centre, Ville de Laval, Quebec, 31; Leclerc Institution, Ville de Laval, Quebec, 46; Archambault Maximum Security Institution, Ste-Anne des Plaines, Quebec, 43; Archambault Minimum Security Institution, Ste-Anne des Plaines, Quebec, 16; Regional Reception Centre (Quebec), Ste-Anne des Plaines, Quebec, 7; Cowansville Institution, 41; Montgomery Community Correctional Centre, Toronto, 4; Kingston Penitentiary, 4; Regional Medical Centre, (Ontario), Kingston, 12; Regional Reception Centre (Ontario), Kingston, 17; Millhaven Maximum Security Institution, 45; Millhaven Minimum Security Institution, 9; Collins Bay Institution, 53; Collins Bay Institution, Farm Annex, 7; Landry Crossing Correctional Camp, Petawawa, Ontario, 18; Beaver Creek Correctional Camp, Gravenhurst, Ontario, 15; Joyceville Institution, 77; Joyceville Institution, Farm Annex, 16; Warkworth Institution, Campbellford, Ontario, 11; Osborne Community Correctional Centre, Winnipeg, 9; Stony Mountain Institution, 75; Stony Mountain Institution, Farm Annex, 26; Saskatchewan Penitentiary, Prince Albert, Saskatchewan, 67; Saskatchewan Penitentiary Farm Annex, 11; Oskana Community Correctional Centre, Regina, 2; Drumheller Institution, 32; Scarboro Community Correctional Centre, Calgary, 4; Grierson Community Correctional Centre, Edmonton, 10; West Georgia Community Correctional Centre, Vancouver, 2; British Columbia Penitentiary, 73; William Head Institution, 14; Matsqui Institution, 36; Regional Medical Centre (Western) Abbotsford, British Columbia, 13; Mountain Prison, Agassiz, 22; Agassiz Correctional Camp, 14; Total, 1078; (b) Regional Medical Centre (Ontario), Kingston, 1; Prison for Women, Kingston, 4; Total, 5.

GREEN GABLES GOLF COURSE, P.E.I.

Question No. 3,017—**Mr. MacLean:**

1. Is the Green Gables Golf Course in the Prince Edward Island National Park being redesigned and partially relocated?

2. Was more land purchased to accommodate this change and, if so (a) what was the amount purchased (b) what was the total cost?

3. Was any opinion or advice sought from any Prince Edward Island residents, organizations or government as to the desirability of this change and, if so, from whom?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Yes. This is part of an over-all scheme to protect the erosion of dunes at Cavendish Beach and to improve visitor services in the area.

2. Yes (a) 204.71 acres; (b) $159,000.

3. Yes. Parks Canada officials reviewed the plans for the area with representatives of the provincial government.

STATISTICS CANADA—COST OF SENDING COMPUTER SYSTEMS EXPERTS TO VIENNA

Question No. 3,031—**Mr. Knight:**

What was the cost involved by Statistics Canada in sending ten of its computer systems experts to Vienna, Austria, recently to deal with other governments on the merits of establishing an agency such as Statistics Canada?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Nil. Statistics Canada has never sent a group of computer systems experts to Vienna, Austria, for the purpose of dealing with other governments on the merits of establishing an agency such as Statistics Canada.

PROGRAM FOR UPGRADING OF DEPARTMENTAL OFFICERS

Question No. 3,032—**Mr. Knight:**

1. What is the Department of Manpower and Immigration program for the upgrading of a number of departmental officers into higher income brackets and new positions for the period January 1, 1973 to October 1, 1973?

Order Paper Questions

2. How many new jobs of Deputy Director have been created and how many of these jobs have been filled?

3. What is the role of Mr. Allan Duckett in implementing this promotion scheme in the Information Services Division?

4. What is the exact number of Information Services Division employees and what are their salary ranges?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. There is no special program for the upgrading of departmental officers. However, during the period in question, 214 positions were reclassified upward on the basis of increased duties and responsibilities.

2. None.

3. As Director, Information Services Branch, Mr. Duckett's involvement has been with the implementation of a new IS Standard developed by the Treasury Board.

4. Sixty-four employees: 16 at $14,762 to $16,778; 15 at $12,009 to $13,648; 6 at $6,707 to $7,372; 5 at $5,486 to $6,028; 3 at $19,900 to $22,900; 3 at $6,676 to $7,338; 2 at $17,920 to $20,364; 2 at $10,646 to $11,894; 2 at $9,348 to $11,133; 2 at $7,496 to $8,238; 1 at $23,500 to $30,000; 1 at $16,567 to $18,511; 1 at $11,236 to $12,767; 1 at $8,569 to $9,415; 1 at $8,108 to $11,932; 1 at $7,460 to $8,200; 1 at $6,420 to $9,720; 1 at $6,233 to $6,849.

CANADA PENSION FUND

Question No. 3,033—**Mr. Olaussen:**

1. How much money is there in the Canada Pension Fund at present?

2. How much would the annual contributions from all contributors be?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. As of September 31, 1973, $6.4 billion.

2. In 1972 (calendar year), $869.3 million. In 1973, as of September 1973, $826.6 million (after nine months). Estimate for full calendar year, 1973, $942.6 million.

BILINGUALISM PROMOTION GRANT TO BRITISH COLUMBIA DEPARTMENT OF EDUCATION

Question No. 3,034—**Mr. Olaussen:**

What is the total amount of the grant that the government is giving to the British Columbia Department of Education to promote bilingualism in schools?

Hon. James Hugh Faulkner (Secretary of State): Under the federal-provincial Program on bilingualism in education, the federal government has contributed the following amounts to British Columbia: January 1, 1970 to March 31, 1971: $883,558. Fiscal year 1971-1972: $1,018,744. Fiscal year 1972-1973: $819,857. Total, $2,722,159.

SALE OF CANADIAN WHEAT TO U.S.S.R.

Question No. 3,040—**Mr. Stackhouse:**

1. How much of the selling price of Canada's sale of wheat to the U.S.S.R. is to be paid (a) in currency (b) in Russian goods?

2. How much of the selling price of Canada's sale of wheat to the People's Republic of China is to be paid (a) in currency (b) in Chinese products?

[Mr. Knight.]

Hon. Otto E. Lang (Minister Responsible for the Canadian Wheat Board): 1. (a) 100 per cent; (b) nil.

2. (a) 100 per cent in £ sterling; terms 25 per cent cash, balance in 18 months; (b) nil.

TAX EXEMPTIONS TO CPR

Question No. 3,055—**Mr. Clark (Rocky Mountain):**

1. Does the CPR subsidiary Marathon Realty or any other agency of CPR benefit presently from any exemptions from (a) local (b) provincial (c) federal taxation, other levies or regulations in consequence of original grants of land to the original CPR by the government?

2. If there are present exemptions, what is the nature of each such exemption from (a) local (b) provincial (c) federal tax, levy or regulations?

Hon. Robert Stanbury (Minister of National Revenue): In so far as the Department of National Revenue, Taxation, is concerned: The secrecy provisions contained in the Income Tax Act do not allow the department to comment on the tax affairs of either personal or corporate taxpayers.

FEDERAL ELECTION—VOTING BY CANADIANS SERVING WITH INTERNATIONAL PEACEKEEPING ORGANIZATIONS

Question No. 3,119—**Mr. Forrestall:**

1. What steps has the government prepared to ensure that all Canadians serving with international peacekeeping organizations will have ballots and the right to exercise their votes in the next federal election, including members of the Canadian Armed Forces, Department of External Affairs and those seconded to other agencies?

2. How many Canadians serving with such international organizations were eligible to vote in the last federal election and how many of these did in fact exercise their franchises?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. The Special Voting Rules (Schedule II to the Canada Elections Act) already contain provisions for the establishing of voting places outside Canada at a federal general election to take the votes of employees of the Public Service of Canada (Public Service electors) residing outside Canada by reason of their departmental duties and the votes of members of the Canadian Forces (Canadian Forces electors) on full-time service. The rules also provide for the taking of the votes of eligible dependants (dependant electors) of the aforementioned electors when residing outside Canada with the elector. The rules require voting places to be established by a head of post or Commanding Officer, as appropriate. No additional or special provisions are required in the Canada Elections Act or the rules to take the votes of Public Service or Canadian Forces electors, and their eligible dependants, serving outside Canada with international peacekeeping organizations.

2. Statistics are not maintained respecting the exact location or precise duties of Canadian Forces or Public Service electors employed outside Canada nor in respect of dependant electors. However, there were approximately 1826 Public Service electors, 8970 Canadian Forces electors and 14,556 dependant electors outside Canada at the last federal election who were eligible to vote under the Special Voting Rules. Since in many cases voting places

outside Canada were administered through the Edmonton and Ottawa voting territory headquarters and the balloting outside Canada was merged with the balloting in voting places established in Canadian Forces units in Canada, statistics are not available as to the number of electors outside Canada who actually cast their ballots.

SPECIAL FUNCTIONS HELD FOR HER MAJESTY, THE QUEEN, AND HRH, THE DUKE OF EDINBURGH DURING SUMMER VISIT

Question No. 3,130—**Mr. Fleming:**

1. What social functions were held for Her Majesty the Queen and the Duke of Edinburgh on the occasion of their two visits to Canada this summer (a) who was the host at these functions (b) how many guests were in attendance?

2. Were all political parties in the House of Commons represented at the dinner given by the Prime Minister on August 1 at 24 Sussex Drive for Her Majesty the Queen and the Duke of Edinburgh?

Hon. James Hugh Faulkner (Secretary of State): 1. The following social functions were held for Her Majesty the Queen and His Royal Highness the Duke of Edinburgh on the occasion of their two visits to Canada this summer:

(a) By the Houses of Parliament:

Date	Function	Host	Attendance
August 1	Reception	Speaker of the Senate and Speaker of the House of Commons	300

(b) By the Government of Canada

Date	Function	Host	Attendance
July 4	Luncheon	Commissioner of the RCMP	200
July 5	State Dinner	Prime Minister	270
August 1	Reception	Prime Minister	1300
August 1	Dinner	Prime Minister	22

(c) By provincial and municipal governments and others

As these functions as well as the guest lists were the responsibility of the provinces and municipalities concerned, the number of guests in attendance can only be estimated.

Date	Function	Host	Attendance
June 26	Civic Luncheon	Mayor and Council of the Corporation of the City of Toronto	1850
June 26	Provincial Dinner	Lieutenant-Governor of Ontario	1400
June 27	Civic Dinner	Mayor and Aldermen of the City of Kingston	600
June 28	Civic Luncheon	Mayor and Council of the Corporation of the City of London	600
June 28	Civic Dinner	Mayor and Council of the Town of Niagara-on-the-Lake	200
June 30	Dinner	Lieutenant-Governor of Prince Edward Island	20
July 1	Civic Luncheon	Mayor of the Town of Montague	150
July 1	Garden Party	Lientenant Governor of Prince Edward Island	2000
July 1	Provincial Dinner	Premier of Prince Edward Island	200
July 2	Luncheon	President of Acadian Village	150
July 2	Dinner	Chairman of Prince Edward Island 1973 Centennial Commission	200

Date	Function	Host	Attendance
July 3	Dinner	Lieutenant-Governor of Saskatchewan	150
July 4	Dinner	Premier of Saskatchewan and Mayor of the City of Regina	400
July 5	Civic Luncheon	Mayor and Council of the City of Calgary	170
August 1	Civic Luncheon	Mayor and Council of the Corporation of the City of Ottawa	150
August 2	Reception for His Royal Highness the Duke of Edinburgh	Royal Canadian Regiment	500

2. Representatives from all political parties in the House of Commons were invited. Mr. and Mrs. Réal Caouette were unable to attend. Other political representatives were the Right Hon. John Diefenbaker and Mrs. Diefenbaker, the Hon. Robert Stanfield and Mrs. Stanfield, and Mr. David Lewis and Mrs. Lewis.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

GOVERNMENT INFORMATION OFFICES

Question No. 801—**Mr. Coates:**

1. What is the total work force of all government information offices, by department, at the present time and what is the cost of each departmental information operation?

2. What is the total work force of Information Canada and what is the amount in dollars, of salaries and wages for the work force of Information Canada?

3. What was the budget of Information Canada in each of the years of its operation and what is its estimated budget for 1973-74?

4. Have special surveys been carried out by Information Canada with the public of Canada and, if so (a) how many studies of this type were carried out (b) what was the purpose of each (c) who headed each study (d) how many persons from Information Canada were involved and how many persons outside Information Canada were involved and what were the names of the persons outside Information Canada (e) what special responsibilities did they assume (f) what did they receive in payment for their contributions as well as expenses in each instance?

5. Have any of the studies carried out by Information Canada been made available to the public and (a) if so, which studies (b) if not, for what reason?

Return tabled.

DAY CARE CENTRES

Question No. 2,379—**Mr. McGrath:**

1. During the past fiscal year, how much money did each province receive for day-care and other women's services?

2. What are the criteria for the allocation of such funds?

3. Does the government encourage the use of this program by the provinces to provide day-care centres?

Return tabled.

Orders for Returns

PUBLIC SERVICE—CANADIAN CITIZENSHIP

Question No. 2,411—**Mr. Stackhouse:**

How many employees of the government lack Canadian citizenship and, of these, how many (a) are landed immigrants (b) hold American citizenship (c) are employed by the Treasury Board?

Return tabled.

POLLUTION

Question No. 2,492—**Mr. Yewchuk:**

1. For each year 1971 to 1973 inclusive, how many projects under the Opportunities for Youth Program were involved in (a) studying pollution and its effects and what happened to the results of such studies (b) cleaning up the environment?

2. By provinces and territories, how many (a) lakes (b) rivers (c) streams (d) water in camp sites have been declared polluted by the government for the periods 1951 to 1960 and 1961 to 1972 inclusive?

3. For the same periods, how many of these, by provinces and territories, has the government succeeded in cleaning up?

4. To date, how many municipalities, by provinces, received financial assistance from the government for the purposes of (a) improving (b) installing sewage treatment systems?

5. For each of the past five years, how often has the government, at the ministerial level, met with (a) provincial ministers responsible for Municipal Affairs (b) representatives of municipalities in their efforts to (i) dispose of their solid wastes (ii) improve their present methods of sewage treatment systems?

6. Is the government giving consideration to (a) controlling (b) monitoring (c) funding of municipal sewage projects within a national urban policy and (i) if not, for what reasons (ii) if so, which provinces and municipalities have been consulted to date?

7. Has the government any data available which would show (a) the amount of paper and paper products it disposed of in the Ottawa-Hull area (b) how much it cost the Ottawa-Carleton municipality to pick up and dispose of these wastes for the years 1968, 1969, 1970, 1971 and 1972 inclusive?

8. If these data are not available, does the government intend providing them before 1975 and, if not, for what reasons?

Return tabled.

PURCHASE OF SPECIAL LICENCE PLATES

Question No. 2,634—**Mr. Forrestall:**

1. Which departments, agencies or branches of government have purchased special licence plates from the Ontario government, after paying the additional $25 fee to have special, customized letter and number designation?

2. For each instance, what is the special number?

3. Under what statutory authority was this money expended?

4. Did the Prime Minister authorize his choice of CAN 001?

Return tabled.

PROXY VOTING

Question No. 2,635—**Mr. Forrestall:**

1. What specific plans does the government have to provide mariners in the employ of the government with the appropriate forms for proxy voting in the next federal election?

2. What plans does the government have to ensure that these forms are returned to those who are to exercise such proxy votes in time for their validation?

3. How many verbal or written complaints were received on this matter from September 1 to October 30, 1972?

Return tabled.

[Mr. McGrath.]

ANTI-SMOKING ADVERTISING—MONEYS SPENT

Question No. 2,678—**Mrs. MacInnis (Vancouver Kingsway):**

How much money, in each of the past ten fiscal years, has the government spent on (a) anti-smoking efforts such as the production of public service spot announcements for the media, urging people not to smoke, etc. (b) research into tobacco cultivation, specifically involving the development of higher yielding strains per acre, lower nicotine content, etc. (c) trade missions and any other activities designed to cultivate export markets for Canada's tobacco growers?

Return tabled.

RESEARCH PROJECTS IN PROVINCE OF NEWFOUNDLAND

Question No. 2,755—**Mr. Marshall:**

Is the Department of the Environment either in the process of carrying out, or planning to carry out any research projects in the Province of Newfoundland and (a) if so, what are the projects (b) if not, for what reasons?

Return tabled.

Mr. Dinsdale: Mr. Speaker, on a question of privilege, I should like to draw the attention of the parliamentary secretary to question No. 2179 which has been on the order paper since June 1. Notwithstanding the membership of the Prime Minister (Mr. Trudeau) in the Royal Society and his recent visits to the Queen, the subtle erosion of Royal symbols is still continuing, including the removal of the Royal portrait from federal public buildings.

Mr. Speaker: Order, please. The hon. member was recognized for the purpose of raising a point of order, not to make allegations or a speech. I suggest he should indicate what the point of order is and the Chair will make a ruling.

Mr. Cossitt: Mr. Speaker, I should like to draw to the attention of the parliamentary secretary certain questions that I have on the order paper which have stood unanswered for some length of time. I should like to refer first of all to question No. 2596 which asks for certain details of the round the world trip made by the Minister of National Defence a few months ago. Surely there is no legitimate excuse for slowness in revealing cost figures, names and accompanying passengers, etc.

Since July 4, question No. 2453 asking for details of government grants to Canada-Monde World headed by Mr. Jacques Hébert, a fact which I trust has no connection with the delay in reply, has stood unanswered.

I should also like to draw attention to the following unanswered questions for which I think answers are overdue: No. 2597, two and a half months unanswered, requesting details of a person reported on the government payroll who allegedly faced a dozen charges of FLQ terrorist activity; Nos. 2598 to 2601 inclusive, requesting information on the amount of public moneys expended by the government at Harrington Lake and also at the Prime Minister's official Ottawa residence over a certain period of time; finally, No. 2797 concerning a LIP project given some half million dollars and then reported to have undergone investigation and possible closing by the RCMP.

In conclusion, Mr. Speaker, I should like to say that I feel these are legitimate questions which I have asked as a member of parliament and to which I am entitled to have answers. By delaying answers to questions, perhaps in the hope that they will die on the order paper, this government is showing contempt of parliament, for which this government is certainly most famous.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Reid: Mr. Speaker, I do not think I can let that last statement go unchallenged. I should like to point out to Your Honour that more questions have been placed on the order paper in this parliament than ever before and more questions have been answered already in this parliament than ever before, 83.9 per cent as of today. I want to inform hon. members that I am attempting to find out the cost of answering these questions and on some of the more absurd ones I intend to make the cost figures available.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for St. John's East. Order, please. I apologize to the hon. member but the hon. member for Rocky Mountain rises on a point of order.

Mr. Clark (Rocky Mountain): Mr. Speaker, on the point of order raised by the parliamentary secretary, I wonder if at the same time he is preparing those costs he would present to the House the total government expenditure on public relations and other propaganda materials designed to put across misleading information.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for St. John's East.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

CONSUMER AFFAIRS

INCREASE IN COST OF HOME HEATING OIL, CLOTHING AND HOUSING

Mr. James A. McGrath (St. John's East): Mr. Speaker, pursuant to Standing Order 26 I ask leave to make a motion for the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration.

This matter is specific because it concerns the federal sales tax; it is important because it affects the well-being of every man, woman and child in Canada; and it requires urgent consideration because the cost of gasoline and home heating oil, the cost of clothing and the cost of housing are and have been—

Mr. Speaker: Order, please. The hon. member knows what the rule is in relation to Standing Order 26. I have been in communication with the hon. member before he moved this motion. I have reminded him, through the table, of what the requirements are and have indicated to him that the notice he gave to the Chair, in the terms it was suggested to the Chair, could not be received as it was out of order. If the hon. member insists on using that form, certainly the Chair cannot hear him.

Mr. McGrath: Mr. Speaker, I thought that I had emasculated my motion to the point where it would be acceptable to the Chair but if Your Honour will permit me I will rephrase my motion in accordance with the provisions of Standing Order 26 and move to discuss a matter of urgent and pressing necessity, namely, the consumer price index released today showing an increase in the cost of home heating, the cost of shelter and cost of clothing, and the fact that the federal government collects sales tax on all of these items. Therefore, if my motion is acceptable I would move that this matter should be discussed immediately in the House.

● (1440)

Mr. Speaker: The hon. member has given the notice required under Standing Order 26. I certainly do not want to go into further details about the form of the motion, but I appeal to hon. members to respect the terms of the Standing Order and also the long established practice that under Standing Order 26 members only indicate briefly what the subject matter is, without argument, debate or discussion. I thank the hon. member who says he has changed his motion. In any event, since he has given me this notice I have had an opportunity to give the matter serious thought.

The hon. member and the House will realize that the decision which has to be made by the Chair is strictly procedural, whether the motion proposed meets the requirements of Standing Order 26. Although there is an element of urgency in the fact it refers to statistics that have just been released, it seems to me that the general matter proposed for discussion by the hon. member has been taken up and referred to over a long period of weeks, indeed, months, in the House. I am sure I am right when I suggest that there will be opportunities within a reasonable time for the hon. member and other interested hon. members to discuss this very important matter. I would think that, in the circumstances, the Chair would not be justified in suggesting that the debate which has been proposed for today should be set aside for the purpose of discussing the matter suggested by the hon. member for St. John's East.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notices of motions for the production of papers Nos. 241 and 242 are acceptable to the government.

Motions for Papers

Mr. Speaker: Is it the pleasure of the House that motions Nos. 241 and 242 be deemed to have been adopted?

Some hon. Members: Agreed.

COPY OF GUEST LIST FOR THE PRIME MINISTER'S RECEPTION IN HONOUR OF HER MAJESTY AND THE DUKE OF EDINBURGH IN OTTAWA

Motion No. 241—**Mr. Diefenbaker:**

That an Order of the House do issue for a copy of the guest list for the Prime Minister's Reception on August 7, 1973, at the National Arts Centre in honour of Her Majesty the Queen and the Duke of Edinburgh.

Motion agreed to.

COPY OF GUEST LIST FOR THE PRIME MINISTER'S RECEPTION IN HONOUR OF HER MAJESTY AND THE DUKE OF EDINBURGH IN CALGARY

Motion No. 242—**Mr. Diefenbaker:**

That an Order of the House do issue for a copy of the list of names of all invitees to the Dinner given in Calgary on July 5, 1973, by the Prime Minister and Government of Canada, in honour of Her Majesty the Queen and the Duke of Edinburgh.

Motion agreed to.

Mr. Reid: Mr. Speaker, I wonder if I might have permission to table the returns to the foregoing motions?

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: Shall the remaining notices of motions stand?

Mr. Diefenbaker: Mr. Speaker, I have not seen those returns, but the other day there was a suggestion by the Prime Minister (Mr. Trudeau) that there were other returns concerning those who were invited by the provinces and the like and that they would be tabled. I immediately point out that if these returns include any of that stuff, they cannot have any place on the record. All that can be provided, under the rules and the decisions of parliament, are answers to the questions asked.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I want to reassure the right hon. gentleman. The reply will be in the form of a tabling in response to his motions and there will be nothing added to the requests in his motions. However, knowing his interest in all things concerning the monarchy, I ensured that a question would be asked on the order paper about those other events where the Queen was so graciously entertained in Canada.

Mr. Diefenbaker: Mr. Speaker, I am deeply grateful for the suggestion concerning the monarchy. I would have thought that the Prime Minister would ask parliament today to send a message of congratulations to Captain Phillips and his lady.

[Mr. Reid.]

Mr. Trudeau: Mr. Speaker, I will be happy to inform the right hon. gentleman of the message and the gift that have been sent to the couple.

Mr. Diefenbaker: But not by parliament.

Mr. Trudeau: If the right hon. member wants to catch up with the times, he can do so on this occasion.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I am not sure whether we are serving much purpose by pursuing this battle royal between the two right hon. gentlemen. However, if the right hon. member for Prince Albert wishes to rise on a further point of order I will hear him.

Mr. Diefenbaker: Mr. Speaker, I referred to parliament. The Prime Minister apparently thinks that the cabinet today is parliament. It is not.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, it would seem to me that the party to which the right hon. gentleman belongs introduced a series of spurious motions today. If they had put their heart where their mouth is they would have introduced a motion to the effect he suggests.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Oral questions.

Mr. Stanfield: Mr. Speaker, unless my memory is very wrong, I think a member of the opposition did introduce such a motion a few days ago and the usual no came from the other side.

Mr. Bell: Were you up at five o'clock this morning?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I assume that was not a question.

ORAL QUESTION PERIOD

[*English*]

ENERGY

SUGGESTED ABSORPTION BY GOVERNMENT OF EXPECTED INCREASE IN PRICE OF HOME HEATING OIL PRODUCED FROM IMPORTED CRUDE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources, although it would be appropriate for the Minister of Finance if he were present. The Minister of Energy, Mines and Resources has indicated that the government is prepared to grant increases in the prices of

petroleum products produced from imported crude and that further applications for increases have been received. I would ask the minister whether the government would be prepared to absorb these requested increases, or increases the government might authorize, with respect to home heating oil at least as long as the government maintains the voluntary freeze on Canadian crude oil?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the government's preference has been to apply the very considerable sums involved from the public treasury in order to make certain, by offshore purchases, that there will be home heating oil available for Canadians this winter. The financial resources have been applied to the priority of making sure of supply rather than reducing the price.

Mr. Stanfield: In view of the very substantial increase in the revenue the government receives from the 12 per cent sales tax on gasoline and the very substantial increase in revenue the government has already derived from the very significant increases in gasoline prices this year and will derive from anticipated increases, is the government not in a position, as a result of these increased revenues from the sales tax on gasoline, to do what the minister says was done with regard to assuring supplies and also provide the relief I am suggesting with respect to the increased price of home heating oil, which will hit so heavily many Canadians on low incomes?

Mr. Macdonald (Rosedale): Mr. Speaker, I am advised that to roll heating oil prices back to their October level would cost $65 million, to roll them back to the November level would cost $42 million, and that the increased revenue from the excise tax on gasoline will yield only $12 million up to the end of March.

Mr. Stanfield: Mr. Speaker, with respect, I was not asking about a roll-back. I was asking the minister whether the government was prepared to absorb the anticipated increases. That is the question I am asking the minister. Is the government prepared to absorb the further increases for which application has been made rather than allow ordinary Canadians, many of them on very low incomes, to face this disastrous situation?

● (1450)

Mr. Macdonald (Rosedale): My understanding was that the hon. gentleman was proposing that there should be a subsidy with regard to prices on November 1. If he is not saying that, it will, of course, depend on the amount of the increase, but the increase, which took place on November 1 would have meant an increased expenditure of about $42 million had the hon. gentleman's suggestion been accepted. The same principle would undoubtedly apply to any future increases.

[*Translation*]

OIL—MEETING WITH NEW QUEBEC MINISTER

Mr. Speaker: The hon. member for Lotbinière wishes to ask a supplementary question.

Mr. André Fortin (Lotbinière): Mr. Speaker, the hon. Minister of Energy, Mines and Resources has stated that he would meet for a round of discussions with the new Quebec Minister of Natural Resources as soon as he is appointed.

The new appointee now being known, can the minister advise the House whether he has contacted him and, if so, when such meeting took place and, finally, whether he discussed with his provincial counterpart the oil problem as a whole and the immediate supply for the coming winter?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as I stated yesterday to a colleague of the hon. member, officials of all provinces, Quebec included, will meet tomorrow with my deputy minister and other federal officials to discuss the situation in connection with a possible energy crisis next winter. I am looking forward to meeting my Quebec counterparts on the 23rd during the sittings of the federal-provincial conference, and discuss with him a number of problems related to the energy crisis and, especially, the shortage situation for the coming winter.

* * *

[*English*]

CONSUMER AFFAIRS

INCREASE IN HOUSING AND CLOTHING COSTS—REQUEST THAT SALES TAX BE REMOVED—FOOD COST

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Prime Minister. In view of the fact that the consumer price index released today shows the highest month to month increase since 1962 and in view of the fact that housing and clothing account for the most substantial increases, may I ask the Prime Minister whether, in order to bring some relief to Canadians, he is prepared to consider removing the 12 per cent sales tax from these two items?

Right Hon. P. E. Trudeau (Prime Minister): Not today, Mr. Speaker.

Mr. McGrath: I can assure the Prime Minister that my question was not more spurious than my motion. This is a very serious matter affecting many Canadians across the country. I should like to redirect my question to the Minister of Consumer and Corporate Affairs who has great statutory responsibility here. In light of the latest advice given to the Canadian people by Mrs. Plumptre that food costs will continue to rise as a result of the energy crisis, may I ask the minister what recommendations he is now prepared to make to his colleagues in the cabinet to bring some relief to consumers in this country.

Hon. Herb. Gray (Minister of Consumer and Corporate Affairs): It is important to note that the rate of increase in the cost of living index shows a moderation compared with the preceding month and that the food index fell by .3 per cent from September to October, demonstrating that the policies of the government, in the elaboration of which I have been collaborating, are exercising a positive effect.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

* * *

ENERGY

REQUEST FOR EXTENSION OF VOLUNTARY PRICE FREEZE ON CANADIAN CRUDE OIL BEYOND NEXT JANUARY

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources arising from earlier answers. Bearing in mind that if the price freeze is not extended past January the price of gasoline will increase by between 10 and 12 cents a gallon, and bearing in mind the fact that the oil companies have increased their prices by 37 per cent this year alone, will the minister reconsider his decision and extend the freeze past January?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No such decision has been taken by the government at this time.

* * *

LABOUR CONDITIONS

GOVERNMENT INTENTION RESPECTING MINIMUM WAGE INCREASE IN LIGHT OF COST OF LIVING

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Minister of Labour. In light of the increase in the consumer price index and in view of the fact that several provinces, including Ontario, British Columbia, Alberta, Quebec and Saskatchewan will shortly either be catching up with the federal minimum wage limit or passing it, can the minister tell us what specific recommendations he has, if any, with respect to revising the federal minimum wage, since action in this direction would certainly assist those on the lower end of the economic ladder?

Hon. John C. Munro (Minister of Labour): As I indicated, we are watching this situation very closely. I have indicated to the House on earlier occasions that the question of the minimum wage is under consideration, and as soon as I am in a position to make an announcement I shall do so in the House. I hope it will not be too long delayed.

Mr. Alexander: Now that the provinces have seen fit to take action in this important area, can the minister advise the House what is holding up a decision by the federal government? What is the hold-up?

Mr. Munro: As the hon. member may be aware, the social policy statement by my colleague, the Minister of National Health and Welfare, was made only recently and we are endeavouring to relate all our social policies in an integrated way. A number of initiatives of tangible benefit to Canadians have been taken in terms of family allowances and so on, and the relationship to the minimum wage is spelled out there. We are studying these implications so that they can be taken into account in terms of the over-all integrated social policy.

* * *

HOUSING

ACTION BY GOVERNMENT TO LOWER MORTGAGE INTEREST RATES AND INCREASE SUPPLY OF HOUSES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. In view of the fact the principal reason for the increase in the consumer price index according to the figures released today is the increase in the cost of housing, can the Prime Minister tell us whether the government intends to begin to move in some direction so as to bring down mortgage interest rates?

Right Hon. P. E. Trudeau (Prime Minister): In this area of housing, Mr. Speaker, the Minister of State for Urban Affairs has brought a full program before parliament. We hope hon. members can get on with enacting it.

Mr. Broadbent: Having received that glorious non-answer I will turn to the Minister of State responsible for housing. Bearing in mind the forecast made by an independent consultant, Frank Clayton, who formerly worked in the government department responsible for housing, that partly because of high interest rates family housing starts next year will drop by 15 per cent, and in view of the fact that CMHC itself forecasts a continued rise in family formation, may I ask what steps the minister's department is taking now to increase the supply of housing next year?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the year 1973 has been a record year in terms of new home construction. We predict there will be as much lending activity in 1974 as this year and our estimate is that we shall exceed 250,000 units in 1974, which is our medium-term housing objective.

Some hon. Members: Hear, hear!

POSITION OF GOVERNMENT RESPECTING SOCIAL HOUSING EMPHASIS

Mr. Edward Broadbent (Oshawa-Whitby): I will try a third time, Mr. Speaker. Can the minister tell the House whether the reported abolition of CMHC's policy planning division following the firing of Mr. Walter Rudnicki and the destruction of the intent of the co-operative housing legislation as a result of CMHC's decision-making in the last couple of months means that the government is abandoning the social housing emphasis which was contained in the legislation passed by the House last spring?

Hon. Ron Basford (Minister of State for Urban Affairs): No, Mr. Speaker, it categorically does not. I have spent the last two days at a conference on Canadian housing rehabilitation arranged by the Canadian Council of Social Development. Those two days were spent working out precisely how we could get Bill C-135 operating. There was a strong desire at the conference that provinces

and municipalities should fully support my efforts to implement Bill C-135.

In reply to the specific part of the question asked by the hon. member, may I say he obviously missed an announcement I made a week ago Saturday that we were in the course of reorganizing within Central Mortgage and Housing to establish regional co-operative program officers to assist the co-operative movement in the various regions to implement the new provisions parliament has made available so as to ensure that co-operative housing will play an important part in the social program of this country.

● (1500)

[*Translation*]

NEGOTIATIONS WITH QUEBEC ON AGREEMENT RESPECTING RENOVATION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to direct a question to the hon. Minister of State for Urban Affairs.

Following the adoption of Bill C-133 on housing and urban renewal, municipalities are anxious to take advantage of the new legislation. Can the minister inform the House of the status of negotiations for an agreement on this with Quebec?

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I am seeking agreements with all of the provinces. I have one with the province of Alberta as to the implementation of the neighbourhood improvement, repair and rehabilitation sections of the act. We are having discussions with the province of Quebec and others to get agreements of that kind so that the program can be used by the municipalities within the province of Quebec and others. Within the course of the next two of three weeks I will meet with every provincial minister of housing to try to make sure that those agreements are obtained at least by the end of this year at the very latest.

* * *

REGIONAL ECONOMIC EXPANSION

POSSIBLE SPECIAL PROGRAMS FOR ATLANTIC PROVINCES—MEETINGS WITH PREMIERS—GOVERNMENT ACTION

Mr. David MacDonald (Egmont): Mr. Speaker, my question is addressed to the Prime Minister and is related to the special effects of the discomfort index, that is, the combination of high inflation and high unemployment, in slow growth regions, particularly the Atlantic provinces. Can the Prime Minister indicate whether he has issued any special instructions to the Minister of Regional Economic Expansion to meet directly with the premiers of the Atlantic provinces in terms of mapping out some special programs, particularly in light of rising energy costs which will certainly set back any regional development programs in that area?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the minister meets with the premiers on a regular basis. I know he saw some of them quite recently, and I myself had some such meetings two weeks ago.

Mr. MacDonald (Egmont): Mr. Speaker, I am sorry that the Prime Minister did not hear my question. I asked him whether or not any special instructions or special mandate had been given to the minister in view of the deteriorating situation, not only with regard to the rising cost of energy but also regarding other federal government programs either in the local initiatives field or in the co-ordination of monetary policy, about which very serious questions can be raised at the present time.

Mr. Trudeau: Mr. Speaker, I am sorry that the hon. member did not hear my answer. I indicated that meetings had taken place.

Mr. MacDonald (Egmont): Mr. Speaker, I rise on a point of order. I can well understand that the Prime Minister may not be able to answer the question, but this afternoon not only the Prime Minister but the Minister of Consumer and Corporate Affairs and the Minister of State for Urban Affairs have continued a practice that I would very much appreciate your Honour dealing with. I refer to the practice, when questions are raised, of ministers refusing to reply. It is a well known fact of procedure in the House during the question period that ministers are not required to answer questions that are put, but it is also a well known fact that they are not required to give answers to questions that are not put.

* * *

ENERGY

OIL—ALLEGED REFUSAL OF TRANSIT IN BOND TO STATES OF NEW YORK AND MICHIGAN—AUTHORITY FOR ACTION

Mr. A. D. Hales (Wellington): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Has the minister instituted an inquiry into statements made today by representatives of the states of New York and Michigan that the transit of oil in bond across Canada to these states has been refused, this order having been issued by the National Energy Board?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I had not seen that allegation but I appreciate the hon. member bringing it to my attention and I will investigate it.

Mr. Hales: When the minister answers the question will he also advise the House under what authority this action was taken?

Mr. Macdonald (Rosedale): In general, Mr. Speaker, the board acts under the National Energy Board Act and the regulations that give it export control over not only crude but also certain refined products.

Oral Question Period

[*Translation*]

SOCIAL SECURITY

QUEBEC—LOSS OF BENEFIT OF OLD AGE PENSION INCREASES

Mr. Albert Béchard (Bonaventure-Îles de la Madeleine): Mr. Speaker, I wish to direct a question to the hon. Minister of National Health and Welfare.

In view of the very recent increase--

An hon. Member: Turn around and ask him.

Mr. Béchard: In view of the recent increase in lodging costs of homes for elderly people in the province of Quebec, does the minister intend to protest vigorously to his Quebec counterpart against this bad habit of depriving elderly persons from the benefits of higher old age pensions each time the federal government tries to help this element of society?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I will bring the observations of the hon. member for Bonaventure-Îles de la Madeleine to the attention of my Quebec colleague, and of my other provincial colleagues, who are I think in the same situation.

* * *

HOUSING

PROVISION OF FUNDS FOR OLD PEOPLE'S HOMES

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a supplementary for the Minister of National Health and Welfare.

Could the hon. minister at the same time protest also against the fact that the construction of each new home is always financed with provincial funds, never federal ones?

[*Later:*]

Mr. Speaker: The hon. member for Lotbinière.

Mr. Fortin: Mr. Speaker, I realize that I involuntarily created a false impression earlier through a question directed to the Minister of National Health and Welfare, and I should like to ask this question again, in order to clear up any doubt.

Could the minister send a protest note to the government of Quebec which would have people believe that projects for the building of homes for the aged are being financed almost exclusively by the provincial government, when everybody knows that these projects are, for a large part, financed by the federal government?

Hon. Marc Lalonde (Minister of National Health and Welfare): I want to say, Mr. Speaker, that I welcome this question with much sympathy and I shall certainly put it before my Quebec counterparts at the next opportunity.

[Mr. Macdonald (Rosedale).]

[*English*]

STATISTICS CANADA

ALLEGED DELAY IN PUBLICATION OF AUGUST AVERAGE WEEKLY EARNINGS FIGURES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Minister of Industry, Trade and Commerce perhaps I could put my question to the Prime Minister. In view of the release of figures today by Statistics Canada showing that the cost of living index is up 8.7 per cent in Canada in the past 12 months, a total of 30 per cent now under the Trudeau government, and since it is very important to workers in this country to see whether their earnings are at least keeping up with inflation, would the Prime Minister inform the House whether he is aware that Statistics Canada has delayed publication of the August average weekly earnings figures which were scheduled for release on October 26 and, if so, why is such delay being tolerated?

Hon. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I will attempt to get an answer to the hon. member's question.

Mr. Stevens: Mr. Speaker, may I again put a question to the Prime Minister which is supplementary to my earlier question. Since wages in Canada are down by approximately $3 per week in terms of inflation, would the Prime Minister require Statistics Canada to produce their average weekly earnings figures forthwith so that the Canadian public can judge for themselves what impact inflation is having on wages, especially inflation accelerated by government action?

Mr. Breau: Mr. Speaker, I will bring that question to the attention of the minister.

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HOUSING

REQUEST THAT GOVERNMENT COMPEL FINANCIAL INSTITUTIONS TO ALLOCATE PART OF INVESTMENTS TO MORTGAGES AT FIXED INTEREST RATE

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. In view of a recent article in the *Financial Post* by Professor James Poapst, who was one of the authors of the government's residential mortgage financing bill, in which he stated that the said bill would have no effect on reducing interest rates, is the minister now prepared to introduce legislation which will compel federally chartered institutions to allocate a proportion of their annual investments to housing at a fixed interest rate of 6 per cent and, if not, why not?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the answer is no, but we are proceeding with the passage through the committee and the House of the residential mortgage financing bill. We are also proceeding, as hon. members will have noticed, with the implementation of the assisted home ownership program, which is a program of assistance to people of low

income to enable them to purchase homes. This program is meeting with a great deal of success across Canada and, under it, money is lent at an interest rate of 6 per cent to 8 per cent.

Mr. Gilbert: In view of the fact that mortgage interest rates constitute a high component in the recent cost of living increase, what steps does the minister intend taking to prevent further increases in mortgage rates which are reflected in the increased cost of housing and increased rents?

Mr. Basford: Mr. Speaker, in terms of housing policy rather than financial policy, for which I do not answer, we are persisting as vigorously as we can with the implementation of Bill C-135.

* * *

LABOUR RELATIONS

DISPUTE AT HALIFAX DOCKS—REQUEST FOR MEDIATOR—GOVERNMENT ACTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is to the Minister of Labour. Has the minister taken any action with respect to the request for a mediator in the dispute that is tying up the Halifax waterfront?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I am pleased to advise the Leader of the Opposition that I have today appointed Art Gibbons, director of mediation and conciliation in my department, who I think the Leader of the Opposition will agree is one of the most experienced mediators in Canada, to mediate this dispute. He will be on the scene very shortly. In the meantime he is contacting the parties to get them together to see whether the dispute cannot be resolved.

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PENITENTIARIES

PRINCE ALBERT—REQUEST FOR REPORT ON RIOT—NEED FOR MEASURES TO PREVENT FURTHER OUTBREAKS—POSSIBLE INCREASE IN STAFF

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Solicitor General. I say to him at once that I do not place any blame on him for this but rather on his predecessor. What is the present situation concerning the apparent revolt which took place in Prince Albert penitentiary, and why were the terms of the prisoners accepted? At the same time, would he say what can be done to meet an incipiently dangerous situation there where, in consequence of overcrowding, there is not only the possibility of further outbreaks but a perilous position for those who are wardens?

● (1510)

Hon. Warren Allmand (Solicitor General): Mr. Speaker, on the morning of November 11 three inmates overpowered three guards in the yard at the Prince Albert Penitentiary and held those guards as hostages. They made four demands, one of which was that two of the men be transferred to the British Columbia penitentiary. The other demands were that no reprisal or action be taken against them and that they be given certain medication. The director of the penitentiary responded to the demand for the transfer of the men to the British Columbia penitentiary but did not accept the request that no action be taken against them. As a matter of fact, criminal action will be taken against them for the offence. Further the doctor at the penitentiary did no see fit to provide them with the medication they requested; he simply said they did not need it. I am advised that the two men in question are still awaiting transfer to the British Columbia penitentiary, and that the delay has been caused by a lack of a proper flight to take them there. Other than that, the penitentiary is in fact back to normal.

To alleviate the overcrowding problem we are presently negotiating with the province of Alberta to take over the Bowden Institute in the constituency of Red Deer. We are also constructing a new medium security institution at Mission, British Columbia, which we hope will further relieve the overcrowding problem.

Mr. Diefenbaker: Mr. Speaker, will the minister say whether, in view of the situation that has existed for some time at the Saskatchewan penitentiary, extra guards will be placed there, as I am told they are very much understaffed?

Mr. Allmand: Mr. Speaker, we have requested extra guards not only for the Prince Albert Penitentiary but for several other penitentiaries, and permission has been granted by the government to seek people for these positions. We are now looking for people to fill them. I might say that the shortage of staff, not only of guards, has been caused by the somewhat abnormal increase in population in the west.

Mr. Peters: You mean the penitentiary population.

* * *

UNEMPLOYMENT INSURANCE

ALLEGED REFUSAL OF ONTARIO FIRMS TO PAY INCREASED PREMIUMS—GOVERNMENT POSITION

Mr. J. R. Ellis (Hastings): Mr. Speaker, in the absence of the Minister of Manpower and Immigration, and at this time the absence of his parliamentary secretary, I suppose I will have to direct my question to the Prime Minister. Is he aware that a number of Ontario industries have indicated they intend to refuse to pay the 40 per cent increase in unemployment insurance premiums announced last week, and what steps will the government take in this regard?

An hon. Member: They must obey the law.

Some hon. Members: Oh, oh!

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I will be happy to take notice of that question and supply an answer to the hon. member on

behalf of the Minister of Manpower and Immigration who is out of the House on government business.

* * *

[*Translation*]

ENERGY

MINISTER'S POSITION ON PROPOSED REFINERY IN QUEBEC TO PROCESS SAUDI ARABIAN OIL

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Minister of Energy, Mines and Resources.

In view of the fact that he has been aware for some time of the negotiations between Quebec and Saudi Arabia concerning a joint project for the building of refineries in Quebec, could he tell the House whether his department favours the implementation of such a project?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have indeed been told about these talks, but they have failed to bring about any agreement. In our opinion, it is quite all right for public or private interests in Quebec to make arrangements with foreign commercial interests, I should, however, point out that in view of the present possibility of a stoppage as concerns oil shipments from Saudi Arabia, such measures would not offer the same security as arrangements with interests in Canada or in other countries.

[*English*]

OIL—USE OF CHERRY POINT BY UNITED STATES TANKERS—GOVERNMENT POSITION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Secretary of State for External Affairs. He started his anti-pollution fight in respect of the Strait of Juan de Fuca last summer and since then we seem to have lost both the sound and the picture. Would he tell us whether he is having any more success with the United States than he is with the Minister of Energy, Mines and Resources in fighting tanker use of Cherry Point?

Some hon. Members: Answer!

Mr. Speaker: While someone is considering the question the Chair will recognize the hon. member for New Westminster.

* * *

HOUSING

ASSISTED HOME OWNERSHIP PROGRAM—REQUEST THAT BENEFITS BE ADVERTISED

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. In view of the concern he has just expressed about the AHOP program and social housing, in view of the fact many people believe this program is not being promoted properly among low-income families in order that the free enterprise market will not be disturbed, and in view of the fact that many low-income families are buying houses from the free enterprise sector which they cannot afford, will the minister advise the House what steps he intends to take to make the benefits of this program known to low-income families? In particular, will he recommend that regional housing authorities advertise the benefits of this program in the real estate classified section of newspapers in competition with the private sector?

Hon. Ron Basford (Minister of State for Urban Affairs): The answer to the question is yes, Mr. Speaker, within the limits of my budget. I think the hon. member may have not followed correctly one of my answers about the concern I have expressed with regard to implementing the neighbourhood improvement program and the repair and rehabilitation program, in respect of which we require provincial agreement. To use the hon. member's words, in promoting the program we have been running advertisements in weekly and daily newspapers across Canada directed toward the application of this program. I know that in my own city and in his area these advertisements have resulted in a thousand phone calls a day from those interested in the program. We will be holding seminars across Canada with CMHC to do precisely—

Mr. Speaker: Order, please. Perhaps the hon. minister would like to return to motions. The hon. member will be recognized for a supplementary and then the Chair will recognize the hon. member for Cumberland-Colchester North.

Mr. Leggatt: Mr. Speaker, my supplementary is for the purpose of directing the minister back to the specific question. Will he recommend to the regional housing authorities that they advertise in the real estate classified sections of the newspapers the benefits of this program in competition with the private sector?

Mr. Basford: Mr. Speaker, I believe that advertising in other places than the want ads is a more effective way to advertise, but I will be happy to take advice on that.

Some hon. Members: Oh, oh!

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ENERGY

FUNDY TIDAL POWER—STATUS OF RE-EXAMINATION OF REPORT

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Is he in a position today to inform the House as to the exact status of the re-examination of the 1969 Fundy tidal power program board report, which has been under way now for some two years or more by his officials and officials of the governments of Nova Scotia and New Brunswick?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to thank the hon. member for notice of his question. I am advised that I will have a report on this tomorrow morning and I regret

to have to ask the hon. member to pose the question again tomorrow when I will try to answer in more detail.

* * *

HEALTH

RECREATION CANADA—JUSTIFICATION FOR ADVERTISING PROGRAM

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Could he explain to the House why Recreation Canada in its massive "Participation" television advertising program, at great cost to the Canadian taxpayer, I might add, has failed to follow up the need for physical fitness with any kind of positive programs for the Canadian people, or does the minister feel that merely letting us know we are physically unfit is sufficient justification for this costly program?

Mr. Speaker: Order, please. A question asked in such terms should obviously not be allowed.

* * *

[*Translation*]

FEDERAL-PROVINCIAL AFFAIRS

USE OF REPORT TABLED LAST YEAR IN FUTURE NEGOTIATIONS WITH QUEBEC ON CONSTITUTION

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): Mr. Speaker, as a member of the joint committee of the Senate and the House of Commons on the constitution, I should like to put a question to the Prime Minister.

Does the government, during its constitutional negotiations with the provinces and especially Quebec, intend to use the report tabled last session, after over a year of work, and which contains many important recommendations?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I entirely agree with the hon. member that the report contains indeed very useful recommendations as a result of the extremely important work performed, but the hon. member's question remains hypothetical. There is no constitutional discussion with Quebec. As for us, we do not expect any, but if Quebec would like to reopen the file, the report mentioned by the hon. member would surely be quite helpful.

* * *

● (1520)

[*English*]

ENERGY

POSSIBLE OPENING OF NEW COAL MINES IN CAPE BRETON—GOVERNMENT POSITION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, may I pose my question to the Minister of Energy, Mines and Resources. In light of the energy crisis and the unfortunate possibility of it worsening, may I ask the hon. gentleman if he would consider meeting with Mr. Tom Kent, president of the Cape Breton Development Corporation, to explore with Mr. Kent and the board of that corporation the possibility of new coal mine openings in Cape Breton since, as the minister knows, the jurisdiction comes under the central government?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I will be glad to consider that suggestion.

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EXTERNAL AFFAIRS

FLOODING OF SKAGIT RIVER VALLEY—ALLEGED FAILURE TO DELIVER TEXT OF RESOLUTION ADOPTED BY HOUSE TO UNITED STATES

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I should like to direct my question to the Prime Minister. In view of the fact the resolution passed unanimously by the House on November 2 required that the text of the resolution which dealt with Skagit Valley flooding in British Columbia be delivered forthwith to certain governments of the United States, and in view of the fact word has been received by me today that this resolution has not been delivered to those governments, can the Prime Minister tell the House when the government plans to deliver the text of this resolution as required by unanimous vote of the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will inquire into the question of who looks after such matters.

* * *

HOUSING

SUGGESTED ABOLITION OF 11 PER CENT TAX ON BUILDING MATERIALS TO REDUCE COST

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is supplementary to previous questions concerning housing and is directed to the Prime Minister. In view of the fact the cost of shelter continues to increase to a point where now, for large numbers of Canadians, it has become an impossible dream to own a house, is the Prime Minister prepared to abolish or perhaps reduce the 11 per cent sales tax on building materials to help alleviate this situation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I thank the hon. gentleman for the representation which is indeed an original one.

Mr. Carter: Mr. Speaker, my question was quite clear. I am asking the Prime Minister whether he is prepared to take the necessary action to eliminate or reduce the 11 per cent sales tax on building materials to help Canadians obtain housing.

Mr. Trudeau: Mr. Speaker, the answer was clear. The hon. member should know that I do not announce tax changes during the question period.

Mr. Lundrigan: I rise on a point of order, Mr. Speaker. This is impossible. We have had today at least a dozen occasions when the Prime Minister has answered in this way.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Lundrigan: Nobody worries if an hon. member does not answer a question or perhaps does not have the information, but when the Prime Minister stands up and shows contempt for questions such as have been raised by my colleague I think the Parliament of Canada has some responsibility to put those boys in their place.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, with great deference to you, could the House request or suggest that you rule on this point of order and, if it is not a point of order, indicate that it is completely out of order.

Mr. Speaker: The hon. member for Burnaby-Seymour.

Mr. Lundrigan: Perhaps you would like to rule on his statement as well.

An hon. Member: God help Parliament.

Mr. Speaker: Order, please. The hon. member for Burnaby-Seymour.

INQUIRY AS TO LEGISLATION TO IMPLEMENT SEWAGE TREATMENT PROGRAM

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs.

Mr. Speaker: Order, please. May we have order please. There are just a few minutes left before the end of the question period and perhaps we should try to have two or three more questions. The hon. member for Burnaby-Seymour has the floor.

Mr. Nelson: Thank you, Mr. Speaker. I will try again. My question is directed to the Minister of State for Urban Affairs. In view of the critical shortage of serviced lots, when does the minister expect to introduce legislation to implement the policy announced at the Edmonton tri-level conference dealing with a sewage treatment program, and can the minister assure the House that he will attempt to convince his colleague, the Minister of Finance, of the seriousness of his concern regarding this program?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I would anticipate introducing it after the new year following consultation with the provinces which, in Edmonton, I undertook to have with them. I hope to have this consultation with them during the next month or five weeks. In the meantime, the changes in the land assembly provisions which were made in the National Housing Act are there, and we are anxious to use them as quickly as possible. The administrative changes I announced at Edmonton are being implemented.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Calgary South and then call orders of the day.

* * *

ENERGY

ESTABLISHMENT OF NATIONAL PETROLEUM CORPORATION—EFFECT ON SHORT-TERM SUPPLY SITUATION—DATE OF LIFTING CRUDE OIL PRICE FREEZE

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. This weekend the minister made a big point of the fact that the principal reason for a national petroleum company was to provide security of petroleum supply to Canada. Will the minister say whether such a company could have any near term effect on supply and what else the government is doing to ensure future supplies which is not being done already?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I set out at some length the arrangements we have made in the near term to secure supply. Of course, if a national petroleum corporation as such were to become government policy it would be directed to the longer term to secure over a period of time a greater assurance of supply than has been available under the private system.

Mr. Speaker: The Chair will recognize the hon. member for Calgary South and then the hon. member for Burnaby-Seymour who also has a supplementary before calling orders of the day.

Mr. Bawden: Mr. Speaker, would the minister say if the government is irrevocably committed to lifting the crude oil price freeze on January 30?

Mr. Macdonald (Rosedale): Mr. Speaker, that is the policy as announced.

* * *

HOUSING

SEWAGE TREATMENT PROGRAM—EFFECT ON AVAILABILITY OF SERVICED LOTS

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. Will the minister be in a position to inform the House of the number of serviced lots in the next five years that will be available resulting from the changes in the sewage treatment program?

Mr. Speaker: Order, please. That question ought to be placed on the order paper. Instead of that supplementary

the Chair will recognize the hon. member for Simcoe North.

* * *

HEALTH

NEED FOR INCREASED PERSONNEL TRAINED IN GERIATRICS—GOVERNMENT POSITION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to ask the Minister of National Health and Welfare a question. In view of the problem of the growing number of older people in Canada, a national health problem, with their increasing infirmities and sickness requiring increased medical skills in this field, I should like to ask the minister what steps are being taken through the health resources fund or other means to increase training in this field?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, about 25 per cent of the voluntary hospitalized cases in Canada are people in the aged group. The number of people specializing in geriatrics in Ontario, for instance, can be counted almost on one hand. The problem of the proper training of professional people is a matter under provincial responsibility, but I am discussing the matter with my colleagues.

Mr. Speaker: Orders of the day. Is the hon. member rising on a point of order?

• (1530)

Mr. Jelinek: Thank you, Mr. Speaker. May I say with all due respect that earlier in the question period I rose to ask a question of the Minister of National Health and Welfare that was of importance to all Canadians as physical fitness affects us all. This is obviously noticeable in viewing the massive television advertising program in which the government has been engaged. I should like to ask the minister, who was ready to rise to answer my question earlier, if he would rise now and confirm that the budget for "Participaction"—

Mr. Speaker: Order, please. The hon. member will appreciate that, even if the minister wanted to reply to the question, it was asked in such terms that it was not acceptable procedurally. Hon. members have a responsibility to ask questions in such a way as to conform to the well established norms. I think I have been lenient enough in allowing questions, and it is only when a question is clearly out of order that I suggest to hon. members that it cannot be accepted. Perhaps tomorrow the hon. member might rephrase his question.

Mr. Lalonde: Mr. Speaker, I rise on the point of order. The hon. member has the facts all wrong. "Participaction" is a private organization which receives a subsidy from the federal government—

Mr. Speaker: Order, please. I suggest to both the minister and the hon. member that they are engaging in a debate, and that perhaps the question might be accepted without preamble tomorrow.

Middle East Peacekeeping Force

Mr. Taylor: Mr. Speaker, I rise on a point of order arising out of the difficulties we have encountered in the House during the question period. I wonder if the government does not owe the House an explanation as to why, with unemployment, problems of inflation and the ever-increasing cost of living—

Some hon. Members: Order!

Mr. Speaker: Order, please. Will the hon. member resume his seat. The hon. member attempts by way of a point of order to ask a question. That is an abuse of the rules.

GOVERNMENT ORDERS

[*Translation*]

EXTERNAL AFFAIRS

PARTICIPATION BY CANADIAN CONTINGENT IN MIDDLE EAST PEACEKEEPING FORCE

Hon. Mitchell Sharp (Secretary of State for External Affairs) moved:

That it be resolved by the . . . House of Commons:

That it is expedient that the Houses of Parliament do approve the Government's decision that Canadian Forces participate in the United Nations Emergency Force in the Middle East, and that this House do approve the same.

And that a Message be sent to the Senate informing Their Honours that this House has adopted a resolution approving of the participation of Canadian Forces in the United Nations Emergency Force in the Middle East, and requesting Their Honours to unite with this House in the approval of the same by filling up the blanks in the resolution with the words "Senate and" . . .

[*English*]

He said: Mr. Speaker, an uneasy ceasefire now prevails in the Middle Eastern battlefield which for 15 days, from October 6 to October 22, and again until October 26, witnessed the most furious and bloody fighting in that beleaguered area in modern times. The most sophisticated and destructive equipment was unleashed in the Sinai desert and the Golan plateau. The biggest tank battles since world war II raged on the ground, while dozens of aircraft were struck down from the skies every day, and in the surrounding waters several naval encounters took place near the harbours of the eastern Mediterranean. Peaceful navigation and trade were interrupted to the point where even some of the government's of that oil rich region were forced to ration gasoline. Casualties mounted rapidly, and even now we are uncertain as to their extent, although the total must be unbearably high, especially in relation to the results achieved.

The mounting fury of the fight was possibly the only reason why it so abruptly ceased. The great powers who were supplying arms in increasing quantity to each side fortunately realized that they were being drawn into a dangerous confrontation, with the Soviet Union talking of unilateral intervention on the scene, while the United States placed its own forces on an increased state of alert. It was at this crucial stage that the United Nations Security Council agreed to the establishment and dispatch of an

emergency force to supervise a ceasefire and separate efforts to prevent a recurrence of the fighting.

Given the circumstances as I have just recalled them, there could be no doubt in anyone's mind that never had an emergency measure of this nature been so evidently and urgently necessary. While Canada did not seek participation in the emergency force, we were determined that once we were invited it would be a success, and I am sure this is a point of view that would be supported by all parties in the House. We were asked at an early stage by the Secretary General of the United Nations to contribute in a vitally important role. Just two and a half hours ago the Secretary General of the United Nations was on the telephone to me urging the importance of Canada's participation and urging our participation in certain of these vital functions upon which the whole of UNEF depends.

Some hon. Members: Hear, hear!

Mr. Sharp: After due consideration, the government decided to accept the request and communicated this decision to parliament. In accordance with the practice followed in the past when a Canadian contingent has been contributed to a peacekeeping force, as opposed to the sending of peace observers, we are asking parliament to approve the government's decision. Leaders of all parties represented here indicated, in response to my announcement of October 30, that they supported a Canadian contribution to peacekeeping under the United Nations in the Middle East if it appeared there was a useful role for us to play. Spokesmen for all parties took the same view as I did, that no one could say no to such a request.

The concept of peacekeeping or peace observation forces under the United Nations, which owes so much of its development to a great Canadian, our former prime minister and a member of this House, the Right Hon. Lester B. Pearson—

Some hon. Members: Hear, hear!

Mr. Sharp: —is firmly supported by this government, as it has been by previous Canadian governments of all political stripes. We did not, however, accept the call to join a new UNEF without careful consideration. Experience over the years, some of it rather disappointing, has led us to look for certain criteria that, in our judgment, should be met if a peacekeeping operation is to be effective and if Canadian participation in it is to be worthwhile. We have no illusions that in this imperfect world the criteria for an ideal peacekeeping operation will ever be met in full. These criteria must, however, be constantly reiterated and promoted if peacekeeping is to be made a more effective instrument rather than a source of disillusionment to a world community hungry for peace.

The criteria Canada seeks to apply when considering participation in a peacekeeping operation include certain points of a political nature, as well as others of a more technical kind. A fundamental point is the existence of a threat to international peace and security. There is no doubt of that in this case. Ideally, peacekeeping should be directly linked to agreement on a political settlement among the parties to the conflict. At least there should be reasonable expectations that the parties will negotiate a settlement. The peacekeeping force must be responsible to a political authority and preferably that authority should be the United Nations. The sponsoring authority should receive reports and have adequate power to supervise the mandate of the force. The parties to the conflict must accept the peacekeeping force and Canadian participation in it must be acceptable to all concerned. Further considerations are that the peacekeeping force must have a clear mandate, including such things as freedom of movement, and that there must be an agreed and equitable method of financing the operation.

● (1540)

Some of these criteria were not met when we participated in the International Commission in Viet Nam, or in Cyprus in 1964, or in the UNEF of 1956. After our departure from Viet Nam, I made it clear that certain features of the operation made it impossible for the commission to operate effectively. One major impediment was the absence of a political authority to which it could report.

The United Nations may not be the only possible sponsoring body, but we have not yet found better auspices under which to work at peacekeeping. It is therefore a matter of satisfaction that in the Middle Eastern situation the emergency force should be put under the authority of the UN. To be precise, it is under the command of the United Nations, vested in the Secretary General, and under the authority of the Security Council.

In 1964, the House debated the dispatch of a Canadian contingent to Cyprus under great pressure of time and in circumstances which did not allow for the application of rigorous conditions. The island was on the brink of civil war with intervention threatened from neighbouring countries, and peacekeeping troops had to be sent as quickly as possible. For nine years, the United Nations force in Cyprus has kept conflict from breaking out and it must therefore be counted, to that extent, as a success. It has not, however, led to a settlement of the underlying problems. The absence of a direct link between a peacekeeping force and a negotiated settlement is a weakness, perhaps an unavoidable one, in the Cyprus situation.

Another weakness of the Cyprus peacekeeping operation is the absence of equitable financial arrangements. This time we are determined that the treatment accorded Canada should be equitable to that accorded to other contributing countries. The Secretary General has stated that his preliminary estimates of the United Nations own direct costs for UNEF, based upon past experience and practice, are $30 million for the six month period authorized by the Security Council. These costs are to be considered expenses of the United Nations organization and are to be borne by the members of the United Nations as apportioned by the General Assembly, presumably in about the same proportions as each country's share in the United Nations annual budget. Canada's share of that budget is currently 3.08 per cent. I might point out to the House that even if we did not participate in this peacekeeping operation we would of course still pay our share of the peacekeeping costs.

It is worth recalling that Canadians have been participating for many years in the United Nations Truce Supervision Organization in the Middle East, and that UNTSO continues to exist and to perform a useful role on

the ceasefire lines. Our previous experience in the Middle East in 1956, which was the first major United Nations venture in peacekeeping, is naturally very much in our minds at this time. Sadly, we seem to be back where we were 17 years ago. In fact the request to Canada to participate in the 1973 UNEF is due in great part to the fact that we have special skills and experience, not only in peacekeeping generally but in peacekeeping in the Middle East, and in the role that is now assigned to our contingent. I would remind the right hon. member for Prince Albert (Mr. Diefenbaker) that this was the role that was assigned to us at that particular time.

The original request from the Secretary General for Canadian participation on October 27 was in terms of Canada supplying the logistic component of the force. That role has been assigned to us precisely because of the effective way in which Canada discharged it from 1956 to 1967, and the skills that our troops demonstrated in doing their jobs. Two aspects of our previous experience are relevant to the new task assigned to Canada in the same area. First, the way in which UNEF had to terminate its peacekeeping function in 1967 and evacuate the Middle East gave rise to a great deal of discussion, both at the United Nations and in Canada. From that unhappy episode certain lessons have been drawn.

There is no point in participating in a peacekeeping operation unless our participation is acceptable to all, and especially to the sovereign state upon whose soil the force is to be deployed. I can assure the House that we did not accept this task until the Secretary General had given us formal assurance that the presence of a Canadian contingent would be acceptable to all parties, and especially to Egypt, since UNEF will be deployed on Egyptian territory. In addition, I confirmed the Egyptian agreement personally with the Foreign Minister of Egypt when I met him a few days ago in Washington.

Part of the difficulty encountered with the original UNEF in 1956 was that it did not come under the authority of the Security Council and did not have the unqualified backing of the great powers. Nor was the mandate of the force so clearly set out and accepted by the parties concerned. The first UNEF in the Middle East was a brilliant improvisation that brought the international community back from the edge of disaster but could not ensure peace. This time the superpowers jointly proposed a peacekeeping force, and all members of the Security Council, except China, approved.

The Secretary General in his report to the Security Council on October 26, 1973, set out as essential conditions that the force must have at all times the full confidence and backing of the Security Council, and that it must operate with the full co-operation of the parties concerned. This report was approved by the Security Council and we felt more assured that the 1973 UNEF was to be on a sounder basis than that of 1956. It is on that basis that we acceded to the Secretary General's request of October 27 and accepted our assignment on the force.

Subsequently, an argument developed in the Security Council about having representation in UNEF of various geographical and political groupings. We can understand the desirability of having representation of various geographical areas in a UN force. However, Canada does not view its participation in UNEF in terms of political representation but in terms of performing an essential function. When I have been asked from time to time shouldn't there be a representative of the Warsaw Pact as well as a representative of NATO, of which Canada is a member, I have said that we do not consider ourselves as acting in the capacity of representing anyone but the international community as a whole.

In any event, the Security Council decided that the logistic role should be shared between Canada and Poland. I have made it clear that there is no objection on our part to working with Poland, provided a clear and practical division of responsibilities can be worked out. Our concern is with the efficient operation of the logistics component. It is unfortunate that the debate in the Security Council delayed the dispatch of logistical support units by a full week and threw some confusion on the Canadian role in UNEF. Following the Security Council's agreement of November authorizing the Secretary General to consult with potential contributors, including Canada and Poland, our ambassador to the United Nations continued discussions with officials from the UN secretariat and Poland on the organization and composition of the logistics element.

At the same time, at the request of the Secretary General evaluation teams were dispatched to Cairo to assess the requirements on the ground. As a result of these discussions the Secretary General requested, and we agreed, that as the first phase in the deployment of a Canadian contingent Canada would provide a signals unit to provide communications for the force. Poland will be dispatching an engineer unit as the first element in its contribution.

The Secretary General is continuing his discussions with both Canada and Poland to determine the next phase of the logistics deployment, and in particular the allocation of functions between the two countries. In these discussions we have sought to consider in a constructive manner proposals put forward by the Secretary General, while having in mind the need to ensure that Canada will be able to provide a useful and effective contribution to the operation of the force. At the moment the government is giving active consideration to a proposal from the Secretary General that Canada provide an air unit. A request has been made to Poland to provide a field hospital unit. In addition, the Secretary General has made suggestions regarding the division of responsibilities between Canada and Poland with respect to the remaining logistic functions. The discussions have been complex and time-consuming, but I am hopeful that we may be in a position to announce shortly the details of the composition of the remainder of the Canadian contingent.

● (1550)

While these negotiations continue, the advance party of the Canadian signals unit arrived in Cairo on November 10. The deployment of this unit should be completed shortly and will number over 400 persons. This unit is being dispatched according to the schedule determined by the Secretary General. He wanted the advance party of the unit on the ground as soon as possible because of the urgent requirement for an effective communications system within UNEF.

Another point demonstrated by the history of UNEF from 1956 to 1967 is that a peacekeeping force of this kind should be recognized by all parties as a temporary necessity, to help avoid a renewal of fighting while the parties to the conflict take up the fundamental problem which has led them to fight each other in the first place. It is precisely because the parties involved never made any progress toward a peaceful settlement in the ten years following 1956 that ultimately UNEF had to depart without any other prospect than renewed warfare. With this in mind, I stressed on October 22, that while we warmly welcomed the call for a ceasefire, it was vitally important in our view that the ceasefire should lead quickly to negotiations on the basic problems of the Middle East.

There is now a renewed opportunity for the parties involved to employ the respite that UNEF provides to tackle their basic differences. The principles of a just and lasting settlement have been set out since 1967 in Security Council Resolution 242 but until now no progress has been made in implementing that resolution and no negotiations based on its principles have taken place. Resolution 338 of October 22, 1973 which is the basis for the present ceasefire, also deals with the problem of a peaceful settlement. It calls for an immediate beginning to the implementation of Resolution 242 in all its parts and for the beginning of negotiation between the parties under appropriate auspices.

Mr. Speaker, UNEF is not charged with the basic problems involved in a Middle East settlement. Its tasks are limited to supervising the implementation of the ceasefire, the return of the parties to their October 22 positions and the use of its best efforts to prevent a recurrence of fighting. These will be the tests of UNEF and they will be acid tests. Should the parties to the recent conflict fail to comply with the Security Council resolutions and not allow UNEF to operate effectively, the gleam of hope that the ceasefire and Resolution 338 offer will be threatened with quick extinction. Let us pray that the parties involved will therefore quickly agree to comply with these first steps on the road toward peace.

There is no question that Canadians are desirous of a lasting peace and a lasting settlement in the Middle East and, while it may not be the task of UNEF to promote this settlement, it is still the responsibility of every member of the United Nations to do what it can to help bring about this peace and this settlement. In my statement of October 16 I emphasized that

> parties to the conflict would first have to agree on the basis of a settlement and terms of reference for such a force for Canada to accept participation in peacekeeping.

Both the hon. member for Saint-Hyacinthe (Mr. Wagner) and the hon. member for Greenwood (Mr. Brewin) stressed that our participation could only be undertaken with the consent of the immediate parties involved, and I have dwelt on our efforts to ensure this. I would add that the consent of the parties must be not only to accept the members of the peacekeeping force but also to facilitate its work by complying with the resolution which gave it birth. By their compliance with the Security Council resolutions, the parties will make our task worth while.

There is encouragement in the fact that for the first time in some 20 years Israeli and Egyptian generals have met and signed an agreement on some urgent problems of the ceasefire situation. The governments of Egypt and of Israel displayed wisdom in accepting these arrangements, and I am sure that I speak for all the House when I say that the United States Secretary of State, Mr. Kissinger, deserves high commendation for the effectiveness of his good offices.

Some hon. Members: Hear, hear!

Mr. Sharp: We can only hope that these immediate arrangements will lead to further discussions and further agreement.

As I have said, the framework for peace exists in the resolutions adopted by the Security Council. The problem in our view has never been so much one of interpretation as of implementation of these resolutions. I further indicated in the House last week, in reply to a question, that in our view such provisions of Resolution 242—which we can read in either English or French since we are a bilingual country—as those calling for the withdrawal of Israeli forces from occupied territories and the establishment of secure and recognized boundaries for all states in the region, had to be taken together. Naturally, such matters as the drawing of boundaries may prove to be a long task, but is it beyond imagination to devise means of starting the implementation of the various provisions simultaneously?

The so-called Rogers Plan in 1970 provided for partial implementation of Resolution 242, by a simultaneous reopening of the Suez Canal to navigation and a withdrawal by Israeli forces from the east bank of the canal. While that plan failed, the idea of balance is still a valid one. In fact, the whole basis of Resolution 242 is a balance of obligations and commitments. The problem of Palestinian refugees is one of the items in that balance. The resolution affirms the necessity "for achieving a just settlement of the refugee problem" and this problem should be at least broached simultaneously with the other matters I have mentioned. Canada has not forgotten these refugees. We are the third largest contributor to the United Nations agency which looks after their needs and we have just increased by $550,000 our contribution for the current year.

The main thing now is quickly to get around to negotiating "under appropriate auspices" as Security Council Resolution 338 has it. To us, it would seem that the United Nations offers appropriate auspices. Others have mentioned the great powers, or some of them. We would hope that they would exert their influence to stimulate the parties to begin negotiations. To the Canadian government, any auspices would seem appropriate that provide a means whereby talks can begin on the essential aspects of the problem.

For more than 25 years, the United Nations has played the role of mediator, peacekeeper and truce supervisor in the Middle East. We cannot yet be sure that peace is any closer now than in 1948, 1956 or 1967. Once more, the parties in conflict are calling upon the United Nations to step in and give them time, time that can be used to negotiate for peace or to prepare for war. The Canadian

government, in accepting to contribute its part to the UN peace effort, is not taking on this commitment in a spirit of blind optimism. We have had too long an experience in this field, the United Nations has had too long an experience in trying to find a peaceful settlement in the Middle East for anyone to be afflicted with that particular defect. We consider that we have a responsibility to the world community and to all the people of the Middle East to do what we can to give them another chance to achieve a peaceful settlement when the fighting has stopped. That is the purpose of UNEF, and the reason for our participating in it. In putting forward this resolution, therefore, I am asking the House to agree that Canada should do its international duty.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, a serious debate like this one has little use for the exclamations of some back-benchers who wish to turn it into a farce. We think—and I mention in particular the member for Lévis (Mr. Guay)—

Mr. Guay (Lévis): I rise on a question of privilege, Mr. Speaker.

If these remarks are considered frivolous, then I do not consider them to be more serious on TV because I have quoted the exact words said last week by the hon. member for Saint-Hyacinthe (Mr. Wagner), who called us the firemen of the world. I do not think that this expression is better chosen for him than it is for me.

Mr. Wagner: When I see that my friends on the opposite side start to protest and to shout, I surely hit the mark, and I can assure the House that it is only a beginning.

Mr. Speaker, to speak in a calmer tone than that of the hon. member for Lévis, who will surely find a way to intervene in the debate if his colleagues allow him, I wish to mention that we were particularly moved, from the very first words of the Secretary of State for External Affairs (Mr. Sharp), to hear the message he had just received, at the beginning of the debate, from the United Nations Secretary General. However, Mr. Speaker, I wish our legitimate interest in Canada were demonstrated not only at the opening of a debate aimed at getting the consensus of all parties on a resolution representing an unilateral decision of the government but also that this interest were demonstrated in many other ways and particularly during the debates before Canada was invited to contribute to the peace force.

Mr. Speaker, it is obvious that Parliament is once more—and it is becoming a habit—presented with a *fait accompli*. This House is invited not to give advice or contribute to a decision, but to approve a decision of the government. The present government has been unable to learn its lesson during the Viet Nam crisis. And if on October 30—as I recognize the quotation from my previous speech used by the Secretary of State for External Affairs (Mr. Sharp)—we have, based on the available data, accepted that Canada contribute to the peace effort in the Middle East.

Since November 1, the day when the Secretary of State for External Affairs made this House aware of new and apparently sudden problems concerning the Canadian contribution to the United Nations intervention in the Middle East, since that day we have been waiting for a debate that would have allowed Parliament to go beyond what we were asking of the Secretary of State for External Affairs on October 30 and like on March 13, 1964 during the Cyprus conflict under the Right Hon. Lester B. Pearson, and to participate in the decision before troops are sent on the scene of the cease-fire. But once again, we are sorry to see that the government did not wish it to be so and if we rejoiced last Sunday upon hearing about the agreement concluded between Israel and the UAR, we deplored—and still do—the government's attitude regarding the rights and prerogatives of a minority Parliament.

Mr. Speaker, let it be clear that we are in favour of a just, strong and permanent settlement in the Middle East. Neither do we refuse any more than any other Canadian the sacrifices which must be made in pursuing this ideal of peace and whatever form our contribution takes, we want it to be accomplished with generosity and we know that it will be so. However, in expressing our support for the peace-seeking efforts of the Secretary of State for External Affairs, we must none the less play the role we have as the Official Opposition in Parliament.

● (1600)

I am sure that not a single field of government activity should escape Parliament's criticism, not even that majestic and noble field which is the Department of External Affairs. And that is why, Mr. Speaker, it is our intention today to say clearly to the government what we think of its behaviour during these last weeks and it is our intention to go beyond the narrow setting of an incident to question the government and heckle it, if need be, so that it will give us a definition of an overall policy as concerns Canada's participation in those peace missions.

We have absolutely no doubt as to the experience, efficiency, motivation or fair-mindedness of our Canadian troops among the international peace contingents, but we seriously question—and we make no bones about it—the methods used by this government, its approach in its participation to emergency forces here and there in the world.

After the 1967 eviction in the Middle East and the rather sad experience in 1973 in Viet Nam, it is only legitimate and wise, considering the eagerness and unilateralism of this government, to urge it, as we wish to do, to define its course in that field.

[*English*]

The resolution, Mr. Speaker, which the House is called upon today to approve has both obvious and implicit elements which evoke, I am sure, varying reactions from all members of this House. The suggestion that Canada should respond to a call from the United Nations, and do so in both an energetic and efficient manner, when what is at stake may be the shaky calm which is necessary as a prerequisite to serious negotiations between the Arabs and Israelis, is surely something that few Canadians would care to oppose. The suggestion that the government has the legal right, or the legalistic right, to make a

commitment and then seek parliamentary approval, while objectionable in the context of this minority House, lacks neither precedent nor historical model.

However, Mr. Speaker, there is more to this resolution than meets the eye. For, whether parliamentarians like it or not, blanket approval of this resolution, without raising some clear and concise questions, will also imply approval of the way in which the minister proceeded, the role of the Soviet Union and Egypt in determining our role, and the entire thrust of the government's mad scurrying about to ensure that Canada would participate. Mr. Speaker, my colleagues and I are not prepared to give this government that sort of blank cheque.

● (1610)

Some hon. Members: Hear, hear!

Mr. Wagner: If, as most Canadians justifiably believe, we have a certain expertise in the area of peacekeeping, if, as history shows, our troops have been able on repeated occasions to remain cool, efficient and consistently competent in the most delicate and tense of situations, this quality and ability is something of immense value to the world. Its value stands on its own merit and record. Those in the community of nations who chose not to recognize it, for ideological or other reasons, pay tribute only to their own narrowmindedness and parochialism. But I do not believe, Mr. Speaker, and I doubt whether the minister truly believes, that the hard international currency of good will which our peacekeeping ability provides is served by artificially inflating that currency or tossing it about.

Frankly, Mr. Speaker, Canada should be prepared to serve when asked. Canada has no business begging to serve.

Mr. Sharp: Hear, hear!

Mr. Wagner: We have the responsibility of considering exactly what has happened to the tone and colour of our participation in the UN force over in the Middle East. Are we now there as the surrogate of western interests, necessitating the involvement, objectionable to many, of Polish troops in that effort? Are we truly an internationalized participant or are our forces and their expertise now being used purely as an element of balance? While no one doubts the importance of such a role, would the issue of balance have arisen if Canada had not insisted? Did the minister serve Canada, its international standing and the reputation of our peacekeeping operation, by dragging us through a process of inspection and approval on the part of the Soviets and the Egyptians?

Indeed, Mr. Speaker, I believe we have right to know exactly what the minister did when he was in New York. Was he responding to an invitation—or was he generating one? None can deny that the involvement of Canadians in the communications and logistics role will be a great boon to the efficiency and success of the UN operation in the Middle East. None can doubt that our men will perform with the same concern for excellence and professionalism as characterizes their general comportment and sense of duty. Those qualities are not in doubt here. The actions and motivations of the government are.

[Mr. Wagner.]

Mr. Speaker, one would have thought that the relative success of our military operations within the UN, as compared with those on the ICCS, would have indicated the perils of a situation wherein Canada becomes a counterweight as opposed to an internationalized participant. While we do, of course, appreciate that once a balance and counterbalance situation has been established we have a duty to see our commitments through, one would have thought that even this government would have been able to glean from the Viet Nam situation that such situations are to be avoided where possible. Present evidence indicates that they chose not only not to avoid it, but to seek it out.

Mr. Sharp: Not true!

Mr. Wagner: I could not but help get the impression when I saw the minister rushing down to New York that notwithstanding his protestations his vigour and panic were in the interest of saving a foreign policy in need of review and tightening up, rather than of more altruistic purposes. I could not help but feel that while the Canadian people could very easily have stood a refusal, or even the lack of an invitation just this once, the minister and the cabinet could not. I don't mind saying that the role of international fireman becomes just a little hackneyed when the fireman lets it be known he really wouldn't mind an invitation to the next or present fire, thank you very much.

While the direct implications of the motion limit the parliamentary options, my party takes the view that there is a responsibility on the government's part to initiate a fundamental review of the direction of our foreign policy and the nature of our international posture in years to come. If we are unacceptable to some, because of our alliances, then we have to decide with whom we choose to seek favour. If our record of international peacekeeping and UN participation is not acceptable to some, this should not imply that we allow our international role to be dictated by those who raise the objections. Surely, the many men and women who have given many hours, days and months in international peacekeeping service to this nation deserve more support and faith from the minister than that!

We are faced with a delicate calm in the Middle East, a calm that may, indeed, be the promise of more solid and long-lasting peace arrangements in years to come. It is clear that Canada, now involved in the operation over there, can or should do nothing to upset or even disturb that calm. The bind which men of good will find in opposing this resolution does not extend to our general lack of faith in the minister's general activities. A larger concern for peace in the Middle East only displaces our concern on that score for the time being.

● (1620)

My colleagues will support the resolution—

Mr. Guay (Lévis): Ha!

Mr. Wagner: —simply because . . . I hear a laugh from the member on the other side. He did not wait for the end of my sentence.

Mr. Guay (Lévis): I am still laughing.

Mr. Wagner: Members opposite jump to conclusions as usual, which is a very sad state of affairs. We will support this resolution simply because to do otherwise would contribute to disturbing the shaky Mid-East calm already established. However, on the principle of the future and appropriate role for our peacekeeping capacity, we are resolute in our refusal to accept any of the weird and extended flirtations of the minister in this situation as either noteworthy or notable precedent. For while this may be the way the minister chooses to operate, this is not the most appropriate fashion to best use and deploy our peacekeeping role within the realm of international politics.

Canada has progressed beyond the surrogate role, and has done so despite existing alliances and commitments to the west. Previous governments have been able to maintain that balance without threatening our international posture and reputation. This government has not. I know views are often expressed to the effect that, whatever a government's weaknesses and inefficiencies—and this government has plenty of those—the managing of external affairs and international relations can usually be kept outside partisan considerations. I regret to say, Mr. Speaker, that the minister's bungling indicates that, no matter how you look at it, the cancerous decay infecting this government's domestic incompetence is indeed spreading.

[*Translation*]

Happily, Mr. Speaker, we shall soon be able to give back to the country and to this government an image and prestige, on an international level,—

Mr. Guay (Lévis): Petty politics.

Mr. Wagner: —an image and prestige that it is now unfortunately losing because of what the hon. member for Lévis (Mr. Guay) calls the "petty politics" of the members of this government.

[*English*]

Mr. Doug Rowland (Selkirk): Mr. Speaker, perhaps it will come as no surprise if I announce at the beginning of my remarks that we in the New Democratic Party intend to support this motion. However, there are a few additional remarks I feel obliged to make before I take my seat.

I suppose I am fortunate in that on many occasions my sense of frustration at the procedures pursued in this august chamber is balanced by my sense of the ridiculous. Otherwise, the utter futility of many of the pseudo-events here would tip me into a suicidal depression. Here we are engaged in a debate to decide whether or not we should send troops to participate in a Mid-East peacekeeping force after the commitment to do so has been made and when a substantial portion of the troops involved is already on its way.

I realize that the minister had the right to assume, on the basis of statements made in this House by party spokesmen, that there was agreement in principle to undertaking the enterprise. I also realize that, once the difficulties at the United Nations had been sorted out, the government was in good faith obliged to react with all possible speed. I suppose I could take comfort in the fact that today's debate maintains the form if not the substance of the obligation, established by custom but obligation none the less, for the government to consult parliament before sending troops abroad on active service, but I do not.

Why could not this House have organized itself to respond more quickly to the situation? We could have discussed the matter Friday afternoon, Friday evening, Saturday, Monday or even yesterday. It would have put us out a bit, but then so are the men going over there and their families being put out a bit, to put it mildly. It is not my intention to sound holier than thou in saying this. I am part of this House and as responsible for its actions as anybody else. But all too often we react more like the denizens of some musty retired gentlemen's club than like people charged with looking after the interests of this nation.

I want to give vent to a bit more spleen on a more peripheral issue before I get down to cases. I think it is unfortunate in the extreme that circumstances conspired to oblige the minister, or to make him feel obliged, to dash off to New York and Washington and back again at a time when Canada's acceptability as a participant in the peacekeeping force was in question. I accept the minister's word that he was requested to do so by the Secretary General of the United Nations. I also accept his word that he was not preaching for a call. Further, I believe that the minister would have preferred to have expressed our willingness to participate and then allow the Security Council to accept or reject us. Instead, he did end up looking as though he was overly anxious to participate.

What forced our country into an undignified posture, I believe, was the childish attitude of the two superpowers who insisted upon injecting further elements of east-west confrontation into the Middle East situation, striking more sparks around what is generally acknowledged to be a powder keg. It is my understanding that the United States objected to the inclusion of a Warsaw pact nation in the force, while the Soviet Union insisted upon a "geographical", for which read "ideological", balance. I think it is about time that the two super-powers stopped playing their silly little games, allowing themselves the luxury of ego trips, and began soberly discharging their responsibilities to the world which their power has imposed upon them.

Their latest little game has succeeded in confirming the opinion of all who were inclined to think that Canada is the American's cat's paw that we are just that. I can support such a minor blow to my pride, but it does not endear either the Soviet Union or the United States to me. But that is a minor consideration and one which can be forgiven. Nevertheless, I think it is important to note that the squabbling and nattering that accompanied the creation of the force should provide solid evidence to those nations that believe in the settlement of disputes through negotiation and through the application of such law as applies, rather than through the use of *force majeure*, that new efforts should be made immediately to create a standing United Nations force which is provided for in the charter.

To return to the role of the superpowers, I was saying that I could forgive them the fact that they, through their little games, had caused my country some not inconsiderable embarrassment. But what cannot be forgiven is the

two superpowers' total lack of responsibility in their approach to the Middle East following the six day war of 1967. Rather than urging their client states to begin the negotiations which were called for in resolution 242, rather than attempting to clear away some of the considerations which prevented negotiations, they encouraged their respective friends in their intransigence. One could not fault either of the two had they tried and failed. The problem is so complex as to seem to defy solution. But they did not try. On the contrary, they supplied arms to the two sides at an ever-increasing rate, and in so doing made the current outbreak of fighting almost inevitable.

● (1630)

Not only that, during the fighting they engaged in posturing and provocation which ended with the United States going to a Stage 3 alert, an alert which places the nuclear forces of its Strategic Air Command at an advanced state of readiness. Now, that is madness. They should be told so in no uncertain terms and reminded of their responsibility to attempt to secure a lasting peace from this truce, shaky as it is. I do not know how much good such representations would do because neither of the two nations shows much disposition to listen to all we lesser mortals when they have the bit in their teeth, but it is our world too and most of us would like to go on living in it. It is that face which makes my party believe Canada has no choice but to accept the invitation to participate in the peacekeeping force, however uncertain its prospects for success may appear to be, and I am pleased to note that the recent exchanges between Egypt and Israel provide a small ray of hope in an otherwise gloomy picture.

The Middle East situation has within it the potential to be to a third world conflict what the Balkans were to the first. That is not a prediction, Mr. Speaker. I am not that pessimistic, but it is, I think, an acknowledgement of the facts. If our presence, and, that of the other nations involved in UNEF, provides even the slightest prospect for an improvement in the situation then it is in the interest of the world and in our own self-interest that we go. It is also our responsibility because we are part of the world community which gave birth to the current situation, and as such we have an obligation to do what we can to assist in the resolution of the problem.

I would hope that the respite from major fighting which the presence of the peacekeeping force may provide will be utilized by all participants in the dispute, and their not so silent partners, to seek ways and means of effectively pursuing the instructions of the Security Council resolution of October 22. I think the world community must seize the same opportunity to acquaint the belligerents and their allies that the situation cannot be allowed to go on festering, that the dangers to world peace are too great to allow it to do so and that any party to the dispute which seems to be devoting less than 100 per cent effort to achieving a solution will be extremely unpopular, indeed. Too much is at stake.

I am not unaware of the difficulties involved in unravelling the Gordion knot that is Middle East politics. I am not unaware of the emotions, the fears, the hatreds and the sense of resolve of all those engaged. It is very easy for me here in Canada to stand in my place and yell: "Do something", but it still needs to be said. It is our world too, as I said before. It is our world, but at this moment it is their blood, and I know I speak for everyone here when I express, with all the sincerity I can muster, my sympathy for those who have lost loved ones and to those who have been wounded, and when I express also the hope that this time all will find peace and justice and security: The two million Palestinian refugees who have been denied their homeland, the Israelis who have, after 2,000 years of hope, rebuilt their national state and now must constantly guard against its loss, the Egyptians, the Jordanians and the Syrians who suffer the indignity of seeing foreign troops on their soil.

Like other parties in this House, my party has no pat formula to offer for the resolution of the conflict. I can only say on behalf of my colleagues that we stand ready to support the government on any reasonable steps it takes to discharge Canada's responsibilities as a member of the world community in respect of the Middle East.

In relation to the actual contribution we are making to the peacekeeping force, I would like to suggest to the Minister of National Defence (Mr. Richardson), who I understand will be speaking later, that it would be of interest to all of us to learn precisely what numbers are being attached to UNEF, what units they represent, what precise roles they will be fulfilling and what major equipment they will employ. We would also be interested to know if any significant numbers of troops have been withdrawn from our NATO brigade or from our own contingent in Cyprus in order to fulfill our commitments. I have some fear that the effectiveness of our forces remaining in Canada and elsewhere in the world might be compromised because our armed forces are now spread so thin, and so many of those sent to UNEF will of necessity be technical support troops of which we do not have a surplus. That remark was not made by way of suggesting we should not have accepted a role in UNEF but by way of suggesting that the Minister of Defence had better soon undertake an examination of the composition of our forces, and the number of roles assigned to them, in order to decide whether or not the two are compatible.

I think at this point it would be appropriate to say a special word of thanks to our troops in Cyprus, who are currently stretched extremely thin and working exceptionally long hours in order to fill in for the troops of other nations which have been transferred from Cyprus to Egypt. They are doing Canada proud. I hope the minister is concerning himself about arranging for the force to be brought back up to strength.

To our troops now in the Middle East, those now on their way and those soon to be sent, we in the New Democratic Party have every confidence that they will acquit themselves with their customary excellence, in a manner which will bring honour to their country.

In conclusion, Mr. Speaker, I want to emphasize that it is the view of my party that the government has acted entirely correctly in accepting the invitation of the Secretary General of the United Nations to contribute a contingent to UNEF. This responsibility which Canada has undertaken is not, as some would have us believe, a romantic gesture of nobility. It is a sober contribution to a desperate attempt to put an end to the fighting in the Middle East and toward world peace. It is an important

contribution in an attempt to build up an accepted mechanism for dealing with armed conflict. It is an acceptance of our responsibilities as a member of the world community and a concrete expression of our commitment to the concept of collective security under the UN. Our self-interest, if nothing else, dictates that we take every opportunity proffered which has some prospect of strengthening the UN.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, last Sunday all Canada celebrated Armistice Day, the anniversary of the signature of the treaty which put an end to the Second World War.

Everyone celebrates Armistice Day. It is a civic holiday, but as soon as it is over, we come back to the House of Commons to talk about another conflict which could even turn into another world war since the United Nations are concerned with it, as are the United States and the USSR in one way or another.

Being a pacific country in North America, Canada must also concern itself with this conflict, either by siding with one of the parties concerned or by remaining neutral as a peacemaking agent.

In fact, a contingent of Canadian soldiers is already in the field; they act as observers and members of the UN forces. We have reached a point where all countries of the world, in addition to administering their own internal affairs, have to complicate their parliamentary and governmental proceedings with the Middle East crisis which seems to us to be the focal point of the attention of every country in the world, in that small countries with only three or four million people put in action the economic and military super powers of the whole world.

In 1948, the United Nations provided a measure of stability to this area by providing Israel with fixed borders, thereby giving rise to the Palestinian refugee problem. These refugees, who then numbered about 1,500,000 sought asylum in the small neighbouring Arab countries. Some of them have dug roots there and started a new life, but a great many are still looking for employment and a suitable occupation. Abandoned, without any sort of known organization or leadership, they are faced with continuing discontent among all these displaced persons, the innocent victims of decisions aimed at giving a land to a people who have been wandering for over 2,000 years and trying to settle in all countries of the world, unable on its own to organize itself.

● (1640)

If Israel now has a population of about three million, mainly thanks to the "importation" of money and citizens from many countries of the world, and following the donation or occupation of territories with the support of Great Britain and of the United Nations, we should not forget that the former residents of those territories, mostly Arabs, have had to leave their dwellings either on their own free will or because they were driven out by new occupants. They were expatriated and dissiminated near the borders either in Jordan, in Lebanon, in Syria or in the UAR. Those who have been able to adapt are living fairly well but almost 500,000 are still in refuge camps at the mercy of the charity of the United Nations, of the Arab countries or of other nations.

Most of those refugees are people who were too old to start all over again after such a displacement. The same inconveniences may be found in those mass displacements in the case of forced expropriation in our own country when it comes to expropriate thousands of farmers and other citizens conveniently settled on their lands or in their village; the oldest are those who find it most difficult to start again from scratch.

Obviously those refugees living in the Arab countries or in the neighbourhood of Israel are frustrated and are a source of discord but this indicates at least that Israel should be satisfied with the 1948 boundaries and not repeatedly seek to expand its territory which was not freely given by the natives but forcefully granted by agreements concluded by foreign nations, major countries or the United Nations. Those 500,000 Palestinian refugees alone are a hard problem to settle in the midst of a climate of discord.

It is therefore important that Israel be content with the boundaries granted willingly or not in 1948, leave the neighbouring countries at peace and refrain from any attempt at enlarging their territory so that Arab states not be tempted to push Israelis behind boundaries established in 1948.

In 1967, international diplomacy tried to resolve this problem by introducing Security Council Resolution No. 242 which called for the withdrawal of Israel forces back to their boundaries as established in 1948.

In 1967, the famous Six Day war broke out, the Israelis tried to enlarge their territory at the expense of neighbour Arab countries, a territory that had been occupied by Arabs for more than 2,000 years. As years go by, through diplomatic exchanges or takeovers by mere movements of people, utter confusion still shrouds the boundaries of these small countries where one can see Egypt reach friendly agreements with the USSR or Israel with the United States.

And now these two super powers, at the same time as the United Nations, are trying to effect a settlement between small countries that are unable to reconcile their differences themselves. Therefore, this is a tiny nest of dissent right in the middle of Asia, Africa and Europe that threatens to involve the United States and the Soviet Union. Eventually, this small piece of land, where only about 15 million people are living, might give rise to world war III.

It is really surprising that the situation has come to that point. How come these small countries are strong enough to involve all the great powers of the world? This is a mystery that is difficult to explain. But we find ourselves in this really important situation, and we can no longer close our eyes to it. We have seen quite recently Mr. Kissinger propose that an Israeli-Arab peace conference be held around December 9 or 10 in Geneva, but he stated that even though "peace negotiations are positive, a very serious problem will continue to exist, in particular for Israel, as regards the maintenance of its own security."

Mr. Kissinger explained that it is always difficult to determine the boundaries of these countries, for they differ from those established at the time of the truce. And he added: "What we must avoid above all is that each and every crisis should become a conflict between super-powers."

Things being what they are, Mr. Speaker, what can Canada do? I think we should participate in the activities of the United Nations, like we already do, and participate in the peacekeeping force and co-operate with such benevolent groups as the Red Cross and help the wounded and the prisoners; we should try to bring about peace and understanding between all parties through peace negotiation, a task we have to accomplish as part of the world community and of the United Nations.

Canada's participation in the peacekeeping force of the United Nations should not aim only at fruitful negotiations between belligerents. It must always strive toward the establishment of lasting peace in Middle East and in all the other parts of the world.

May I add that the basic causes of this endless war between Israel and Arab countries goes back to the formation of the state of Israel in 1948; as it is hardly conceivable that the United Nations contingent will be able to settle this conflict now, after 25 years of struggles, discussions, hate and cultivated ambitions, let us hope that we will at least have contributed to dampen violence until better feelings and intelligent arguments make their pacific work in the settlement of this conflict, which could so easily degenerate into a world conflict.

If the countries concerned cannot reach an agreement it is obvious that Canada cannot claim to act under authority. The UN Security Council is the only one that can serve as an impartial referee with some apparent international authority in the present circumstances. All indications allow us to hope that the United Nations will have before too long a military force capable of ensuring peace across the world in the absence of mere persuasion or balance between the armed forces of different countries.

But there is still a long way to go before we reach that objective and that distance must be crossed not only at the international level but also and specially at the level of citizens and families in every country of the world where they must learn to live with all their neighbours as brothers, friends, human beings.

I would like to say in passing, Mr. Speaker, that it is equally regrettable that we are always faced with faits accomplis when we discuss situations as complex as this one.

I would then ask the government to consult all members of the opposition from now on rather than taking on its own decisions that could have so important consequences.

● (1650)

[*English*]

Hon. James Richardson (Minister of National Defence): Mr. Speaker, as the minister responsible for the Canadian armed forces, I welcome this opportunity to participate in the discussion of the resolution that is before the House. At the outset, I wish to confirm and, in fact, to emphasize my personal conviction that the government's decision to accept the invitation of the United Nations to participate in a newly formed peacekeeping endeavour in the Middle East is a decision that is consistent with our belief as Canadians in doing all we can to help to bring about peace in the world. It is a decision that is consistent with our history and with our commitment to accept the role of international peacekeeping under the United Nations.

In speaking to the resolution, I would like to divide what I have to say into two parts. I would like to speak about what we are going to do and about why we should do it. In the first part, in speaking in detail about what we are going to do, I hope I may be answering at least in part the questions raised by the hon. member for Selkirk (Mr. Rowland), and when I speak about why we should be there, I hope I will answer the central question raised this afternoon by the hon. member for Saint-Hyacinthe (Mr. Wagner).

I would like to begin by emphasizing that in my belief what the Canadian armed forces have been asked to do is to undertake a most vital role, to play a most essential part, in the United Nations Emergency Force. I am certain that all of us realize that no military operation of any kind can be effective without good communications. In fact, no military operation of any kind can even begin to function without being linked by good communications in the field. As I stated in the House last week, all of us, even if we are not military people, should know that much about a military mission.

Therefore, I hope that in this continuing discussion of the resolution we will not hear more about the insignificance or about the unimportance of the role that Canada has been asked to play, because exactly the opposite is the case. It is because of their experience, because of their capability, and because of their training that the Canadian forces have been asked by the United Nations to undertake these important duties—

Some hon. Members: Hear, hear!

Mr. Richardson: —of providing a communications system for the whole emergency force, a force that is expected to number some 7,000 officers and men.

To meet this United Nations request, we are building a contingent around the 1st Canadian Signals Regiment. Also, as my colleague, the Secretary of State for External Affairs (Mr. Sharp), said earlier in the debate, we are still discussing with the United Nations the possibility of sending additional personnel to carry out other duties in the support and logistics field, including the possible provision of a small air transport unit. But I wish now to speak specifically about what we have so far agreed to do, and to answer specifically the questions raised by the hon. member for Selkirk.

The 1st Canadian Signals Regiment, which is stationed in Kingston, will be augmented by administrative personnel and other experienced communications personnel from many of our units across Canada. Altogether, the Canadian Signals Unit and its administrative support personnel, will number 481 officers and men. There will, in fact, be 46 officers and 435 other personnel.

Our signals unit will, of course, take its own communications equipment to the Middle East. Most of this equipment, which consists of radios, telephone equipment and a teletype capability, is mobile and is regularly installed and carried inside communications vehicles. For this reason, more than 100 Canadian vehicles will be transported to the Middle East. These are made up approximately of 30 jeeps, 44 three-quarter ton trucks and 32 two and a half ton trucks, most of them, as I have said, containing communications equipment. In addition, there will be some 40 trailers of which 16 are jeep trailers, 17 are three-quarter ton trailers, and 7 are one and a half ton trailers. We are also taking 4 fork lift trucks and one large tow truck.

In addition to this somewhat sophisticated and extremely useful communications equipment, we will be taking other supplies that will enable the Canadian contingent to be totally self sufficient for at least the first 30 days of their stay in the Middle East. To achieve this self-sufficiency in the field, our personnel are taking 30 days rations, field kitchens, a central cooking unit and water purification equipment. They will also have enough tents to enable the whole contingent to live and work under canvas. They will also have with them their own electrical generating units and batteries. Altogether we will be moving some 200 tons of equipment, and that is not including the vehicles.

Our personnel, together with the various items of equipment and supplies that I have just enumerated, will be transported to the Middle East by aircraft from Canada's Air Transport Command. Most of the personnel will be carried in our Boeing 707 aircraft and most of the equipment will be moved in Hercules aircraft. For this airlift we will be using two Boeing 707's and 15 C-130 Hercules aircraft. During the first 10 days we plan in total seven round trips for the Boeings and 41 round trips for the Hercules fleet. The flying time for a Boeing from Trenton to Cairo is 12 hours—that is flying time, not total elapsed time—and 18 hours for a Hercules. Our first flights began on Saturday, November 10 and we expect to have the Canadian contingent in place and operating next Monday, the 19th of this month.

Having outlined in some detail what the Canadian forces are going to do, I now wish to say why I believe the Canadian forces must undertake this important responsibility. In saying why we should participate in this peacekeeping endeavour I will try to answer directly a central question that was placed before this House just a short while ago by the hon. member for Saint Hyacinthe (Mr. Wagner). The reason we must answer this call is to me compelling and obvious. We are today sending troops to the Middle East for no less a reason than that under United Nations guidance, in the search for a peaceful world, mankind is in fact struggling to enter a new era.

● (1700)

We all know that throughout recorded history men in uniform have left their homelands for only one purpose. That purpose was to fight. But for the past two decades, and really since the United Nations peacekeeping force went to the Middle East in 1956, a new and nobler role for men in military uniform has been slowly, and painfully, but surely taking shape. Men in uniform now leave their homelands not to fight but to prevent fighting. The fact that peacekeeping operations under the United Nations have not been successful everywhere takes nothing away from the nobility of the peacekeeping concept. We realize that it may take 100 years, 200 years, or longer until the peacekeeping forces of the world outnumber the potentially aggressive military forces of the world. But however long it takes, the peacekeeping concept in which Canada has given leadership, and on which Canadians are embarked again today, provides the best, ultimate hope for mankind, the best prospect for finally achieving peace throughout the world.

Because we are only at the dawn of a new era we should not be discouraged by the failures of peacekeeping. We should be grateful for the examples, such as Cyprus, where the peacekeeping concept has worked. Above all, we should keep our sights on the long-term hope for mankind that peacekeeping makes possible.

Now, Mr. Speaker, apart from what some may consider these idealistic reasons for Canada's participation in a peacekeeping role under the United Nations, there is a much more practical reason why we should participate. That reason, simply stated, is that because of the experience and the training of our men we are extremely well qualified to do the job. This afternoon I was pleased to hear from all sides of the House confirmation of the capability of the Canadian Armed Forces in this respect. Perhaps some hon. members may not realize that starting with the Chief of the Defence Staff, General Dextraze, many of the officers who are today planning Canada's participation in the Middle East have themselves taken part in peacekeeping operations around the world, including the Middle East itself.

Some 29 years ago General Dextraze, as a Lieutenant-Colonel, served under the United Nations in Korea. Ten years ago, as a Brigadier General, he was the first Canadian officer named as Chief of Staff of all the United Nations peacekeeping forces in the Congo. In this respect I am certain that the House will also be interested to know, and in fact be re-assured to know, that the officer we have selected to command the Canadian contingent in this most recent peacekeeping endeavour, Brigadier General Nicholson, was himself, as a major, stationed in the Sinai Peninsula 17 years ago in 1956.

I mention only these two officers by name to indicate in part the depth of our experience, but hundreds, and in fact thousands, of personnel in the Canadian Armed Forces have taken part in peacekeeping operations around the world. And now, Mr. Speaker, once again personnel from the Canadian Armed Forces are leaving Canada, not to fight but to prevent fighting. They are leaving for the Middle East, taking with them their experience and their dedication. They go in peace. Above all, they go with our best hopes for the success of their mission, a mission that is bound to be unforgettable and meaningful to each one of them as an individual, a mission that I believe is of importance to Canada, and a mission that can be of lasting significance to the achievement of peace in the world.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, none of us need to be convinced by the minister of the contributions that Canadians can make in a peacekeeping corps. That, however, is not the issue that we face. As I listened to him I sent out for the latest issue of

"International Perspective," published by External Affairs, the September/October issue. I would suggest that with the strong feelings he has on the subject he should start to convince not us but those who write for the magazine issued by him.

Let me just read a few items. It says:

> ... even if a West-East accord on the operational aspects of ... peacekeeping could be hammered out, there would still be another obstacle to overcome, one that has newly arisen with the entry into the United Nations of the People's Republic of China. It might have been foreseen. That Peking has shown itself indifferent toward, if not hostile to, peacekeeping by the United Nations should certainly have caused no surprise.

Then it says:

> It has been said that "UN peacekeeping is dead."

I repeat that this is issued by the minister's own department, under that department's signature.

> This may be too pessimistic an outlook. In human affairs, there can be no absolute assessments. Still, it would perhaps be fair to say that paralysis has set in for UN peacekeeping and that, to save it, a heroic cure would have to be found.

That is what it says.

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

Mr. Diefenbaker: Mr. Speaker, I did not interrupt the hon. gentleman. He can have his say afterwards.

Mr. Sharp: May I rise on a point of order, Mr. Speaker?

Mr. Diefenbaker: There cannot be any point of order raised at this time. This is simply the old game, when any matter such as this is raised as a subject of debate.

The Acting Speaker (Mr. Laniel): I am sure the right hon. member will appreciate the fact that the minister can raise a point of order.

Mr. Sharp: Mr. Speaker, I hesitate to interrupt the right hon. gentleman, but I do so merely for the purpose of clarifying something. The magazine "International Perspectives" contains contributions from many writers. I wonder if he could say whom he is quoting. That is all I want to know.

Mr. Diefenbaker: I am surprised the minister does not know. I am always prepared to give information when it is needed, and certainly there is no department that needs it more that the Department of External Affairs under the hon. gentleman. This is an article, "International Peacekeeping: Does It have Any Future?" by John Gellner.

Mr. Sharp: Oh, I see. That is fine.

Mr. Diefenbaker: Sufficient unto the day is the evil thereof. He is one of those who have always been regarded as being in the closest relationship with the Department of External Affairs.

● (1710)

Having said that, there is no need to try to convince me of the benefits of peacekeeping. I do not know whether there is any other member of the House who was in the United Nations Assembly when the United Nations was set up in San Francisco in 1945. I was there in a humble capacity as adviser on External Affairs to the Conservative representative on the Canadian delegation, the late Gordon Graydon, M.P. I saw there the assembled countries of the free world dedicated, all of them, to the determination that there should never again be war. Molotov was there, but he did not share that view. Out of the United Nations discussions came the determination to set up an international force, representative not only of the small powers but also the greater powers. It did not work out that way. The great powers refused or neglected to give any support to an international peacekeeping force which had been the dream of all political scientists and international lawyers from the days of Grotius down to the present.

When I spoke in this House in November 1945, I said I believed that out of the United Nations would come a new dedication to peace on the part of all mankind. I pointed out that there were only two species in all of God's creation that made war; one was man and the other was the ant. However, a revised version was produced by the Prime Minister (Mr. Trudeau) when he was in China recently. He apparently was not able to read his notes because he spoke at length to Mao, that military expert, about the two species— man and rats. That was his contribution to Mao on the subject of military determination and military action.

In 1956, I raised in this House the question of having a peacekeeping force in the Middle East. The same difficulty was developing then as has developed recently when the U.S.S.R.—which will be visited in the next few days by the Secretary of State for External Affairs (Mr. Sharp)—set out to cause trouble and bring about war in the Middle East. They are still doing it. I raised the question that we should endeavour to set up, within the aegis of the United Nations, a peacekeeping force. That was on the last day of January, 1956. In answering me, the late Mr. Pearson said he felt that would be impossible as there were no territorial limitations or boundaries that could be policed. The situation today is almost identical with that to which he referred.

Lest anyone has the idea I am not referring to a suggestion that I made I am going to refer the House to a *Hansard* for 1956-1957 at page 57 and 58. At that time Mr. Pearson was secretary of state for external affairs and the exchange between us went, in part, as follows when he said:

> Then on January 31, 1956, the hon. member for Prince Albert (Mr. Diefenbaker) brought up in this House the question of an international police force and it was a very pertinent question.
>
> MR. DIEFENBAKER: Just for the Israeli-Arab situation.
>
> MR. PEARSON: Yes, he was limiting the value of this force at this time to a particular situation on the Israeli-Egyptian border.

A little later he said that he had met with various representatives of the United Nations. The Hon. Earl Rowe interrupted him with a question.

> MR. ROWE: Mr. Speaker, would the minister permit a question?
>
> MR. PEARSON: Yes.
>
> MR. ROWE: In view of the fact, as our representative, did the minister not bring it before the United Nations for consideration?
>
> MR. PEARSON: That is just what I was coming to, Mr. Speaker. I have been looking up the record in the last day or two in order to see what we had been able to do in this matter. We did follow it up.

I made the suggestion, Mr. Speaker. At that time, there was an exchange of views but parliament was not as uncertain then as is the parliament of today. I say that we face one of the most serious threats to peace that has been faced since 1945 and yet how many members are in this House, how many members of cabinet—four! The Prime Minister is absent at a time when parliament is being asked to support the action decided upon by the government, as was its responsibility. However, even before parliament makes a decision, some forces are abroad. The remainder of the force will complete their journey to the Middle East on Monday next.

Mr. Pearson continued as follows:

We followed it up with the governments most particularly concerned, namely the Israel government, the British government, the French government and the United States government and with the Secretary General of the United Nations and again with General Burns, the truce commissioner.

MR. DIEFENBAKER: What date was that?

MR. PEARSON: This began in February and went on for the next two or three months.

Finally, he said there could be no arrangement arrived at because there was no agreement in this regard. Again, he most fairly dealt with the same situation when he spoke in the House in November, 1956, but I am not going to place that on the record now. There is no necessity to prove to this party the need for a peacekeeping force, Mr. Speaker, because the original presentation was made by a member of this party in the month of January, 1956 and culminated in Mr. Pearson bringing before the United Nations in the month of August, 1956 the general plan that had been worked out for the setting up of a peacekeeping force.

I wonder how it is, Mr. Speaker, that we find, as a result of the activities of the government in the last few weeks, the Canadian people on bended knee, through their representative, the Secretary of State for External Affairs, asking to be permitted to become a member of the peacekeeping force in view of the unusual success, to which the minister referred, that Canada had attained internationally over the years. He did not mention that, while my government was in office, we sent forces to the Congo or that undue haste, without the necessary consideration of the facts in advance, will bring about expense for the Canadian people, such as has been incurred in Cyprus.

● (1720)

When we first went to Cyprus it was said that our force would need to remain there for three months, and it was possible that there might be some extension. We have been there not three months but nine years. And who has been paying the piper? It has not been the United Nations. Canada is the only nation which has picked up the bill. No wonder Canada is allowed to maintain her forces there. The taxpayers of Canada have paid $22 million for a duty which was the responsibility of the United Nations. The costs should have been borne not only by Canada but by all the nations making up the United Nations. They did not do this. France and the U.S.S.R. are not paying their share and Canada, because it pays the bill, is able to keep its forces on Cyprus. That shows that you must approach these problems with great care and attention.

What about Viet Nam? Were we not over with the Poles and with the Indian representatives? I went over there to see the situation for myself. Never, ever, anywhere was there a Canadian Forces group as emasculated as that group which went there for the purpose of looking after the peace. Why were they emasculated? The Poles, no matter what Canada decided and endeavoured to advance, said, "No." Now, in 1973 the United Nations, as a result of our pressing and our saying, "Please take us," has finally decided, "We will take you, provided the Poles participate as well." I do not understand that. Apparently, the U.S.S.R. once more is using a country under its domination in order to cause difficulty in the possible settlement of the frightful problems facing the Middle East.

Speaking of the Polish, let me refer to a telegram which the Secretary of State for External Affairs (Mr. Sharp) received within the last couple of days from the National Polish Congress of Canada. To what are they objecting? It reads:

The Congress deplores the fact that Poles were used because it is very much against the interest of Poles. This is a typical example of the use of small nations by super powers. We hope public influence will prevent other such occurrences. Some of the pilots who flew for Egypt flew for the Communist side in North Vietnam.

The government cannot say that it has no information in this regard, because the Polish Congress communicated with the government. The telegram continues:

As an explanation as to wy Polish pilots did not refuse to go: Many officers refused to participate in the invasion of Czechoslovakia in 1968 and a special prison was set up in the city of Torun. The prison was overflowing with service men who refused to participate in the invasion. These men were finished, thrown out of the army. At the risk of completely breaking their lives and careers they could not refuse.

The hon. member for Saint-Hyacinthe (Mr. Wagner) had that information. He brought it before the House last week in the form of a question. No answer was given then, and no answer has been given so far.

Further, I have in my hand a copy of a telegram which was sent to the hon. member for Saint-Hyacinthe by the Canadian Polish Congress. He did not present this himself. It reads:

We were pleased to learn that you have recently raised in Parliament recent newspaper reports alleging the use of Polish pilots in the Middle East. These reports have given us deep concern and dismay. The blatant use of Polish airmen against their will and against the best interests of the Polish nation which has no interests in the Arab-Israeli conflict but save indeed a deep desire for world peace, serves only to expose the role of the USSR in furthering its imperialist policies at the expense of its captive satelites. As Canadians we protest this abuse of captive peoples by the super powers to further their political ends. We urge that this matter be further investigated by the Canadian government . . .

The hon. member for Saint-Hyacinthe raised the matter alluded to on November 8. An answer has not been provided so far. Further particulars about the matter were given in the Toronto *Sun* of November 8, 1973, in an article written by Mr. Lubor Zink. I do not always agree with him. Let me say this about him, however: he has one of the most magnificent war records of any person here who is either a member of this House or in the press gallery. In his article he points out this fact: there has not been any answer on this subject because the U.S.S.R., in trying to press forward its aims and bring about what it has sought

to achieve by its machinations for the last 75 years, would use Polish airmen in whatever numbers were available for the Egyptian forces. I mentioned the lack of interest displayed by this House in this subject. I have spoken in the House on many occasions over the years. I was here in the darkest days of war, and today I am greatly concerned over the situation in the Middle East.

In 1956, the U.S.S.R. was in the background, trying to gain control of the oil resources of the Middle East. They are there today. Some years ago, when I was Colonel Nasser's guest, every consideration was shown to me. I went to the Aswan Dam while it was under construction. It was a hot day; I stayed in the air conditioned car while my wife went to the complex. I noticed a number of people who looked as if they were Slavic. Two days before then Colonel Nasser had told me, "There are only 200 Russians in my country." I asked the governor at the site how many Russians there were in the country: he replied, "There are about 2,000". I asked him the composition of this number, and he said that there were so many engineers, so many technicians, and so many others. Next morning he called me and said, "I made a mistake; there are just 200." Everywhere there was the domination of the U.S.S.R. over Egypt.

Where are we today? The Middle East war, launched without notice on the holiest day in the Jewish calendar, Yom Kippur, is viewed with deep fears by many people. That outbreak of war, it is thought, possibly will envelope other nations, and eventually a large portion of the world. There is an armistice today, a ceasefire. It is not a very certain one. Already, in the last 24 hours, disturbing events have taken place. Soldiers participating in the work of the peacekeeping force have been interfered with, not by guns, but physically. There is a powder keg there, the danger of which affects every one of us. The U.S.S.R. has dreamed for generations, from the days of Disraeli and Gladstone, of building a hegemony over the Middle East.

● (1730)

How serious is the situation? While the U.S.S.R. says it believes in peace, it has in the last three years increased its army by one million men to 3,200,000, suggesting at the same time that the NATO nations should reduce their forces. And what about the navy? The largest navy in the world today is the navy of the Soviet Union. And where is it? It has travelled through the Black Sea, through the Dardanelles. The world's largest navy is in the Mediterranean. What is it doing there? Why are Soviet ships going back and forth as they have been doing in the last two or three weeks?

The Winnipeg *Free Press*—that is a paper which the minister reads with the care all of us do; and he has a personal interest, also—says, and it has not been denied, because Brigadier Malone is one of those people who do not allow statements to be made when they are without foundation—

> Soviet forces are now fully established in Egypt with at least one brigade of Soviet airborne troops barring the way to Cairo and another Soviet brigade barring the road to Damascus.

The minister is going to the U.S.S.R. tomorrow, and I wish him all the best. It would be interesting to get their explanation as to the reason they have two airborne regi-

ments in a war in which they say they have no interest. In addition, in the last few weeks, between October 1 and the end of October, 215,000 tons of war material was shipped down the Black Sea into the Middle East area. Furthermore, it is unheard of for tanks to be driven aboard ships with their fuels tanks and ammunition chambers ready filled. Yet this has taken place at the South Russian port of Nikolayev.

Mr. Speaker, too many people in our nation and in the western world, anxious for peace, are permitting themselves to be lulled today by a detente which we practice but which the U.S.S.R. does not practice. I remember Sir Anthony Eden, one of the greatest statesmen Britain produced. When one looks back to 1956, one begins to wonder about the action of, the United States in holding him back. Had he been successful, along with the French and Jewish troops, many of the events which are occurring today would not have taken place.

It has been a terrible war for the Jewish people. It has been a terrible war for the Arabs, too, but their population is almost 20 times that of Israel which means that sooner or later, unless peace is attained, attrition will destroy Israel. All she asks is that she be recognised as a nation. But for the last several years, from 1948 on, the Arab nations have refused. I endeavoured to discuss this matter with Colonel Nasser. He looked at me as if to say: Where is Israel? The attitude of the Arabs is this: if you don't mention a thing, it is not there. They never mentioned it, not one of them, though they knew full well I was going to Israel immediately afterward.

The latest figures released in connection with the 17-day war indicate that some 1,800 of those killed were in the Israeli army. Let me give hon. members an idea of what that means in terms of population. It would mean that 16,000 Canadians were killed. It would mean 108,000 men as far as the United States is concerned. That is how serious the position is. I suggest to the minister that when he gets over there to Moscow, instead of saying "Here's to you!", and "Here's to me!" he should tell them the time has come for them to realise that their conduct in the Middle East is detrimental to world peace.

What is the purpose behind the Soviet moves? Oil. We are all going to suffer because the Arab nations have struck at the industrial jugular of the western world and Japan by reducing the amount of oil they would ordinarily ship. How many people realise how powerful these Arab nations are? I went to the trouble to look up the production figures and, if the House will permit me, I shall place them on record. There is King Faisal of Saudi Arabia. I remember meeting him in San Francisco in 1945. He is king of a country which today produces 355 million tons of oil a year. The Amir Sabah as-Salim of Kuwait disposes of 137 million tons a year; the Shah of Iran, 289 million tons; Colonel Ghadafi of Libya, 109 million tons; President Boumedienne of Algeria, 51 million tons. Then, there is Shaikh Zaid of Abu Dhabi who caused the minister such difficulty when the hon. gentleman heard he had decided against sending any oil to Canada—that was the first time we had heard he existed! This country, Mr. Speaker, turns out 64 million tons of oil a year.

Here are some other rulers whose countries are rich in oil: Shaikh Khalifa of Qatar, 28 million tons; Sultan

Qaboos of Oman, 14 million tons; Shaikh Rashid of Dubai, 11 million tons. The total, Mr. Speaker, comes to 1,148 million tons of oil a year. And the U.S.S.R. is in there. That is what it wants. Unless there is a change in the attitude of the Arab nations, an attitude which presently constitutes almost a fatal thrust at the western world and Japan, the consequences are not hard to foresee.

What are the Arab nations using this power for? Blackmail. Any nation which does not fall into line with their views goes on the black list. While the Secretary of State for External Affairs, with the optimism which characterizes him at all times, has not told us the full facts in this connection. I think Canada will not receive more thanks from the Arab nations after the force goes over there than it did before the force arrived. Who is going to win the war in the Middle East? Who has won it? Not the combatants but the U.S.S.R. It has achieved that grasping control that it has been looking for for generations. When the minister talks to members of the Politburo next week, I hope he makes it very clear that Canada understands exactly what is taking place.

● (1740)

I do not read press dispatches often, Mr. Speaker, but I do recommend for reading an article entitled "Five minutes to midnight" by Joseph Alsop which appeared in the Winnipeg *Free Press* on November 8 last. He says:

> One source of apprehension, it appears, is the tone the Kremlin has been taking with the U.S. government. Another source—and one by no means to be underrated—is the way the Soviet press has begun to talk about the Watergate horror as crippling to the President.

The article continues:

> ... the Soviets are already making conditional preparations to intervene with their own troops. In Egypt, for example, there is considerable evidence of the new presence of Soviet-made Scuds."

They are tanks. The article says they are still coming in.

This, Mr. Speaker, is how serious this matter is. No one need suggest to me that we do not have to have proved to us that a peacekeeping force is needed there. But with the Russians continuing to foment trouble and to throttle the western world industrially, that peacekeeping force has a responsibility that all of us can contemplate in face of a danger that I hope is not as overwhelming as it appears to be.

Egypt now says it will open the Suez canal. That is part of the aim of the U.S.S.R. Drew Middleton has stated that the reopening and improvement of the Suez canal, already under discussion in Cairo, would strengthen the Soviet Union's strategic position in the Persian Gulf and in the Indian Ocean. The only nation standing against this is Iran. Iran, the dominant military power in the Persian Gulf, is seriously concerned over the prospect of stronger Soviet forces in that area if the canal opens, says Drew Middleton.

I mention these things, without having a prepared speech, because I feel so aroused that the Canadian people do not realize today what is happening. They do not realize it in the United States because, after all, all they can say as far as Watergate is concerned is that no one has yet been drowned in Watergate. But other than that, what is happening in Washington has been to give to the U.S.S.R. the new hope and expectation of what it can get away with; it no longer fears the United States because it believes it is divided.

What about this force that is being sent, Mr. Speaker? The minister spoke with pride of Canada's reputation, and there is no disagreement with that. But I suggest to the minister that there must have been an awful lot of soul searching, because the government of Canada advised the number one combat force of paratroopers in Edmonton to get ready. Then, when I raised the question in the House, I attempted to move a motion under Standing Order 43 to this effect:

> That this House views with concern the indecorous haste exhibited by the Canadian government in its anxiety to secure consent of objecting nations within the United Nations to having Canadians in the peacekeeping force for service in the Middle East, whereby without regard to the magnificent record of Canadians in two world wars Canada's No. 1 combat alert unit is to be placed in a secondary position in the peacekeeping force being given a responsibility—

—and I then used this phrase—

> —analogous to that of hewers of wood and drawers of water—

Then, the government backed up and did the proper thing. It decided to mobilize the Signals from Kingston. I see the minister smile, as if that were one of his contributions. But let me say this to him. The government turned a complete somersault.

Mr. Sharp: That was part of the logistics.

Mr. Diefenbaker: Of course, there is nothing so unusual about the government turning a somersault because they are usually walking backwards. The Signals people were asked to winterize and they winterized within the last ten days. Then, they got the word that winterization was not in keeping with the kind of climate in which they were going to serve under the new plans of the government, and they had to end their winterization and repaint their equipment white as well as put on the letters "UN".

The Acting Speaker (Mr. Boulanger): Order. I regret that the time of the right hon. member has expired.

Some hon. Members: Continue.

Mr. Diefenbaker: Mr. Speaker, the House has been very considerate and I have tried, with whatever capacity I have, to warn this government and the people of Canada that detente is only effective when both sides indulge in it. But when one side accepts it and implements it but the all-powerful U.S.S.R. gives it lip service, then it is as dangerous today as it was in the dark days of 1938 when I heard Churchill warn the British people, and they laughed at him, as when Eden gave the same warning and left the government. Today, we are in one of the most serious positions that the western world has been in during my lifetime.

[*Translation*]

Mr. Georges-C. Lachance (Lafontaine): Mr. Speaker, I was most interested in listening to the hon. member who has just spoken, because he is well experienced in both the external and domestic affairs of this country.

A year ago, now, I had the pleasure and the honour to accept an invitation from the government of Israel to visit

that country, and before I go any further, I want you to know that I was impressed by how hard the Israelis are working so that their country will become a great country.

Unfortunately, in the last few months, war has erupted between Israel and the Arab countries, especially, the UAR and Syria. For our part, we, in the Canadian government, are not happy about this situation but we are among those who try to find a solution to the Middle East problem.

Today, it can be said that a *modus vivendi* has come about between the Arab and Israeli forces.

● (1750)

I hope, Mr. Speaker, that this *modus vivendi* will finally lead to a lasting peace in that part of the world. As a result of that difficult situation, Mr. Speaker, Canada, which is 6,000 miles from the Middle East, has despatched its soldiers. Why are they there? Not because they agree! We must consider several facts, Mr. Speaker. We have to ask ourselves if the Canadians who are over there agree with the Canadian position.

I think they do, because the members of our armed forces are anxious to restore peace. We are pleased to note that Canadians agree on that issue. How many Canadians endorse that principle? I have often spoken with my constituents, Mr. Speaker, and I don't know that many who would be interested in leaving tomorrow morning for the Middle East, Cyprus or Viet Nam. Dedicated people are needed for that, Mr. Speaker.

And are we dedicated? It is extremely important to bear that in mind. That dedication I think that we, the members of parliament, and the people of Canada must keep it alive. This is part, I would suggest, of the great Canadian dedication.

Today, Canadians are in the Middle East. Mr. Speaker, and I have talked about it to many people, we must show a lot of respect for those who agree to leave for the Middle East.

The Acting Speaker (Mr. Boulanger): Order. It being six o'clock, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, November 15, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—ADDITIONAL FUNDS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Roch La Salle (Joliette): Mr. Speaker, pursuant to Standing Order 43, I request the unanimous consent to move a motion.

In view of the fact that the funds allotted to local initiative projects are totally inadequate as a result of the many projects submitted in all constituencies, I move, seconded by the hon. member for Lac-Saint-Jean (Mr. Lessard):

That the minister in charge examine the possibility of granting $100 million in additional funds to meet adequately the needs of the Canadian people.

Mr. Speaker: I doubt very much whether the motion moved by the hon. member is in order since it calls for spending additional public funds. However, to prevent a debate on a point of procedure, I shall ask the House whether there is unanimous consent.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent; therefore, the motion cannot be put.

* * *

[*English*]

INDIAN AFFAIRS

COURT DECISION ON NATIVE PEOPLE'S RIGHTS IN RELATION TO JAMES BAY POWER PROJECT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise pursuant to Standing Order 43 to move a motion of urgent and pressing necessity relating to the delightful decision rendered today by the Quebec Superior Court in the injunction proceedings with respect to the James Bay project. I thought that the Minister of Indian Affairs and Northern Development (Mr. Chrétien) would have been the first on his feet on this matter. In any event, I should like to move, seconded by the hon. member for Northwest Territories (Mr. Firth):

This House looks upon the Quebec Superior Court decision in the proceedings relating to the James Bay project as being a landmark in the fight to recognize and respect aboriginal rights of the native people both in Quebec and the rest of Canada from which there must be no retreat and urges upon the government of Canada the necessity of now taking immediate and deliberative action to advance the interests of the native peoples in the James Bay area.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

[*Translation*]

AIRPORTS

STE SCHOLASTIQUE—SUGGESTED EXAMINATION OF EXPROPRIATION PROBLEMS BY PARLIAMENTARY COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to discuss an urgent matter.

Seconded by the hon. member for Champlain (Mr. Matte), I move:

That a parliamentary committee be set up to consider the Sainte-Scholastique expropriation problem as a whole, such as criteria underlying expropriation payments made under the old 1906 expropriation legislation, but following the spirit of the new legislation according to the Minister of Transport (Mr. Marchand), while expropriations at Pickering are carried out under the new 1970 legislation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent; the hon. member's motion cannot be put.

[*English*]

AIR TRANSPORT

HANDLING AND CARE OF ANIMALS BY AIRLINES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of importance relating to the transportation, handling and care of large numbers of animals and pets by airlines every year. Having regard to the many abuses to which these animals are exposed and the high mortality rate, I move, seconded by the hon. member for Portage (Mr. Masniuk):

● (1410)

That the matter of animals and pets in transit be referred to the Standing Committee on Transport and Communications with a specific order to investigate the lack of adequate facilities at our airports for these animals.

Mr. Speaker: The House has heard the motion proposed by the hon. member under the provisions of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

ENVIRONMENTAL AFFAIRS

APPLICATION OF ARCTIC WATERS POLLUTION PREVENTION ACT TO PACIFIC COAST—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Harry Olaussen (Coast Chilcotin): Mr. Speaker, I ask leave of the House under Standing Order 43 to move a motion in a case of urgent and pressing necessity, namely, the possibility of Canada leasing or otherwise acquiring oil tankers to move crude oil out of the port of Vancouver through the Strait of Juan de Fuca to eastern Canada. Therefore I move, seconded by the hon. member for Skeena (Mr. Howard):

That the government should immediately take steps to have the Arctic Waters Pollution Prevention Act apply to the Pacific coast especially so that oil tankers which may be needed to carry Canadian oil from the port of Vancouver to eastern Canada be required to meet the stringent standards set out in that act.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

[Mr. Speaker.]

[*Translation*]

ENERGY

SUGGESTED REVERSION TO DAYLIGHT SAVING TIME TO SAVE ENERGY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to Standing Order 43, I request the unanimous consent of the House to discuss a matter of urgent and pressing necessity.

In view of the present energy crisis and the fact that following a special study of the situation, American specialists have advised the American government to return to Daylight Saving Time to save their energy resources as much as possible, and that a bill aimed at saving thousands of oil and fuel barrels will be introduced before Congress shortly, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the Canadian government discuss the possibility of developing or implementing within a month some regulations or a bill aimed at using Daylight Saving Time throughout the year.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

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HOUSING

SUGGESTED INTEREST CEILING ON INTEREST RATES ON CMHC LOANS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43.

In view of the increase in construction costs and of the present 11 per cent tax on building materials, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That this House consider the possibility of imposing a ceiling on the interest rates on loans of the Central Mortgage and Housing Corporation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity; the motion cannot be put.

ORAL QUESTION PERIOD

[*English*]

INDIAN AFFAIRS

REQUEST THAT GOVERNMENT INITIATE DETAILED NEGOTIATIONS WITH JAMES BAY INDIANS ON RIGHTS IN LIGHT OF COURT DECISION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. In light of the decision by Mr. Justice Malouf upholding the rights of the native people of the James Bay area, will the government now assume its constitutional authority and itself institute thorough and detailed negotiations with the Indians of the area about settlement of their rights so that never again can the way of life of these people be endangered by a third party?

Some hon. Members: Hear, hear!

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I thought that the hon. member was rising to congratulate the government because we financed the Indians in that case.

Some hon. Members: Hear, hear!

Mr. Chrétien: I would like the hon. member to recognize also that our judgment was very good when we said that the Indians were able to defend themselves. I would not substitute myself for them and be paternalistic, as she would have been.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Now that the minister has had his licks, I wonder whether he would return to the question period and answer the hon. member's question.

Some hon. Members: Hear, hear!

Mr. Chrétien: Excuse me, Mr. Speaker, but after five years, four months and ten days in this job I thought I could have a few moments of satisfaction.

Some hon. Members: Hear, hear!

Mr. Chrétien: In reply to the question may I say that I have said many times in the last year and a half that this problem could not be solved in the courts, that it can be solved through negotiation. I have discussed it with the Quebec government about a dozen times and also with the Indians. I hope that the decision of the court will bring the parties back to the table. I will be there to help in reaching a final solution any time they want me there, and I hope the solution will be acceptable to both parties.

Miss MacDonald (Kingston and the Islands): I am not quite sure, Mr. Speaker, how the minister can accuse me of being paternalistic.

Some hon. Members: Oh, oh!

An hon. Member: Touché.

Mr. Hees: Withdraw.

Miss MacDonald (Kingston and the Islands): Will the minister give an assurance to the House that the government will not take any action in relation to its powers over fisheries, navigable waters, the environment, migratory birds and, most important, its powers over Indians and the lands reserved for Indians, without full discussion and with the consent of the native people whose lives are so vitally affected?

Mr. Chrétien: Mr. Speaker, we have proven our action in that regard. I had the pleasure this week of discussing the whole situation with the Indians of Quebec who came to my office. We discussed the two possibilities, either they win or they lose, and in both cases I told them that I want to be with them as I have been all the time. On a question of privilege, Mr. Speaker, I used the term "paternalistic" because I did not want to be accused by the hon. member of being a male chauvinist.

Miss MacDonald (Kingston and the Islands): Mr. Speaker, I have a supplementary question. Would the minister please now answer the question whether or not he will give an assurance to the House under the acts I mentioned?

Mr. Chrétien: The position of the federal government on all those aspects is well known to the House of Commons.

Some hon. Members: Oh, oh!

Mr. Speaker: The hon. member for Skeena.

Mr. Oberle: On a point of order—

Mr. Speaker: Order, please. The hon. member for Prince George-Peace River rises on a point of order.

Mr. Oberle: Mr. Speaker, the minister has just informed the House that on many occasions he has said in the House of Commons and in committee that he wants to negotiate with the natives of Quebec and the Quebec government. What he has said in fact in the House of Commons and in committee many times is that the matter is in court, that he will abide by the decision of the court, and that there is no need for negotiations now.

Mr. Speaker: That may be a very interesting point of debate. The minister wishes to reply and there may be others who will want to reply. I am sure hon. members do not want to get into a debate at this point. The minister rises on the point of order, and of course I will hear him.

● (1420)

Mr. Chrétien: On the point of order, Mr. Speaker, if hon. members will check the record they will see that the hon. member is wrong.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: The hon. member for Skeena.

Oral Questions

REQUEST THAT MINISTER INITIATE NEGOTIATIONS WITH PROVINCE OF QUEBEC ON BEHALF OF JAMES BAY INDIANS

Mr. Frank Howard (Skeena): Mr. Speaker, may I ask the minister a supplementary question. By way of introduction may I say that if one checks the record of the minister's statements one will find him on both sides of everything all the time. I now ask him a very clear question to which he has not replied yet anywhere that I know of. Will he take the initiative on behalf of the Indians of the province of Quebec and negotiate on their behalf with the Quebec government in accordance with his constitutional responsibility?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I will be very happy to talk to the Indians and if they want me to be paternalistic I will be, but I will take their advice. The Indians of Quebec have proven today, and over recent months, that they themselves can do good work and negotiate for themselves. However, I will be available any time they want me to be with them to advise them. I have very good relationships with them and I will be with them any time they ask for me, but I do not intend to impose myself upon them because I do not consider them to be kids, as the hon. member does.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I will recognize the hon. member for Skeena in a moment, but the hon. member for Kingston and the Islands rises on a point of order.

Miss MacDonald (Kingston and the Islands): On a point of order, Mr. Speaker, the minister has said that the Indians have asked him to be paternalistic.

Some hon. Members: No, no.

Miss MacDonald (Kingston and the Islands): They have never asked him to be paternalistic.

Some hon. Members: Hear, hear!

Miss MacDonald (Kingston and the Islands): They have asked him to assume his constitutional responsibility.

Mr. Speaker: Order, please. With all possible respect to the hon. member for Kingston and the Islands, I suggest that again this is debate. Perhaps we might try to continue with questions and answers.

Mr. Howard: Mr. Speaker, we all know the minister has to grasp at almost anything to make a point because his case is not good. I ask the hon. gentleman, why did he reject the pleas for help earlier?

Mr. Chrétien: Mr. Speaker, I have never refused to help the Indian people on this matter. I have discussed it with the Quebec government before the trial and during the trial, trying to get them—

[Mr. Speaker.]

Mr. Speaker: Order, please. The question asked by the hon. member was debate. It is based on an allegation which the minister attempts to refute. In any event, all this is debate and we should now try to continue with the question period.

Mr. Howard: On a point of order, and with all due respect, Mr. Speaker, it was not a point of debate; it was a point of fact.

Mr. Speaker: The hon. member for Toronto-Lakeshore.

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THE CANADIAN ECONOMY

ECONOMIC COUNCIL REPORT—POSSIBILITY OF ACTION TO REDISTRIBUTE TAX BURDEN, REMOVE CORPORATE TAX CONCESSIONS AND RAISE RATES

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I have a question for the Minister of Finance arising out of the latest report of the Economic Council of Canada. In view of the report's corroboration of the fact that our present income tax structure forces middle and lower income Canadians to finance the great bulk of social security and other transfer payments, and since I am sure the minister will agree that these valuable schemes should not be discouraged, can he indicate what steps the government is contemplating to redistribute the tax burden in a significant way through the tax structure?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that question, of course, has budgetary implications which could only be met on the proper occasion.

Mr. Grier: In view of the evidence adduced from corporate profit reports in recent months, is consideration being given to the removal of corporate tax concessions granted earlier this year, and is the minister contemplating an increase in tax rates for corporations and upper income Canadians?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I would direct the same type of answer to that question except to say that, as a result of the additional cash flow given to manufacturers and processors this year, capital investment intentions expanding productive capacity and providing more jobs are running 20 per cent over those of last year.

Mr. Speaker: Order, please. The hon. member will be recognized for a last supplementary, followed by the hon. member for Compton.

POSSIBILITY OF LEGISLATION TO ROLL BACK PRICE INCREASES

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I thank the Minister of Finance for that reply which is precisely the same as the one he gave to a question I asked two weeks ago. May I direct a final supplementary to the Prime Minister and ask whether in view of the assurances—I am sorry, Mr. Speaker, but I seem to be having some difficulty in engaging the attention of the front

benches. I direct my question to the Prime Minister. In view of the assurances he has given in the House that the government would intervene to protect Canadian consumers, is the government currently considering legislation to enable it to intervene on a selective basis to roll back price increases where they are, in the opinion of the government, unjustified?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the position of the government is still the same as I indicated earlier in October—in September, sorry.

An hon. Member: A sitting position.

* * *

[*Translation*]

ENERGY

DEVELOPMENT OF QUEBEC OIL RESOURCES IN LIGHT OF PRICE INCREASES

Mr. Henry Latulippe (Compton): Mr. Speaker, I would like to put a question to the Minister of Energy, Mines and Resources.

Considering the unprecedented oil price increase and the trouble caused to the eastern provinces, is the minister considering tapping Quebec oil resources?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, there are at present exploration programs undertaken in Quebec by private enterprises as well as by SOQUIP. For the time being, I think the results are not very encouraging but we wish success to the participants, we hope their efforts will be successful and that they will find a source of crude oil in Quebec, over and above those of the maritime coast.

Mr. Latulippe: Mr. Speaker, will the minister take the necessary steps to determine the potentialities and help find new resources and make possible the tapping of those that already exist in Quebec?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker, through the officials of my department, we informed the Quebec government and all those who are involved in geological potentialities in Quebec. It is up to the province of Quebec to promote these programs.

* * *

[*English*]

THE CANADIAN ECONOMY

ECONOMIC COUNCIL REPORT—POSITION OF MINISTER OF FINANCE ON RECOMMENDATION ON ANNUAL RATE OF INCREASE IN TRANSFER PAYMENTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance. Does he accept the recommendation of the Economic Council of Canada in its report that the annual rate of increase in government transfer payments between 1973 and 1976, including unemployment insurance, should be limited to 11 per cent? I hope the minister does not tell me he has not read the report yet.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, as a matter of fact I just received the report yesterday as did every other member.

An hon. Member: What is your answer?

Mr. Turner (Ottawa-Carleton): My answer is that I would want to read the report carefully and analyse the question.

ECONOMIC COUNCIL REPORT—CONCERN EXPRESSED ABOUT GOVERNMENT EXPENDITURES RESULTING IN HIGHER PERSONAL TAXATION—GOVERNMENT ACTION

Hon. Robert L. Stanfield (Leader of the Opposition): In view of the concern the Economic Council of Canada has expressed that the trend of increases in government expenditures that they have foreseen will result in higher personal taxation of the middle and lower income groups, may I ask the Minister of Finance what measures he proposes to take to meet that concern?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not think that the conclusion of the Economic Council of Canada necessarily follows from its premise. As to what budgetary results might follow, that action would be announced by the government at the appropriate time.

Mr. Stanfield: Does the minister not feel that he should concern himself seriously about some of these concerns of the Economic Council of Canada? Does he accept the view of the council that an increase in personal income tax is in fact inflationary under current conditions because it tends to encourage individuals to maintain the same take-home pay after taxation? What measures does the minister intend to take in the highly inflationary era in which we are now living in Canada to ensure that the inflation resulting from the increases in taxation which the Economic Council says the minister's policies will bring about will not erode the value of the transfer payments that are being made?

● (1430)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, there is a lot of sense in what the council says, if it is directing itself to governments, federal, provincial and municipal, about reconciling priorities and exercising some restraint on the expenditure side. As to what budgetary consequences follow, I agree with the hon. gentleman to a certain extent and with the council that a tax increase has an inflationary component, I suppose, in strict economic theory and also takes money out of the demand stream and would have the opposite effect. It depends on whether you are looking at the psychological effect of taxation or at the strict economic viewpoint.

Mr. Stanfield: Mr. Speaker, will the minister tell the House on which side of that question he is?

Oral Questions

ECONOMIC COUNCIL REPORT—POSSIBILITY OF REPLACEMENT OF INCOME TAX INDEXING BY TAX CREDIT SYSTEM

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, may I direct a supplementary question to the Minister of Finance. In view of the concern raised in the Economic Council report yesterday about inflation and the fact that the minister's tax indexing policy is both inflationary and regressive, can the minister say whether he is considering scrapping the income tax indexing system in order to replace it with a tax credit system which would provide low and middle income earners with a much greater tax break?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, relatively, the greatest beneficiaries of the indexing system are the middle class income earners.

Mr. Speaker: Order, please. Hon. members will note that there are perhaps ten members, without exaggeration, seeking supplementaries on this subject. I am not sure whether we should have that many. For the moment I will recognize the hon. member for Yorkton-Melville, and then the hon. member for Central Nova.

ECONOMIC COUNCIL REPORT—PERFORMANCE GOALS—INFLATION RATE—MINISTER'S ASSESSMENT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, may I ask one final supplementary. I would ask the minister for his assessment of some of the recommendations about performance goals in the council's report and, specifically, whether he is abandoning 3 per cent inflation as a rate in this country? Can he tell the people what rate of inflation they can expect in the years to come?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that target was the target of the Economic Council of Canada and I think the report indicates that its targets are targets and not forecasts. They are targets that are subject to revision. Indeed, the Economic Council itself revised several of those targets. As for the latter part of the question, I would not want the hon. gentleman to confuse my target with a forecast.

* * *

GOVERNMENT ADMINISTRATION

SUGGESTED MORE EFFICIENT USE OF DEPARTMENTAL STAFFS INSTEAD OF HIRING OUTSIDE CONSULTANTS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I direct my question to the Prime Minister. In light of the fact the government paid some $638 million in 1972 and 1973 for outside consultants, will the Prime Minister instruct his ministers to use their staffs more efficiently and reduce the inflationary effects? Perhaps we could do without some of these luxuries.

Mr. Speaker: Order, please. The hon. member's question was more in the nature of a representation.

[Mr. Stanfield.]

THE CANADIAN ECONOMY

ECONOMIC COUNCIL RECOMMENDATION CONCERNING TRANSFER PAYMENTS—REQUEST FOR ASSURANCE IMPROVEMENTS IN SOCIAL BENEFITS NOT RULED OUT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct to the Minister of Finance a supplementary question arising out of the report of the Economic Council of Canada. In view of the fact that recipients of transfer payments and various social benefits are the victims rather the creators of inflation, will the government make it clear that it rejects any suggestion that there should not be further improvements in social benefits?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I said when I proposed the indexing of old age pensions to begin with, and this has since been followed in other areas of transfer payments, that I did not intend to fight inflation on the backs of those on fixed incomes or on lower income scale.

ECONOMIC COUNCIL RECOMMENDATION THAT COMMITTEE OF HOUSE BE ESTABLISHED TO CONSIDER POLICY

Mr. G. W. Baldwin (Peace River): I have a supplementary question, Mr. Speaker. Is the minister prepared to implement recommendation No. 4 on page 73 of the Economic Council's report wherein the council, recognizing the failure of the government to develop new initiatives with respect to economic policy, recommends that a committee of the House of Commons be set up for that purpose?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there are already standing committees of the House of Commons, and the Minister of Finance is before one or other of them frequently.

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[*Translation*]

GRAIN

FEED GRAIN—ASSURANCE OF SUFFICIENT SUPPLY OF BARLEY AND OATS TO PRODUCERS

Mr. Marcel Roy (Laval): Mr. Speaker, I should like to put a question to the minister responsible for the Canadian Wheat Board?

Can he assure this House and, especially the producers in the east and in British Columbia that there is a sufficient stock of grain available more specifically barley and oats for the winter months?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I can assure hon. members that the Canadian Wheat Board is making every effort to put the necessary feed grains for domestic use into place. Specifically, in the case of oats a great deal has been and is being moved into Thunder Bay and is being moved from there to the domestic market. At the same time, the current domestic price situation will mean that a certain amount of corn will be purchased and

moved for eastern feeding purposes. If the total movement during the season while the lakes are open is not adequate for domestic purposes, consideration is being given to adding to the movement by rail in order that domestic needs are met.

* * *

ENERGY

PURCHASES OF OIL DISTILLATES BY CANADIAN COMMERCIAL CORPORATION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Supply and Services. Can the minister tell the House what specific spot purchases of middle distillates the Canadian Commercial Corporation has made to date on the international market, and what other purchases it is negotiating?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, we have bought some 40 million gallons of heating fuel and we are continuing to explore the market to see if we could make new purchases.

[*English*]

INQUIRY AS TO PRICE OF HEATING OIL PURCHASED BY CANADIAN COMMERCIAL CORPORATION AND PAYMENT OF COMMISSION

Mr. Peter C. Bawden (Calgary South): I have a supplementary question, Mr. Speaker. What price is the government paying for this oil through the Canadian Commercial Corporation, is it paying a commission, what commission is being paid, and to whom?

[*Translation*]

Mr. Goyer: Mr. Speaker, we have negotiated some terms for establishing the price. It will be set up on delivery and I am therefore unable to say exactly what it will be. I do not want to impede eventual negotiations with other companies for the purchase of fuel by disclosing the price today. As for the commission, it was paid to Toronto dealers and once again, I am not in position to disclose its amount in order also not to interfere with eventual negotiations.

[*English*]

Mr. Speaker: The Chair will recognize the hon. member for Calgary South, followed by the hon. member for Témiscamingue.

Mr. Bawden: Mr. Speaker, may I ask if the minister is in a position to say to whom he has given this blank cheque?

[*Translation*]

INDIAN AFFAIRS

TIMING OF COURT DECISION AFFECTING RIGHTS OF JAMES BAY INDIANS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to put a question to the hon. Minister of Indian Affairs and Northern Development.

He stated earlier that he was right in the imbroglio now existing between the Quebec government and James Bay Indians. Does the minister know why Mr. Justice Arthur Malouf gave his ruling 15 days after the Quebec provincial elections instead of 15 days before, so as not to play politics as he is doing now?

Mr. Speaker: Order. The hon. member knows that it is out of order and against parliamentary traditions to criticize as he just did a judge of one of the Canadian courts.

[*English*]

I believe that a few members wish to ask supplementaries to previous questions. I will start with the hon. member for Cumberland-Colchester North, and then another hon. member.

* * *

ENERGY

FUNDY TIDAL POWER—STATUS OF RE-EXAMINATION OF REPORT

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, may I follow up the question I put yesterday to the Minister of Energy, Mines and Resources. Can the minister provide us with any information on the longer term possibilities for tidal energy in Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Sir. I find that the joint study group and the programming board which has been restudying the possibility of tidal power in the Bay of Fundy had commissioned a number of expert reports on certain relevant questions. It is anticipated these reports will be received by January, 1974, and that recommendations will then be going forward to the board on whether further work should be done on the project and whether further studies are required. The preliminary indication is, as the hon. member may have anticipated, that while fossil fuels have become less competitive with the project, nuclear power has become more so.

* * *

● (1440)

GRAIN

PROVISION OF SUFFICIENT RAILWAY CARS TO ENSURE TERMINAL OPERATION AT CAPACITY AT THUNDER BAY

Mr. A. P. Gleave (Saskatoon-Biggar): I have a question for the minister responsible for the Wheat Board, Mr. Speaker. It arises from a statement by a commissioner of the Wheat Board that lake ships were diverted from Thunder Bay to Duluth on Lake Superior to pick up grain

because grain was not available at Thunder Bay, and his further statement that if they could get the boxcars they could do the job. Has the minister yet received any firm assurance from the major railways that they will make sufficient boxcars available to ensure that Thunder Bay will work at capacity for the remainder of the season?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the assurances were not in those terms. The railways indicated the number of cars they would be dedicating to the movement of grain between the present time and the close of the navigation season. We are watching very closely to see whether they are in fact making that number of cars available.

Mr. Gleave: In view of the very serious situation which affects not only feed supplies for eastern Canada but also our export markets, is the minister prepared to take the House into his confidence and tell us what commitment the railways actually made?

Mr. Lang: I would be glad to give the House the figures as to the precise number of cars each railroad has agreed to put into grain movement. I am sure I can have those figures available almost immediately.

* * *

TRANSPORT

FREIGHT RATES ON COAL—PROVISION OF INFORMATION TO WESTERN PROVINCES

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is directed to the Minister of Transport. The hon. gentleman said on Friday last, as reported in *Hansard*, page 7701, that he hoped one of the provinces would ask about details of railway rate structures. Since the minister himself received such a request from ministers of the four western provinces on October 1, and since he himself transmitted that request to the Canadian Transport Commission, may I ask when those provinces may expect to receive the information concerning freight rates on western coal which might serve Ontario markets?

Hon. Jean Marchand (Minister of Transport): At the western economic opportunities conference the commitment we made was to have the Canadian Transport Commission and the railway companies give the information at the request of the provinces. The provinces have made a number of specific requests and information with respect to them will be forwarded. There is nothing I know of which concerns coal. These are not general requests. They are specific requests for specific types of information.

Mr. Clark (Rocky Mountain): I would ask the minister to check his recollection to determine whether in fact two of those specific requests did not relate directly to coal. Are his officials presently making inquiries into the suggestion made by Ontario that the proposed freight rates on Alberta coal are inflated far above actual costs and, if so, will he advise the House as to the results of that inquiry since they may have important implications in the area of fuel use in Ontario?

[Mr. Gleave.]

Mr. Marchand (Langelier): I think the hon. member has mixed all kinds of problems together. On October 1, no increase was asked by either the CPR or the CNR with respect to the transportation of coal. This came later, and this is why the request of October 1 could not relate to the request made later. As far as the latest request is concerned, I think we shall have to wait until the provinces ask specifically for this kind of information before we get an answer.

REQUEST THAT NATIONAL DEFENCE AIRCRAFT BE MADE AVAILABLE TO SHIP OKANAGAN APPLES TO EASTERN CANADA

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, I should like to direct my question to the Minister of Defence. Bearing in mind that this is National Apple Week and in view of the serious situation in which Okanagan apple growers find themselves because of the inability of the railway companies to supply cars to move their fruit to eastern Canada, will the minister make available a Hercules or other suitable aircraft to move this fruit into eastern Canada.

Hon. James Richardson (Minister of National Defence): I explained to the House yesterday the heavy task that our Hercules and Boeings are engaged in at the present time, flying our personnel to the Middle East, and I do not think we would accede to that request.

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[*Translation*]

AIRPORTS

STE SCHOLASTIQUE—REQUEST FOR REFERRAL OF EXPROPRIATION QUESTION TO COMMITTEE OF HOUSE

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to ask a question of the Minister of Public Works.

Despite other offers made recently by the government and because of the dissatisfaction expressed by the people expropriated from Ste Scholastique, does the minister intend to implement the suggestion I made over a month ago to the leader of the government that a parliamentary committee be given the task of considering and solving the Ste Scholastique issue?

Hon. Jean-Eudes Dubé (Minister of Publics Works): Mr. Speaker, last Friday we announced to the expropriated people in Ste Scholastique five very generous and non-compulsory measures which were not provided in the law. We hope that those people will have an opportunity to consider our proposals in coolness and serenity and I believe that this should definitely solve the problem.

Mr. Wagner: Mr. Speaker, will the minister agree that a standing committee should sit to consider that issue?

Mr. Dubé: Mr. Speaker, it is not up to me to decide what the standing committees should study or who should establish them. I have no objection but I think it is important to satisfy the people concerned and that is what we are trying to do.

[*English*]

GRAIN

PROVISION OF SUFFICIENT RAILWAY CARS—REQUEST FOR LEGISLATION TO PROVIDE FOR FREIGHT CONTROLLER

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Justice and concerns the freight car situation to which allusion has been made by the hon. member for Saskatoon-Biggar. There is an apparent disregard by the railway companies of the reasonable demand of western farmers that a reasonable provision of freight cars be made available to them. This has been denied them because of the kinds of freight that pay the railway companies higher and faster returns. Bearing in mind the serious situation that has developed in consequence of the railway companies treating requests for cars with supercilious contempt, will the minister consider bringing in legislation immediately to provide for a freight controller with mandatory power to direct the railway companies to supply what in his opinion, after consultation with the Wheat Board, is the necessary number of cars, so that the present situation on the Prairies may thereby be remedied?

Hon. Otto E. Lang (Minister of Justice): We are not considering that, Mr. Speaker. The government has held discussions with the railroads so that we could be satisfied that everything is being done to move the maximum amount of grain. The right hon. gentleman will appreciate that colleagues of his from other parts of the country understand the need for additional cars for the movement of lumber and of apples, for the movement of potash, which is very important, and the movement of fruit. I can assure the right hon. gentleman that the railways are not acting in a supercilious way but are attempting to move the maximum amount of traffic. While not as much grain is moving to Thunder Bay and Vancouver as we would like, the amount in store at Thunder Bay has been gradually creeping up and the volume on hand in Vancouver has risen from very low levels to some 10 or 11 million bushels, which does indicate that some progress is being made.

Mr. Diefenbaker: The minister expresses, apparently, qualified satisfaction with the way in which the railway companies are acting. He does not represent the view of western Canada in taking this stand. I am asking him whether he will give consideration to providing for the appointment of a freight controller to make the necessary allotments which should be made to ensure a fair deal for western agriculture, something it is not receiving today?

● (1450)

Mr. Lang: Mr. Speaker, I answered that question, which the right hon. gentleman has repeated, by saying no. However, let me make it even more clear to the right hon. gentleman that if there were any indication that the railways were not being fair as between products and, in particular, that they were being unfair to grain, I would urge that some such step be taken. However, as long as it would mean taking boxcars away from the fruit and lumber movement, and since there would not necessarily be any net advantage in that, the question really is whether the railways are doing the best possible job they can in moving—

Mr. Speaker: Order, please.

Mr. Lang: —the maximum amount of product, and are they being fair.

Mr. Speaker: Order, please.

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MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST FOR INFORMATION ON CONSTITUENCY ALLOCATION OF GRANTS AND CRITERIA USED

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I have a question and possibly a supplementary for the Minister of Manpower and Immigration. Since the minister is not here perhaps I can direct it to his parliamentary secretary. Since it is virtually impossible for a member of parliament to reconcile the LIP grant allocations with the job vacancy figures published by Canada Manpower Centres, is the minister prepared to reveal, when he appears before the miscellaneous estimates committee later this month, a detailed riding by riding analysis and the formula upon which these allocations are based?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I am sure that as usual the minister will be prepared to answer as fully as possible all questions asked him by the committee.

Mr. Rose: A supplementary question, Mr. Speaker.

Mr. Speaker: Order. The hon. member may ask a supplementary, following which the Chair will recognize the hon. member for Prince George-Peace River.

Mr. Rose: Mr. Speaker, I do not know how it would be possible for the minister to give us details for ridings that do not have a Canada Manpower Centre, but in view of the unexplainable anomalies, and the dark suspicions arising therefrom, in the allocation of the 1973-74 LIP grants, are the minister and his officials now considering an improved formula for next year; and what can the minister tell the House now about this matter, or what is he prepared to tell us about it?

Mr. MacGuigan: Mr. Speaker, I will take that as notice for the appropriate time.

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CENTRAL MORTGAGE AND HOUSING CORPORATION

DISMISSAL OF EXECUTIVE DIRECTOR, POLICY PLANNING DIVISION—REASON APPEAL PROCEDURE ESTABLISHED BY FORMER PRIME MINISTER PEARSON NOT FOLLOWED

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, in asking my question of the Minister of State for

Urban Affairs who is in charge of housing I should like to make reference to a commitment that a former Prime Minister made to the civil service and official agents of the government, namely, the commitment that a procedure would be followed that would allow for an appeal in the event of dismissal of a senior official of the government or its agencies. Would the minister tell the House today why this procedure that was established in 1963 by the then Prime Minister, the late Lester Pearson, was not followed during the firing of Walter Rudnicki, a senior official of Central Mortgage and Housing Corporation?

Hon. Ron Basford (Minister of State for Urban Affairs): Because the circumstances to which Mr. Pearson's statement and those procedures referred were not the circumstances of the subject case.

DISMISSAL OF EXECUTIVE DIRECTOR, POLICY PLANNING DIVISION—ORIGIN OF DECISION—REQUEST FOR REVIEW

Hon. W. G. Dinsdale (Brandon-Souris): I have a supplementary question, Mr. Speaker. In view of the fact the president of CMHC is new to his position and therefore unfamiliar with the mysteries of government procedures, would the minister inform the House whether the order to fire Mr. Rudnicki came from the Clerk of the Privy Council or from the minister himself?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I made it very clear to the House that decisions on personnel matters within CMHC are made by the president.

Mr. Speaker: Order. We have just about come to the end of the question period. I will allow a supplementary from the hon. member for Brandon-Souris, and then the hon. member for Grenville-Carleton.

Mr. Dinsdale: I take it from the minister's remarks he is saying that the firing was undertaken entirely on the initiative of Mr. Teron. If so, in view of the inexperience of the CMHC president and the vital importance of Mr. Rudnicki's experience to the success of the housing program for Canada's native people, would the minister now review the dismissal with a view to reinstating Mr. Rudnicki?

Mr. Basford: Mr. Speaker, I think I have answered that question two or three times already.

Mr. Walter Baker (Grenville-Carleton): I have a supplementary question, Mr. Speaker. In view of the question that still remains with respect to the propriety of the Rudnicki matter, would the minister be prepared to undertake to the House to consult with the chairman of the miscellaneous estimates committee so that when the minister appears before the committee, as he will in a week or so, he will bring with him Mr. Teron, Mr. Belcourt, Mr. Rudnicki and the Clerk of the Privy Council in order that this matter can be looked into fully by the committee?

Some hon. Members: Hear, hear!

[Mr. Oberle.]

Mr. Basford: Mr. Speaker, I think the Prime Minister answered that question the other day by saying that there are procedures within the House for such an examination.

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MANPOWER

ACTION BY MINISTER IN LIGHT OF EMPLOYEES' OPINION RESPECTING NEW SYSTEMS

Mr. Derek Blackburn (Brant): Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration but in his absence I will direct it to his parliamentary secretary. In view of the fact that a survey by the association representing Canada Manpower employees indicates that a majority of these employees feel that the new systems introduced during the past two years do not help the members in the discharge of their duties, what steps has the minister taken in response to these disturbing revelations?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I will take that question as notice.

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[*Translation*]

AIRPORTS

STE SCHOLASTIQUE—REQUEST FOR REFERRAL OF QUESTION TO COMMITTEE OF HOUSE

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister.

Will the right hon. Prime Minister be announcing very soon, as mentioned in the motion introduced today under Standing Order 43, the creation of a parliamentary committee to look into the settlement of claims by those expropriated at Ste Scholastique and the difference in allowances with those paid at Pickering, as requested by the people expropriated at Ste Scholastique for a long time?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sorry I did not get the first part of the question but I think it should rather be put to the Minister of Public Works and the Minister of Transport.

Mr. Rondeau: Mr. Speaker, since the right hon. Prime Minister did not understand the first part of my question and that it does not come under the jurisdiction of the other two ministers can he say, to set the record straight for the people expropriated at Ste Scholastique and Pickering, if he is in favour of creating a parliamentary committee to deal with that imbroglio?

Mr. Trudeau: Mr. Speaker, I do not see the point of the question and the alleged discrimination. As far as I can see that is certainly the wish of this government and I think the parties in both cases were treated on an equal basis.

[*English*]

Mr. Speaker: I believe that at the end of the question period yesterday the Chair indicated to the hon. member

for High Park-Humber Valley that he would have an opportunity today to rephrase the question he asked yesterday. He will be recognized for that purpose since I have noticed that he has been seeking the floor. Then the Chair will recognize the hon. member for Saint John-Lancaster before calling orders of the day.

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HEALTH

PARTICIPACTION ADVERTISING CAMPAIGN—FAMILY PHYSICAL FITNESS PROGRAMS

Mr. Otto Jelinek (High Park-Humber Valley): Thank you very much, Mr. Speaker. My question is to the Minister of National Health and Welfare. Notwithstanding the fact that Participaction is a private organization set up financially by the minister's department as a non-profit organization receiving federal subsidies for its operations, can the minister advise the House why his department has failed to follow up the massive and, I might add, very effective campaign with any family physical fitness programs for the Canadian people?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am glad to see that the hon. member made the effort to verify the facts and to correct the allegation he made yesterday in this House. I am also glad to see that Sport Participaction made an excellent job in getting from the private sector a contribution of more than $8 for each dollar in subsidies obtained from the public sector. If the hon. member wants to make the effort to examine all the activities of my department in the area of sport and physical fitness, he will realize that we made enormous progress during the last few years.

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[*English*]

ENERGY

INQUIRY AS TO STATEMENT ON GUIDELINES FOR CONSERVATION THIS WINTER

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, may I ask the Minister of Energy, Mines and Resources when we can expect his statement on the guidelines regarding conservation of energy for the coming winter from both the Ottawa and the national standpoint, since most other countries have already taken action?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, there is a meeting with the provinces today to discuss this program in general terms. After I have received a report of that meeting I shall be in a better position to report to the House.

Middle East Peacekeeping Force

• (1500)

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Bell: Mr. Speaker, may I ask the government House leader about the business for the coming week, keeping in mind that there may be an option for tomorrow?

Mr. MacEachen: Mr. Speaker, we will continue with the debate on the Middle East resolution this afternoon, to be followed by the foreign review investment bill, followed by second reading of the National Parks Act and then the report stage of the privacy or wiretapping bill. My hon. friend suggested we might vary that order, and I will be happy to discuss that with my colleagues later in the day or early tomorrow morning.

Mr. McGrath: Mr. Speaker, may I ask the government House leader whether it is the intention of the government to proceed with the amendments to the Combines Investigation Act and, if so, when?

Mr. MacEachen: Mr. Speaker, it is not my present intention to call second reading of that bill during this session with the expectation that the session might conclude by Christmastime. If it is extended beyond that I may change that intention.

Mr. MacKay: On the same matter, Mr. Speaker, I do not think the government House leader is doing this intentionally, but I should like to bring to his attention that this is the second time he has called this bill "the foreign review investment act", and it should be the Foreign Investment Review Act.

GOVERNMENT ORDERS

[*English*]

EXTERNAL AFFAIRS

PARTICIPATION BY CANADIAN CONTINGENT IN MIDDLE EAST PEACEKEEPING FORCE

The House resumed, from Wednesday, November 14, consideration of the motion of the Secretary of State for External Affairs (Mr. Sharp):

That it be resolved by the..... House of Commons:

That it is expedient that the Houses of Parliament do approve the Government's decision that Canadian Forces participate in the United Nations Emergency Force in the Middle East, and that this House do approve the same.

And that a Message be sent to the Senate informing Their Honours that this House has adopted a resolution approving of the participation of Canadian Forces in the United Nations Emergency Force in the Middle East, and requesting Their Honours to unite with this House in the approval of the same by filling up the blanks in the resolution with the words "Senate and".

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, the motion before the House makes it possible for hon. members to examine the projected employment of Canadian troops in the area of the Arab-Israeli war. It also gives us a chance to assess Canadian participation in other

peacekeeping operations in which Canadians have been and are taking part, so that we may learn and benefit from these past and present experiences, and thus make sure our troops are used in the most effective manner.

First of all, I believe that the proposal to send Canadian troops to the Middle East to take part in this present operation is a sound one, and that the experiences we have gained by taking part in other such operations will make it possible for our troops to do a good job in this important assignment. I and other members of the House have just recently returned from a visit to Cyprus where the Canadian delegation enroute to the NATO conference at Ankara were able to inspect the peacekeeping operations being carried out on that island. I think all of us who were there, and who had a chance to look over these operations, were very much impressed by the way our personnel in that force are carrying out their duties. I think we were all very proud to be associated with them.

I also formed the very definite opinion that Colonel Beattie, the deputy-commander of the United Nations operations in Cyprus, has a very great knowledge of what is needed to carry out a peacekeeping operation. He has been to Egypt several times to give advice on peacekeeping operations, and I think he is fully qualified to be in charge of this operation carried out by Canada.

The kind of operation which is being carried out at the present time in the area of the Arab-Israeli war, like the one in Cyprus, is that of keeping two combatants apart after a ceasefire has been arranged following bitter fighting. Important though this kind of work is, I believe, and I think we would all agree, that it is not nearly as important as keeping potential combatants from beginning hostilities in the first place. In order that we may study how we might be able to do more of this kind of important work in the future, I suggest we take a look at the operation which has been going on for a number of years to see whether improvements can be made.

As we all know, 25 years ago 14 nations of the western world joined together in a collective security pact known as NATO, which is by far the largest and most important peacekeeping operation the world has ever known. Each country pledged forces in keeping with their population and national income. Canada's contribution was a combined air and armoured unit comprised of 10,000 men. This was our contribution toward keeping the world free from devastation by a third world war. The purpose of this alliance was to convince the members of the Warsaw Pact that aggressive action would be more costly than rewarding. Largely because of the nuclear capability of the United States, a major conflict has been avoided so far.

However, at the recently concluded NATO conference in Ankara two very disturbing facts were brought to light. The first was that at the present rate of progress the Russians are expected to equal the United States capability in producing nuclear weapons in from two to three years. This projected standoff in nuclear armament will, of course, increase the importance of the conventional weapons being used by the two opposing forces in Europe.

The second bit of knowledge that came to light was that the capability of the conventional weapons used by the communist forces is being improved at a considerably faster pace than that of the weapons being used by NATO forces. Outstanding examples of this are the SAM missiles, which are unequalled by anything on the NATO side. The second example is the Russian T 62 tank, which is the standard equipment of the communist armoured forces, and is unequalled in performance by anything except the West German Leopard, a tank which has very great speed, manoeuverability, and rate of fire. This tank can move at a rate of speed of 45 miles per hour, it is very manoeuverable and can fire at full speed. It has a rate of fire somewhat similar to that of a machine gun. It is a really remarkable piece of mechanism.

When talking with delegates from other NATO countries at this conference, and with the Secretary General, it became obvious that the Russians have used the Arab-Israeli war as a testing ground for their new weapons in exactly the same manner as the Russians and Germans used the Spanish civil war to test their new weapons in the 1930's. I think it is a well-known fact today that if the Arab fighting men and generalship had been even close or equal to that of the Israelis, with the superior equipment supplied to the Arabs by the Russians, they would have been able to win a quick victory, within two or three days at the most. In light of these facts I think we should take a look at our own country's performance in NATO forces.

Five years ago, the Canadian government unilaterally cut the strength of our contribution in half. Since then the government has allowed our tanks, which are used by our armoured force, to become worn out and obsolete. I visited the force last spring. I saw our equipment. The men who operate the equipment are absolutely first class. The equipment they have, to use, especially the tanks, is worn out, obsolete and literally held together by baling wire simply because they cannot get spare parts. It is obvious that the Russian T 62 tanks would destroy our tanks in very short order, with the obvious disastrous effects this would bring about and the high and unnecessary loss of Canadian lives.

● (1510)

It is obvious also that if our allies had followed the example of Canada in carrying out their NATO obligations, the greatly weakened NATO force would a long time ago have invited the Russians to engage, in some other area, in the kind of action which they promoted against Israel, and probably on a far larger scale. If there is any doubt in our minds concerning the intentions of the Russians these days, let us not forget how they moved their tanks into Hungary and Czechoslovakia. Such action undoubtedly would involve Canada and the rest of the world in a third world war.

In case there are any members in the House who have any misconceptions about the attitude of the Russians toward us, and if any of us think their attitude has softened toward the west and that they want peacefully to co-exist with us in a world of order and progress, I would ask members to listen for a few minutes to what Dr. J. M. Luns, the Secretary General of NATO, a man whose job it is to be in close touch with communist attitudes and actions, had to say at the recent NATO conference at Ankara about the situation brought about by the Arab-Israeli war. Dr. Luns said the following:

Statesmen had been speaking of a movement from a period of confrontation to a period of negotiation. There was an increasing tendency to refer to detente, not as something which we were hoping and working to bring about, but as something which was already with us; or if not actually with us, only just around the corner.

But Soviet behaviour when war broke out once more in the Middle East, raised all over again the old doubts and uncertainties about Soviet intentions, and about the genuineness of Soviet interest in a policy of detente.

I am reminded of the situation at the time that Soviet forces invaded Czechoslovakia. That, too, came as a shock at a time when East/West relations were showing signs of improvement. It seems a long time ago now. But, in fact, it was only five years. In our wishing and our hoping for a more secure and stable and peaceful world, how quickly we put aside and forget disappointments and shocking events! How ready we are to believe that things have changed for the better! Psychologists tell us that we are all inclined to remember what is agreeable and to forget what is disagreeable. This seems to go for nations as much as for individuals.

It was this behaviour, this fuelling and stoking of the flames of war, which caused us such deep concern; which provoked people into asking whether improved East/West relations could survive or had any meaning. Since then there have been some encouraging signs. There have been Dr. Kissinger's discussions with Mr. Brezhnev which led to agreement on the text of a ceasefire resolution.

Nevertheless you may well argue that the Soviet response was unduly slow in coming; that there may have been in it a certain opportunism in the light of events on the battlefield, and one could maintain that Soviet behaviour lends force to the argument that for the Soviet leadership detente is a tactic and no more. Those who hold this view argue that the purpose of detente, in Soviet eyes, is to provide the time and means needed for the Soviet Union to solve its immediate internal problems and remedy its weaknesses, for example in the management of the economy, in agriculture, in the field of technology. And once this is done, the Soviet leadership will set out once again, from a position of yet greater strength, on an old course aimed at widening Soviet influence and domination throughout the world but especially throughout Western Europe.

Mr. Speaker, those words of Dr. Luns outline the situation which exists in Europe which has been very much sharpened and brought to light by Soviet activity in promoting and supplying the Arab forces in this latest conflict. This analysis was made by a man of tremendous intelligence and respect in Europe, a man whose job it is to analyze communist intentions very accurately indeed. That is the situation in Europe which was described to those of us who were delegates to the latest NATO conference at Ankara by our fellow delegates from the other countries of the North Atlantic Treaty Organization. This is the opinion of men from countries whose borders join the Warsaw Pact countries who daily can see the armed might of the communist forces across their frontier and watch them grow steadily in numbers and in combat ability.

So, in conclusion, I think it is obvious that if this country is to play its full part in by far the most important peacekeeping operation in the world today we must not forget this point. We talk very proudly of the peacekeeping operations in which we are involved, but we must not forget this operation, by far the most important, in which we are engaged today and which is aimed at preventing the beginning of a third world war. If we are to play our full part in this important operation we must immediately do two things. First, we must restore our NATO force to the numbers which we as a country solemnly and willingly pledged to NATO some 25 years ago, pledges that have been maintained by allies but not by us. Second, we must arm that force with the most modern armament that is available. To do less would be to do a disservice to our country, and would be an act of criminal negligence against the men that we ask to fight for us on the front line of Europe if a conflict should ever occur.

● (1520)

If we continue to act as we have, we will be acting in a way to invite aggressive action that, in my view and in the view of those attending the NATO conference in Ankara and I believe all thinking people in the world today, will eventually involve this country and the rest of the world in a third world war.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I believe that in this discussion of the resolution concerning Canadian participation in the United Nations Emergency Force for the Middle East it is essential that we maintain our perspective on events. The pure tempo of events, the intensity of the conflict and the rapid escalation in the levels of confrontation experienced following the resumption of warfare in the Middle East on October 6, can destroy that perspective.

The warning signals for a potential conflict that would spill out of the Middle East into a possibly larger arena were becoming increasingly evident. It was essential that a mechanism be brought into play that could immediately diminish the developing confrontation and, at the same time, assist in halting the fighting on the battlefield. The United Nations Organization, with the Security Council, provided the required mechanism.

One does not have to be a historian to have a practical perspective on the events of this century. The hon. member for Selkirk (Mr. Rowland) drew our attention to events in the Balkan states which eventually culminated in world war I. He also implied a possible parallel with the events of the past few weeks in the Middle East and the potential for a third world conflict. I share his concern and could not agree more with his theme.

Following world war I, an effort was made through the League of Nations to establish an organization through which future conflicts could be avoided. It did not prove to be successful. Why? The League of Nations foundered through lack of support of member nations in periods of crisis. It did not have any peacekeeping mechanisms within its structure, and I think these are two very important factors that should be considered when comparing the League of Nations and the United Nations.

Individual nations pursued isolationist policies in whole or in part during the unsettled history of the League of Nations. Isolationist policies have not contributed to world peace in past history. As a matter of fact, I believe that such policies contribute, either directly or indirectly, to world conflict. Negligence, in the assumption of responsibilities by member nations resulted in the effective collapse of the League of Nations. At this time I would like to quote a paragraph from "The Geneva Racket, 1920-1939" by Robert Dell which reads as follows:

From the first the League was inevitably dominated by England and France, and was predominantly a European institution, although ten of its thirty-one original members and seven of the thirteen States invited to accede to the covenant were European States. Of the four great powers with permanent seats on the Council three were European and, in the absence of the United States, Japan was the only power outside Europe that could be called a great power. China has the largest population of any country in the world and the population of Brazil is just about the same as those of France and Italy but a great power in the diplomatic sense of the term is a power with great military strength and this will continue to be the case so long as the world is ruled by power-politics.

I think it is important to point out at this time that Canada, as a middle power in the world, has shown leadership and therefore has made the peacekeeping purposes and the multipurposes leading to peace, as the role given to it by the United Nations, practical and workable in modern day history. I think that is something of which this parliament can well be proud.

World war II followed in wake of the collapse of the League of Nations. Between 1931 and 1936 Japan invaded Manchuria. In spite of the efforts by the League of Nations and its members, Japan rejected any efforts on the part of the League to settle the war. This, in itself, weakened the League. Then, between 1936 and the outbreak of world war II the following events took place as outlined in the Encyclopedia Britannica. After 1936:

... Hitler has denounced the Locarno pact (March 1936). A few months later Italy and Germany formed what was known as the Rome-Berlin axis, soon joined by Japan. All three were violently hostile to the League; among its members, only those which, like France, the U.S.S.R. or Czechoslovakia, were looking everywhere for possible support against German aggression continued to affirm their belief in collective security. While in Washington congress was passing the successive Neutrality acts, the majority of League members were declaring that they no longer considered themselves bound by the obligations of the covenant.

Although in this last period of its history the organs of the League continued to meet as before and performed some useful tasks, the main international problems were, as in the first period, dealt with outside Geneva. In the swift succession of crises—the Spanish civil war, Japan's invasion of China, the annexations of Austria, Czechoslovakia and Albania—reference to the League was either a mere formality or else omitted. When World War II broke out in Sept. 1939, no appeal of any sort was made to Geneva. Yet, in Dec. 1939 Finland did appeal for help against Soviet aggression, and the assembly decided to organize such help for Finland as it could, while the council declared the exclusion of the U.S.S.R. from the League.

No further meetings of the council or assembly took place during the war. Thanks to U.S. and Canadian hospitality, the economic and social work of the League was continued on a limited scale; but its political activity was at an end.

I use that quotation to demonstrate the fact that Canada, within the ambit of its power, at no time let down the League of Nations. Therefore, Canada is one nation that cannot be accused of causing the demise of the League of Nations. In our modern day, using the present instance in the Middle East as yet another example, Canada since the founding of the United Nations cannot be accused of letting down that organization at any stage in its history.

● (1530)

World War II followed in the wake of the collapse of the League of Nations. The toll in human lives, the human suffering and misery, the physical destruction that resulted could not continue to be tolerated by mankind. It was this realization that led to the creation of the United Nations. In the interval between the collapse of the League of Nations and the creation of the United Nations, mankind had learned that there was a requirement for a peacekeeping mechanism to be built into this new structure. What has been the result?

Many times the United Nations has been called upon to perform a peacekeeping or peace supervisory function of one form or another. Some critics say that these have not always been successful. How does one measure success? Previous explosive situations have either been defused or the level of resultant conflict contained. The potentials for world conflict have been nullified. This, to me, is success. As a Canadian I am proud that Canada has met its responsibilities as a member of the United Nations. This we have done by responding to the requests of the United Nations to make our contribution to peacekeeping activities.

Since 1948 Canadian military personnel have seen United Nations duty in Palestine, Kashmir, Korea, Egypt, the Congo, Cyprus, Lebanon, West Irian, Yemen, India and Pakistan, as well as similar but non-UN duty in Laos, Cambodia and of course, Viet Nam. They have acted in many roles; in combat, as observers, as peacekeepers, policemen, arbitrators, investigators, to name a few, and from time to time they have acted as the support element for international forces. Hon. members will agree that all these roles have been carried out with distinction. They have brought credit to Canada, but more importantly in the present context they have brought a depth of experience to the Canadian forces that cannot be matched.

At this point, Mr. Speaker, I think hon. members will be interested in some comparisons between the eighth report of the Standing Committee on External Affairs and National Defence respecting United Nations peacekeeping and the current activities. The report was tabled in this House on June 5, 1970.

In respect to numbers of support troops in relation to active ground forces the report, in its recommendation concerning a stand-by military force, recommended that such a force could be made up in groups of 5,000—3,000 to be active ground forces and 2,000 men in transportation and logistic support. The figures we have been working with lately suggest a lower ratio of support troops, and this indicates that our contingent will have its work cut out for it.

Under its recommendation concerning Canadian policy the report says in part:

Since the demand for Canadian troops may not be as active infantry, continued emphasis should be placed on the development of transportation, communications and military movement expertise. While special instruction and information on the UN and the problems of peacekeeping would be useful for reserve forces, the sub-committee has concluded that the normal professional training and discipline of Canada's regular forces account for the effectiveness they have shown in past operations. It is our special administrative and technical skills, our linguistic capability and our peacekeeping experience which will be most called for in future peacekeeping situations.

These words would seem to have particular significance today.

Finally, with respect to that report, in the same section dealing with Canadian policy we find this paragraph:

The work of peacekeeping is not glamourous. It is costly. It is frustrating. It does not inspire gratitude. It does not directly assist narrow Canadian national interests. But is is an essential service—and one for which Canada has special qualification, because of her experience, because of her reputation for fairness, and because of her technical skills.

Those words speak for themselves.

A short extract from a recent editorial in the Ottawa *Journal* states the problem in a very realistic way:

There is much more to fielding a multinational force than the relatively simple part of providing so many soldiers and their arms to stand guard. The mechanics of command, control and support are specialized and complex. They demand a capability which Canada, perhaps more than any of the lesser powers, is able to provide. Since speed is of the essence, Canadian professionalism and experience might well be considered essential—at least at the start.

While all peacekeeping roles demand hard work, tolerance and understanding, those who have studied the subject usually agree that the logistics support of UN peacekeeping forces presents the most difficult and complex problems. While the scope of the problems differs with the area, it is always more difficult to operate away from home. Compound this with the problems of providing food, water, air and ground transport, communications, maintenance facilities and administration for a multinational group with greatly differing equipment, weapons, vehicles, clothing and even differing national diets, many speaking different languages and all demanding the best of support. Place this force in a hostile climate away from existing logistics systems, and away from normal base facilities, and one begins to appreciate the problem.

The Secretary General has asked Canada, along with Poland, to share in the logistic support of the UNEF. Canada specifically has been asked to provide the communications element, and may be requested to provide an airlift capability. Poland has been requested to provide engineering support and possibly medical support. Still to be determined by the United Nations is who will be requested to provide transport, movement control, supply and maintenance support.

Canada joins with Sweden, Ireland, Austria, Finland, Poland, Panama, Peru, Indonesia, Nepal, Ghana and two other nations yet to be named for the purpose of meeting, at the request of the United Nations, their responsibilities in contributing to the cessation of hostilities in the Middle East. We can do no less.

● (1540)

Mr. Ron Atkey (St. Paul's): Mr. Speaker, no responsible Canadian could really oppose Canada's participation in UNEF at this point of time. Once again, the hopes and aspirations of many Canadians have been raised to a high level of expectation that we may perform the military role for which by temperament, modern tradition and size we are well suited. That is the role of peacekeeping.

I can remember as a teenager just entering high school in 1956, and beginning to read about and follow international politics, how proud I was as a young Canadian when our troops went off to the Middle East as part of the plan of the late Right Honourable Lester B. Pearson which he had placed before and had accepted by the United Nations. I can remember vividly the following summer attending a boy scout world jamboree in England and meeting young Israeli and Egyptian boy scouts who spoke glowingly of the efforts of Canadian soldiers who were playing a major role in preserving what they hoped would be a permanent peace in their part of the world. Little did I think then that this peace would be brutally shattered by the cruel events of June 1967 or of October 1973. Little did I foresee that our troops would be so unceremoniously expelled by Egypt on 24 hours notice in 1967, or that in 1973 we should have to beg for the right to participate again on a peacekeeping force and be accepted only as the quid pro quo for the involvement of Poland—a representative of the Warsaw Pact whose participation is clearly inimical to Israel.

As the hon. member for Saint-Hyacinthe (Mr. Wagner) pointed out yesterday, we on this side of the House have a particular and important role to play as members of the official opposition. While we all want to achieve a just, strong and permanent settlement in the Middle East and wish to provide every ounce of support we can for our Canadian troops who have been or will be dispatched, it is our responsibility, indeed our duty, to comment on the political activities of this government. We have an obligation to comment particularly on the means which were utilized to get us into the present peacekeeping framework, and the implications of that framework as it affects Canada's future in the international community and as it affects the delicate balance and maintenance of peace between the main protagonists in the dispute.

First, let me commend the Secretary of State for External Affairs (Mr. Sharp) for clearly setting forth yesterday the criteria that Canada seeks to apply when considering participation in a peacekeeping operation. I note that one of the criteria stipulates that "the parties to the conflict must accept the peacekeeping force and Canadian participation in it must be acceptable to all concerned." The minister went on yesterday to assure the House that Canada did not accept its present task until the Secretary General had given formal assurance that the presence of a Canadian contingent would be acceptable to all parties, and especially to Egypt since UNEF will be deployed on Egyptian territory. The minister yesterday stated further that he had confirmed the Egyptian agreement personally with the foreign minister of Egypt when he met him in Washington.

To all this I can only say that I hope he is right. The bitter memories of 1967 still loom large. We remember when General Nasser brought down the whole operation like a crumbling deck of cards, expelled our troops and closed the Gulf of Aqaba, all within 24 hours. I had occasion last December to visit Sharem-el-Sheick and some of the neighbouring areas where Canadian troops were deployed, and to see the remains of some of the large guns used to close the gulf, which are left today as grim reminders of the speed with which a peacekeeping operation can be closed down and booted out.

Are the assurances that we have from the Egyptians today any more valid or complete than those given in 1956? In practical terms, is the mandate of UNEF today any more sound than the mandate given 17 years ago? Indeed, is it legitimate for Canadians to ask whether the creation of the protective umbrella of UNEF in the Middle

East is really worth all the trouble if, the moment it starts to rain, one of the parties makes us take it away?

Quite apart from all this, Mr. Speaker, let us look at some of the implied conditions under which we came to be part of the current UNEF force. We allowed our participation to be bargained by the Soviets like a wild card in a poker game. Having unashamedly sought out, and then been granted, the right to participate in this UNEF, we suddenly found ourselves cast in the role of an advocate of NATO and the U.S., to be traded-off against the participation of Poland representing the Warsaw Pact.

Consider the implications of that, being traded-off against Poland in the context of a peacekeeping force in the Middle East. Poland, a country that does not even have diplomatic relations with Isreal; a country that has openly supported the blatantly pro-Arab policies of the Soviet Union almost to the extent of being even more bellicose than the Soviets; a country in which a wave of anti-Semitism following the six-day war saw most Jews purged from all senior positions in government and industry, and eventually driven out of the country; a country where the human ovens of the concentration camps during the holocaust of World War II may have burned the brightest, even brighter than in Germany.

Consider the implications of Polish peacekeeping troops which may be deployed on Israeli soil. This is the country against which Canada was traded-off in UNEF. Does this allow us to continue calling ourselves neutral peacekeepers? Can we maintain the integrity of our supposedly neutral stance and our history of fairmindedness or have we been thrust into the role of advocate for one of the big power blocs, a counter balancing surrogate to satisfy the diplomatic manoeuvring of Egypt, the very country which kicked us out in 1967?

Is this the price that Canada must pay merely for saying that Israel has the right to exist behind secure and recognized boundaries, a fundamental provision of UN Resolution 242?

Mr. Speaker, we must never lose sight of the main goals of a peacekeeper in today's world. It is not to be part of a peacekeeping force within an assigned role to say who is right or wrong. Surely, the only role is to say what is right or wrong. I know that our well-trained and disciplined forces being sent to the Middle East will recognize the distinction, but I fear that the government may have allowed Canada, in the eyes of the world community, to be pushed into an advocate's role which blurs the distinction. In short, our position may have been compromised.

Of course, the Egyptians have not hesitated to thrust us into the advocate's position. One only need recall the story of Patrick Scott, the Toronto *Star* correspondent, who two weeks ago reported that an Egyptian government spokesman had said that Egypt would veto the inclusion of Canadian troops in UNEF because Canada was "pro-Zionist". Scott was later invited to leave Egypt and his press accreditation was revoked for "diplomatically embarrassing" the Egyptian government. But clearly there was sufficient evidence and subsequent stories in the Egyptian *Gazette* to substantiate the statement. Indeed, the Egyptian *Gazette* which rigidly echoes every nuance of Egyptian government policy, made it clear that Cairo had regarded the Canadian government as pro-Israeli. Again, this indicates the surrogate position in which the Egyptians would have us serve in the Middle East, a position to which our government has succumbed.

Mr. Speaker, I am not as optimistic about the possible success of this UNEF force as I was in 1956. Perhaps I am older now and less idealistic. It is more likely, however, that conditions have changed. The right hon. member for Prince Albert (Mr. Diefenbaker) spoke yesterday of the dangers of the unprecedented military build-up by the U.S.S.R. in the Middle East and he was right. Of course, Egypt is a client state of the Soviet now, more than it has ever been.

● (1550)

The right hon. gentleman was also right yesterday when he asserted that oil and the economic power that goes with it were what prompted, in the main, Soviet moves. Fortunately for Canada, the Secretary of State for External Affairs has been more unyielding in the face of Arab attempts to use oil to threaten Canada and its supplying of oil to the United States. The Secretary of State for External Affairs rightly said on Tuesday in this House that oil supplies to the United States would not be reduced in order to appease the Arabs.

I was also pleased to see the Prime Minister (Mr. Trudeau) taking the same line on Tuesday, as did the Minister of Industry, Trade and Commerce (Mr. Gillespie) yesterday in New York. One can only hope that their colleague, the Minister of Energy, Mines and Resources (Mr. Macdonald) might by now have got the message and abandoned his earlier position which, potentially, was an unwarranted capitulation to Arab demands. We wish the Secretary of State for External Affairs had been a little more astute when he went down to the United Nations almost two weeks ago and allowed our position in UNEF to be compromised by virtue of our trade-off with Poland.

The recent war in the Middle East has been a terrible war. Thousands of lives have been lost. Israel lost 1,800 of her citizens out of a population of just over 3 million. This was a terrible price for any small, isolated nation to pay. We hope that, either through the assistance of UNEF or through direct bilateral negotiations between the parties themselves, a just, lasting and permanent peace will come about, so that the residents of that part of the world may live the full kind of life to which they and others in the world are entitled.

[*Translation*]

The Acting Speaker (Mr. Laniel): The hon. member for Pontiac (Mr. Lefebvre) rises on a point of order.

[*English*]

Mr. Lefebvre: On a point of order, Mr. Speaker, there have been discussions with the other parties and I think there will be general agreement to have three more members speak in this debate, one from the NDP, one from the Liberal Party and one from the Conservative Party. Each speech is to last not more than 20 minutes. After that, we shall go to private members' hour at five o'clock, at which time the current debate will be finalized.

Mr. McKinley: Mr. Speaker, we agree to that arrangement.

[*Translation*]

The Acting Speaker (Mr. Laniel): Order, please. Hon. members have heard the suggestion made by the hon. member for Pontiac. The hon. member for Témiscamingue (Mr. Caouette) was not in the House when his colleagues agreed that there should be only three other participants in this debate: one from the New Democratic Party, one from the Liberal Party and one from the Progressive Conservative Party. Perhaps the hon. member for Témiscamingue has a comment on this subject?

Mr. Réal Caouette (Témiscamingue): Mr. Speaker—

Mr. T. Lefebvre (Pontiac): Mr. Speaker, if the hon. member would allow me, I should say that I had discussed this with the hon. members of his party but unfortunately he was not in the House at that moment and his colleagues did not know that their leader wanted to speak. I apologize for this.

Mr. Caouette (Témiscamingue): Mr. Speaker, I would like my name to be added to the list of those who want to speak. I will not abuse the time of the House, however, I would simply like to say a few words.

[*English*]

Mr. McKinley: Mr. Speaker, in that case, possibly we could arrange for the hon. member for Témiscamingue to be added to those who are to speak, and for each member to speak for 15 instead of 20 minutes.

Mr. Lefebvre: Agreed.

The Acting Speaker (Mr. Laniel): Do hon. members agree that this debate will conclude after one speaker from each party has spoken for not more than 15 minutes?

Some hon. Members: Agreed.

Mr. Brewin: Mr. Speaker, my party has not agreed to limit itself to any particular length of time. So far as I am concerned, I can probably bring myself within the desired limit. Perhaps if I need an extra minute or two I can ask for the indulgence of the House.

Mr. Lefebvre: Agreed.

The Acting Speaker (Mr. Laniel): There is no difficulty about that arrangement.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, the hon. member for Selkirk (Mr. Rowland) has set out very clearly the views of New Democratic Party members on the resolution we are discussing, and I entirely accept his statement. There are three or four points which I wish to underline. One is that I share with the hon. member for Selkirk the view that it would have been much better to have had this resolution passed before troops were actually committed to the operation. To ask us to approve at this stage, as the hon. member for Saint-Hyacinthe (Mr. Wagner) said in this debate yesterday, is asking us to approve a fait accompli. I do not believe this is a matter of form; it is a matter of substance.

In my view it is of the utmost importance for the health and survival of parliamentary democracy that major decisions in international affairs should be submitted to Parliament for its approval before they have been decided upon by the government or, at least, before they are put into execution by the government. However, there may be circumstances in which that is impossible. Yet I cannot see any good reason why that could not have been done in the present case. The failure to do so has robbed this debate of any particular significance.

It is true that, when speaking for my party earlier, I indicated support for the proposal to send a Canadian contingent to the peacekeeping forces in the Middle East at the request of the Secretary General of the United Nations, as did spokesmen for the Conservative Party. I must say that I feel the government has taken parliamentary supremacy far too lightly in this instance and, indeed, in other instances.

The second point I want to make is this: we are approving the contribution which Canada is called upon to make, not because of any pressure from any of the great powers, least of all as the cat's paw of any particular great power. The request for Canadian participation has come from the Secretary General of the United Nations, acting in compliance with the almost unanimous resolution of the Security Council. My recollection is that the last relevant resolution dealing with the composition of the new international force was initiated by the so-called non-aligned nations of the Security Council. In these circumstances, I suggest it is ridiculous to say we are trying to please any one or other of the great powers. It would also be stupid to suggest that without the concurrence of the great powers such a force could achieve its purpose. If that concurrence involves some sort of geographic or ideological balance, that fact must be taken into account by the Secretary General. That is one of the facts of life which, indeed, have to be considered if the force is to be able to do the job hoped of it.

I do not think Canada should accept this role in any spirit of lightheartedness or vain glory. It is indeed a strenuous obligation. Although we acknowledge, as, indeed, it is widely acknowledged by people who know about these things, that Canada's experience and expertise in these fields are unrivaled, we cannot put forward any exclusive claim to participation in peacekeeping operations. I am fully satisfied, however, that in the present case the Secretary General of the United Nations, acting on behalf of the world community, is the person who has in fact requested, and indeed urged, our assistance. For this reason, I believe we cannot decline.

The last point I want to make is that it is in the essential interests of Canada that we do take part. A day or two ago I heard a sneering academic on the radio saying that Canada's self-interest should be our only guide and that Canada has no real interest in the Middle East. I entirely disagree. Canada is in a peculiar position as far as defence is concerned. We are part of the North American continent, which we share with a superpower. The likelihood of direct attack on Canada is almost nil. But we have been involved in the past and will be involved again if there is any world war. Our major interest in international affairs therefore is to maintain stability, which prevents the outbreak of any war and halts the spread of wars, if they do break out, before they escalate into world conflict.

Middle East Peacekeeping Force

● (1600)

There is no part of the world where the danger of a local conflict expanding into a world conflict is more apparent than in the Middle East where the great powers have confronted each other for many years and where their prestige is at stake. The answer to the Middle East conflict, as has been said in this debate and elsewhere, is negotiation between the parties, preferably under the auspices of the United Nations. Negotiations, however, are not possible without a ceasefire. They cannot take place while the conflict rages. For this reason, a ceasefire is essential to negotiations for a lasting peace.

On the other hand, a ceasefire requires the interposition of a neutral force to supervise the ceasefire. No one can guarantee that the UN force in this case will be able to maintain a ceasefire. There are innumerable difficulties, and impassioned fears have been aroused on both sides, but it is clear that without a peacekeeping force the probability of successful negotiation is virtually nil.

The contribution that Canada is asked to make along with the other participating nations is therefore a contribution to world stability and a direct contribution to the security and welfare of Canada. Even if one accepts the proposition that national self-interest is the basic motive for international policies, a proposition about which I confess some doubt, then that self-interest must be enlightened, and the enlightened self-interest of Canada dictates that we do our best to contribute to the stabilization of existing conflicts particularly one such as has arisen in the Middle East.

As far as I am concerned, I do not wish my support of Canada's participation in this peacekeeping force at the request of the United Nations to be negative, half-hearted or conditional. If the UN is seen to be indispensable, if peacekeeping forces are shown to be useful, I am willing to confess that I am enough of an idealist that I would rejoice in this. It seems to me the cynics have had their day and I do not question that they have had plenty of material to be cynical about both in connection with the UN and in connection with its peacekeeping operations. Nevertheless, it seems to me that the development of the UN and peacekeeping is essential to world survival.

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, as I was born in that part of the world which has been torn apart by war and sufferings for the last 20 years, more precisely in Haïfa, Palestinia, I am obviously even more afflicted than many of my fellow Canadians by the extremely distressing situation which prevails in that part of the world.

Today I will only reply to certain accusations made yesterday by the spokesman for the Official Opposition about the government's behaviour over the last few days. First, the hon. member for Saint-Hyacinthe (Mr. Wagner) blames the government for its delay in consulting Parliament and, in other words, for suggesting that this was a *fait accompli*. He also blamed the government for showing untimely eagerness to participate in the UN forces and, to use his own terms, "Canada has no business begging to serve".

[Mr. Brewin.]

I think that those criticisms are obviously contradictory. How can anyone believe in our eagerness to participate when the debate during which the House is to approve a resolution on this question has been differed? On the contrary, if this debate has been postponed it is obviously because the government was not prepared to send troops at a time when it still could see uncertainty prevailing in the UN about the nature and amount of Canadian troops to be dispatched to the Near East. It is not so much the government's eagerness as the understandable haste of the Secretary General of the United Nations to send emergency forces which urged the Canadian government to reach a quick decision. It is not Canada's inacceptability but rather difficulties raised by other suggestions which have delayed by a week the dispatching of Canadian troops.

Even today we have no notion as to how many troops this task will require as it has not been completely defined yet. That is why the government should wisely wait and see exactly what Canada wants before asking for the opinion of Parliament. In a certain sense the opposite reproach could still be accepted; it could be said that the debate is somewhat premature since it is not yet known exactly what duties the Canadian contingent will have.

If discussion is still initiated in Parliament it is precisely because the government wanted to take the first opportunity, namely the sending of the Signal Corps, and surely it cannot be said that the government showed contempt for Parliament. On the contrary, it can be said that it is the lot of those who wanted to disregard the facts in their charges.

Of course, there are many precedents of government management, and I could quote several to refresh the memory of those who forgot about them. For example, in 1950, the Right Hon. Louis St-Laurent stated, as reported at page 494 of *Hansard* for 1950, and I quote:

> The intention of the government is that if any other service should be required of this special force, which of course is not being created solely because of the Korean incident, if any police action, for instance, that has a warlike character should be required of it, elsewhere than Korea, the government of course would have to make its decision, but it would immediately call parliament, make that decision known and leave it to parliament to approve or disapprove of it.

The Hon. Howard Charles Green, who later became Secretary of State for External Affairs, asked him:

> May I ask the Prime Minister whether there will be a resolution authorizing the sending of troops to Korea?

And the Prime Minister replied:

> No, sir; that would be something which has never been done. The government announces to parliament what its policy is, and asks parliament for the ways and means to carry it out... If parliament does not authorize the ways and means to carry out the policy, it cannot be carried out. If parliament, on the other hand, on any motion of non-confidence, expresses its disapproval of the conduct of the government, of course the government resigns and some other group forms a government to carry out the will of the Canadian people as expressed by their representatives in parliament.

And in 1956 the first peacekeeping intervention in the Middle East took place. Parliament was not sitting at that time and it was called to discuss that matter on November 26, 1956. The order in council had already been made by the government on November 20. Prime Minister St. Laurent then restated the view expressed during the Korean

conflict and I would like to quote comments he added to explain the position of the government.

[*English*]

"That has always been the constitutional requirement and the constitutional practice that the government has to take the responsibility of making a decision and then put itself in the hands of parliament so that parliament may determine whether it will provide the funds to implement that decision or whether it will refuse to provide the funds and get another government to carry out the policies that parliament wants to have carried out. This has always been the position and this will always be the position so long as this party has the responsibility for public affairs in this country.

● (1610)

[*Translation*]

I would like to refer now to the Congo, in 1960, when the right hon. member for Prince Albert (Mr. Diefenbaker) was Prime Minister. In inviting Parliament to debate two draft resolutions, he referred first of all to the 1956 precedent, that I already mentioned, as recorded on page 7328 of *Hansard* of the same year.

Those are the two resolutions upon which action is now invited and the approval of parliament asked. The constitutional position in this regard was set forth by the former prime minister, Right Hon. Louis St. Laurent, on November 20, 1956, when an order in council was passed which authorized the maintenance on active service of not more than 2,500 officers and men as part or in immediate support of the United Nations emergency forces in the Middle East.

Asserting his support since 1946 to the idea of Canada's contribution, the then Prime Minister, the right hon. member for Prince Albert, insisted on paying tribute to Canadian officers who had already gone to the Congo. This means that Parliament was discussing this matter while the decision was already under development. I quote from the former Prime Minister speech:

What have we done? What has been Canada's contribution? I simply outline it for the record without going into particulars. Following the initial request the government authorized the secondment of five Canadian officers who volunteered from the United Nations truce supervisory organization in Palestine. Three of the five are now in Leopoldville. When it was reported that there was the risk of a food shortage the government decided to provide pork and dried powdered milk to which reference has already been made. Then there was request for signals and logistic support for the United Nations Congo force. On receiving that request, Canadian and United Nations authorities consulted as to the precise needs to be met in the Congo.

On July 28 Canada authorized provision for the United Nations force in the Congo of up to 500 Canadian armed force personnel including a signals detachment numbering some 200, as well as a small Canadian headquarters detachment. Arrangements for sending the selected personnel to the Congo are going forward, and parliament is now being asked to approve the action in this regard.

It is to be noted that they already talked about logistic and signals support. The then Prime Minister did not consider that it was all about water carriers and wood hewers! Let me quote finally the conclusion that he was expecting—quite rightly, I suggest—from Parliament on such an occasion:

I trust that the house will give unanimous acceptance to the course we have followed, for it represents a major step forward to that day when, wherever difficulties may arise anywhere in the world, as I stated in March, 1945, the nations comprising the United Nations will all make available to an international force whatever is requisite to assure peace.

These were precedents and I might also quote that of Cyprus, in 1964, which is not different.

As regards the "precendent" of Indochina, I suggest that it would be quite ridiculous to refer to it since it was not the same thing from the point of view of authority, function, or nature; they were only observers and not regular forces; the decision taking process was quite different. As a matter of fact, when observers are sent away, the government simply informs Parliament of its decision and does not put forward any resolution. Therefore, this does not constitute a precendent. It is easy to accuse others when one does not know what he is talking about.

The second reproach of hon. member for Saint-Hyacinthe (Mr. Wagner) was to blame this government for their indecent hurry to contribute to the United Nations forces.

In the first place, how could one imagine that the government which had withdrawn its observers from Indochina, because it found their role ineffective in spite of their merits, was going to rush into another adventure? How could one believe that the minister, who reaffirmed on September 25 last at the General Assembly of the United Nations in New York that Canada hoped that from now on its contribution to peacekeeping operations would be governed by some criteria would suddenly alter his course? Finally, how can it be suggested that this government needs the stimulus of these operations to back up its foreign policy when it is explicitly based on strictly Canadian objectives since 1970?

However, Mr. Speaker, one thing should be specified: Canada did not ask to contribute to that UN force, but the Secretary General of the United Nations did. Documents are available to prove it. I tabled them myself in the House of Commons around November 2.

The invitation letter of the Secretary General is dated October 27. Indeed, the request was made on October 26, but Canada waited for the letter. The government even waited for another letter confirming that Canada was acceptable to all parties before taking a decision and announcing a debate on the resolution.

If the Secretary of State for External Affairs had to go to New York later, it was not to make sure of Canada's acceptability, as the hon. member suggested quite wrongly, but for other reasons. Canada had already been accepted. What are these reasons? First of all, the Secretary General has, for the first time since the United Nations have been created, the tremendous task of organizing an emergency force with the agreement of the Security Council. Previous forces were constituted like the first one, in 1956, by the General Assembly with the active support of some countries.

All those who feel strongly about the support of the United Nations and the action of the Secretary General in this very difficult task will surely avoid making fun of the Canadian government's assistance which is meant to help this emergency force to be in a position to work steadily. Moreover, other governments are perhaps less willing than ours to contribute to peacekeeping. Among the major powers, some seek above all to get well out of it. To a certain extent, this is what happened in New York, as the composition of the force has been reconsidered while this

is perhaps a matter or regional representation but without any political ground.

Who then has insisted on the urgency of sending just the same some vanguard elements? Obviously, the Secretary General since he was bent on having this emergency force prepared quickly before any resumption of hostilities due to the absence of any mediator. After all, an emergency force, as indicated by the words, is not a parade troop, they are, like the firemen that have been given as an example, a complement that is sent immediately before the fire can even start again.

The Acting Speaker (Mr. Laniel): I regret to interrupt the hon. member, but his time has now expired.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I notice that they have no doubt started to save energy, because two clocks indicate that it is now 6.20.

Mr. Lefebvre: This one is working.

● (1620)

Mr. Caouette (Témiscamingue): Indeed it shows the exact time.

Mr. Speaker, I listened very carefully to the remarks of the hon. member for Matane (Mr. De Bané) regarding the resolution under study. In fact, the hon. member knows the history of Middle East since he is one of its sons and became Canadian. He answered the comments made yesterday by the hon. member for Saint-Hyacinthe (Mr. Wagner).

Mr. Speaker, the resolution before us reads as follows:

That it is expedient that the Houses of Parliament do approve the Government's decision that Canadian Forces participate in the United Nations Emergency Force in the Middle East, and that this House do approve the same.

I think that such a resolution should have been submitted ten days ago after we had asked ourselves if we were ready to send Canadian forces to maintain peace in the Middle East. In doing so we should have recognized the existence of Parliament. We are asked to approve this decision when our troops are already on the spot. We are told: It was urgent to send our troops to the Middle East. And the hon. member just told us that the part our troops will play there is not known yet. Will they act as supervisors? Will they act as police officers? What part will they play? We do not know. Nothing would have prevented us from studying a resolution giving to the government the right to send troops to maintain peace on request by the United Nations. In those circumstances, there would have been no need for the government to ask us to approve its actions after the event. Our soldiers are already on the spot. Every day more of them are leaving for the Middle East while we are trying to decide whether or not the government should be allowed to send the troops.

Mr. Speaker, this is taking the bull not by the horns but by the tail and it goes against common sense. According to me, the government should not any more submit resolutions after the event.

I do not think that one single member here objects to Canada playing a peacekeeping role in any conflict whatsoever, not the role of motivator but that of a true peacemaker. In such circumstances, we cannot deny approval of the resolution because the Canadian Armed Forces are participating in the emergency force to maintain peace in the Middle East. We could have discussed this 15 days ago. If we had not been asked to take part, we would not have done so and the government would have been free and would have had the authority to do so, with the approval of Parliament, and it would have sent these peacekeeping forces if the need had arisen, at the request of the United Nations.

Will peace be restored there? We do not know, but we certainly wish it. The parties are still there, with the Arabs on one side and the Jews on the other. Each one defends his own position. The Arabs have a history, traditions, they require that their rights be respected. On the other side, the Jews are in the same situation. I feel that the most serious problems have come about since the United Nations started interfering in the affairs of these countries. Before that, the two nations managed more or less to get along together at least better than now. With the years, the problem becomes greater and more complex. On one hand, we are assaulted from all sides, as Members of Parliament, by Arab or Egyptian organizations and on the other, by Israeli organizations which are urging us to take side.

Mr. Speaker, they are those who should make up their minds, try to compromise and understand one another since there are human beings involved and there is room for understanding and agreement between human beings of good will whose sole preoccupation is not the domination of others. In this respect, it is the Canadian Armed Forces or diplomatic corps which can intervene to encourage these nations to understand one another and dialogue with one another, for there are people of good will on both sides. I should not like to see either Arabs or Israelis being trampled on. However, the other countries involved should stop fostering differences.

At the present time, oil is being used as a means to exert pressure on the nations which are in need of it. It has become an economic war. People are trying to make profits, but at what cost? At the cost of human lives. This is unacceptable and this is where I think Canada can play a significant role. It is useless to watch each side and wait for attacks.

Canada could invite both parties involved to do everything possible to try and dialogue in order to find grounds for agreement. Thus, Canada would gain the respect of all nations while giving people in the Middle East a chance to live comfortably in peace, and not in the type of bloody violence which we witnessed a few days ago.

Mr. Speaker, we shall support the action taken by the government, but we suggest that in future it give notice of its intention to the Parliament of Canada and ask for the authority to take part in peacekeeping operations, not only in the Middle East, but throughout the world.

[*English*]

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, it is with some concern I rise to speak today on Canada's participation in the Middle East truce force. My concern arises from the situation which has resulted from the

Liberal government's policies, both diplomatic and military.

Before considering the area of defence policy, let us examine the actions of the Secretary of State for External Affairs (Mr. Sharp). Unless one believes that the *summum bonum* of Canadian foreign policy is to have Canadian participation in UN forces on every occasion, the minister's actions appear ill-considered. His statements trumpeting, or perhaps pleading, Canada's availability even before the decision to form a UN force had been taken belie his assertions that we were not preaching for a call. Perhaps the call which the Secretary of State for External Affairs longed for was one not from New York or the mid-east, but rather from Oslo. Unfortunately, the Cabinet no longer possesses a man with the unique abilities of the Secretary of State for External Affairs' illustrious predecessor.

The present situation reminds one of the quotation that when history repeats itself, the first time it is as heroics, the second time it is as comedy. I am sure the quotation is familiar to the right hon. Prime Minister (Mr. Trudeau). In his determination to have Canada included in the peacekeeping force the minister seems to have accepted, without any objection, the implicit Russian identification of Canada as a surrogate of the United States, a surrogate which had to be balanced by the inclusion of a Warsaw Pact country.

In past operations which began by being structured from the assumption that Canada was some sort of an American stand-in whose lack of objectivity was to be taken for granted, and who had to be balanced by another country with the opposite bias, our experiences have been highly unproductive. The truth is that Canadian troops are not American lackies; when they have participated in peacekeeping operations it has been with impartiality and judiciousness.

Some hon. Members: Hear, hear!

Mr. Sharp: It will always be that way, too.

Mr. McKinnon: However, in operations such as the two Viet Nam control commissions, where major power politics were structured into the commission from the outset, the unvarying experience has been of frustration. This frustration has had two sources: First, the politicking within the commission has hamstrung the Canadians from carrying out the task which they were placed there to complete; second, the government's seeming acceptance of the view that Canada's forces are not objective is insulting to the men who have proved under many conditions that they are, in fact, objective and that they can be among the most effective troops upon which the UN can call.

• (1630)

Being equated with troops from Poland, whose bias and selective blindness the Canadian troops have seen, is demeaning, not only for the troops but for Canada as a whole. In his meek acquiescence to the Russian charges that Canada's presence needed to be balanced by a Polish presence, the Secretary of State not only lends credence to false suggestions that Canadian troops cannot be neutral observers and denigrates Canadian independence in the world's eyes, he also confirms any suspicions which the Arabs might have about our supposed lack of neutrality. At the precise time when Canada is beginning to feel the icy fingers of the energy crisis, and at the moment when the Arab states are beginning to use their new-found power to withhold oil from their enemies, we are presented with the spectacle of a member of the cabinet implicitly confirming that Canada is so pro-Israeli that her troops cannot be neutral in the peacekeeping force and that they have to be balanced with communist pro-Arab troops. I wonder if the minister believes that this is the way to safeguard Canada's supply of oil from the mid-East.

Mr. Sharp: A speech like this will not help.

Mr. McKinnon: While on the subject of oil supplies, let us look at what the Minister of Energy, Mines and Resources (Mr. Macdonald) was doing during this time. While one half of our dynamic duo was busy confirming Arab suspicions about Canada, the other half was, without consultation, slapping a large excise tax on exports of crude oil to the United States, hardly an action to draw favourable responses from the country upon which eastern Canada relies for a large part of her oil needs. All we need now is to have some other minister of the Crown infuriate the Venezuelans and the picture will be complete. The government seems to be doing its level best to anger the countries upon which we depend for oil. The Secretary of State has placed us as the pro-Israel, ergo anti-Arab, component of the UN force, while the Minister of Energy, Mines and Resources has done his best to convince the Americans that we are a lot of blue-eyed Arabs gouging them on oil prices.

Let us now consider the part being played by National Defence—

Mr. Sharp: Let us get down to some facts now.

Mr. McKinnon: —and try to solve the riddle of why Canada is not sending a service battalion to give logistical support, its explicitly defined role, but instead is sending other troops. The following, from a Canadian military pamphlet convinces me that the troops to be sent should have been based upon a service battalion.

In each service battalion there is a logistics operations centre which is the nerve centre of the battalion through which is exercised many of the functions of command, of control and co-ordination of administrative support for the brigade group—a group I might add, somewhat comparable to the UN force to be deployed. It must be prepared to operate continuously and to perform the following functions:

A) Control of radio, teletype and voice nets;

B) Consolidation of all units' demands;

C) Organization of pick-up and delivery of all supplies and services

D) Planning and co-ordination of all administration support.

If these roles sound familiar it is because they are exactly what is needed in the present situation. Reading further about the role of the service battalion, we encounter this:

They—

The service battalions.

—are to provide:

1) Transportation
2) Supply of stores and equipment
3) Technical maintenance and repairs
4) Military police
5) Comptroller and finance
6) Postal
10) Bath and Laundry facilities, and
11) Recovery and backloading of salvage

The truth of the matter is, I suspect, that none of our service battalions are available. They are not available because they have, like almost all of our forces, been over-committed and under-manned. They are in mobile command but are not mobile because of their having been committed to camp and base administrative support.

I suspect that, due to government penny-pinching over the years, these service units are required for static roles and it is deceit to imply that they are combat ready land forces, as claimed in "Defence 1971" or that they are highly mobile, as claimed in "Defence 1972". To support this thesis, I wish now to review the actions that brought our forces to this state.

Canadian troops are very capable peacekeepers: whatever tasks they are given they perform well. This is because they are capable, technically knowledgeable, well-trained and well-led. They carry out the very high tradition which has been established throughout two world wars plus their numerous peacekeeping roles. I am sure that as our Signal Regiment has been ordered to carry out the roles of a service battalion, it will do its very best to do so. I am particularly pleased to pay these compliments because their high performance has been achieved under the most execrable governmental leadership imaginable.

The armed forces of this country have been reduced and reduced. Their strength in troops has dwindled in ten years of Liberal government from 123,000 to 81,000. At the same time their civilian strength dropped from 43,000 to 32,000. I prepared a graph to show this diminution over the ten years of Liberal rule, and then extrapolated the graph to show what our forces will be in the future. If the ten-year trend continues, by 1990 there will be more civilians than troops in the department and three years later, in 1993, the last serviceman will be released. For what comfort the Canadian public may draw from it, the projection shows that there will still be 10,000 civilians administering the then non-existent forces.

The low esteem in which the present government holds the Department of National Defence is clearly demonstrated by the rapid changes in ministers. From September 23, 1970 to December 1, 1972, the department suffered under five different ministers—five ministers in 27 months. New math has an expression for zero, it is called a place-holder and this is what the defence portfolio has become, a place-holder.

Now, while these ministers were each spending their brief sojourn in defence, their policies were as one might expect, almost non-existent. I have searched diligently, Mr. Speaker, trying to find any coherent defence policy enunciated by any of these five hon. gentlemen. Regrettably, I found it particularly unfruitful to search in *Han-*

[Mr. McKinnon.]

sard. Defence ministers appear to wait with great patience for Parliament to recess or adjourn before making any kind of statement. The present minister is carrying on this unworthy tradition, as witness his press release of October 10—I suppose it should be called an off-white paper.

In the press releases that the ministers use to delineate their non-policies, two promises appear to be constant over the years. First, there will be a reduction of troops and, second, new equipment will be bought with the money saved. They have always fulfilled the first promise, and always broken the second. Shortly after the minister issued his recent off-white paper, the *Financial Post* of October 20 summed up the current situation rather well:

> The truth is, of course, that the defence spending freezes of recent years have all but wrecked Canada's aspirations to military efficiency. By scraping around, and laying off people, defence officials have somehow managed to pay their bills every year. But the capital budget has dried up to the point where Canadian troops are having to use obsolete equipment and face nightmare maintenance problems with such basic items as trucks. This made mockery of the Canadian armed forces and the men and women serving in them.

I submit, Mr. Speaker, that the decrease in the forces' strength is never accompanied by a proportional decrease in their commitments. The roles and tasks of the forces have become so numerous that "Defence 1972" has finally given up trying to list them in priority for units and has instead prepared a two-page graph with tasks across the top, units along the sides and you simply note how many X's there are. Indeed, one gets the impression that the roles were chosen by the public relations men to include every possible demand which Canada might make on a military establishment—each one, however, expressed in sufficiently vague terms as to confound any attempt at analysis—and that all the squares were X'd save only those where no possible connection could even be imagined.

Nowhere is there evidence that a logical progression was ever made from Canada's military priorities, through the organization of the troops required to satisfy these needs, to the equipment and training necessary. Instead there appears to be a grab-bag of vague objectives crossed with a military establishment to which the present government has given no clear direction. An air of fuzziness and even futility is the inevitable result.

Speaking of "Defence 72", I hope all hon. members have managed to skim through it; that is what it is designed for, to be skimmed through. It has 76 pictures which makes it particularly interesting for people who cannot read. The following comment by a learned military critic, who is able to read, best describes it:

> The reports are excellent, but their excellence is in the most skillful avoidance of giving precise or specific information when it does not suit the intended image to do so. It is not that the reports are inaccurate in the strictest sense of the word, but that the inferences and omission of facts creates a very effective screen of the basic equipment deficiencies.

To get back to the forces, and the bad faith which they have been subjected to, perhaps a few examples by services might best illustrate my general thesis. In the sea element, euphemistically referred to as the navy everywhere else in the English-speaking world, we have the following situation: Ten years ago the seaborne complement was 60 per cent of the total navy force; now it is 50.5

per cent. From 1963-64 to 1973-74 the reduction in the shore complement was 1,000; the reduction in the seaborne complement was 4,750.

● (1640)

In comparing the Canadian Navy with other navies of the middle powers, one is immediately struck by the very large concentration on anti-submarine operations. Our ships have been designed almost exclusively for this role, and I do not wish for a minute to denigrate their capability in that role. However, I am somewhat concerned that new submarine launched missiles designed to bring down helicopters may, to some extent, nullify our efforts in this area. That, of course, is not the only concern that may be expressed. We have arrived at a very sophisticated and expensive anti-submarine destroyer group just when our role or priorities for the navy may well be changing. The Minister of the Environment and Fisheries (Mr. Davis) is hoping to obtain fishing and mineral rights for us to at least 200 miles out from our shores. This will occasion a tremendous need for armed patrol vessels, and a 4,500 ton DDH 280 would probably qualify as the least suitable vessel imaginable for the job. This is the situation coupled with the opinion that Canadian anti-submarine warfare capability has been overtaken by technology—new submarines can fire their missiles long before they can be found and sunk.

There is one final point which I would like to make before I leave the DDH 280. It is not easy to determine their cost. I hope to have an answer soon to my question on the order paper on that subject. I estimate that it is over $75 million, and I note that the United Kingdom commissioned a type 82 cruiser on March 31 last at an over-all cost of 27 million pounds, which is less than each of our destroyers cost.

Looking through Janes, I kept coming back to page 38 where Australia's fast transport ex-aircraft carrier is illustrated. It is of the Majestic class, the same as the ill fated *Bonaventure*. The Australian carrier was converted to a fast military transport in 1962 and can operate Wessex anti-submarine helicopters as well. Frankly, it seems to be an ideal ship to transport and provide a base for peacekeeping forces, which is our main role it seems to me.

The Acting Speaker (Mr. Laniel): Order, please. I regret that I must interrupt the hon. member, but the time allotted to him has now expired.

Mr. Lefebvre: Mr. Speaker, I rise on a point of order. I think there is general agreement on this side to let the hon. member continue, in accordance with the previous agreement that he would in fact be the last speaker. If there are a few minutes left before five o'clock, perhaps the hon. member for Sudbury (Mr. Jerome) could be allowed a few minutes to make some comments. Perhaps the hon. member would leave him some time.

The Acting Speaker (Mr. Laniel): Does the House agree to this suggestion?

Mr. McKinnon: I did not hear the first part of that suggestion, Mr. Speaker. Do I have a few more minutes?

Middle East Peacekeeping Force

The Acting Speaker (Mr. Laniel): The House has agreed to let the hon. member complete his remarks, and if there is some time left before five o'clock, the hon. member for Sudbury would like to have a few minutes at his disposal.

Mr. McKinnon: Thank you, Mr. Speaker, I appreciate the suggestion of the hon. member.

I should like now to say a few words regarding the air element of the armed forces which seems to have been given the wrong plane or the wrong role rather consistently. The CF-5 is a plane much better suited for the distances involved in Europe and third world countries than for North American roles and ranges. As stated by Colin Gray the plane:

> ... has been given a range of missions of varying degrees of implausibility.

The next plane to come along was the much more expensive CF-104. The following was reported in "The Round Table" of July 1972:

> CF-104 tactical aircraft are now being refitted from a strike-reconnaissance to a conventional attack role. It should be added that the CF-104 is singularly unsuited for this new role. The aircraft is very difficult to maintain in the field, it cannot carry much conventional payload and it lacks defensive capability. The $1 billion spent by Canada on its 238 CF-104s, a programme designed solely to provide a nuclear strike capability stands as a monument to cost-ineffectiveness.

I will skip over some of the comments which I wished to make, in keeping with your generosity in letting me have a few extra minutes, but I would like to say a few words about the land forces, or the army to the uninitiated. One hardly knows whether to start with the age of their trucks, the age of their tanks, or the fact that at present they have no anti-aircraft weapons at all. It is very difficult to get reliable or sensible information from the department. A most intriguing example of this difficulty can be found in *Hansard* of January 21, 1970 at page 2647 when the hon. member for Compton (Mr. Latulippe) is reported to have put the following question to the Minister of National Defence (Mr. Richardson):

> His department announced yesterday that it had authorized the mass production of MBT-70 supertanks, each of which will cost about $600,000. Would the minister tell the House how Canada will use these tanks?
>
> MR. SPEAKER: Order. The question could be put on the order paper.

But it was not, and it disappeared from sight.

Another example is to be found in a Reuter's release which reads as follows:

> Canadian defence minister E. J. Benson—

You know how long it has been since he has been around;

> —announced last night that Canada expects to sign a $40 million contract with Britain in the next week or two for more than 100 Scorpion light tanks.

These mythical tanks are to replace the Centurion, a venerable tank introduced into the British army in 1945, 28 years ago. We have vehicles in the Classic Car Museum in Victoria that are younger than those tanks, and many of the troops now serving in them were not even born when these tanks were given to the Canadian army.

There has been a succession of short-term ministers, each cutting the strength of the forces, increasing the tasks—multitasking is the "in" phrase—and promising, always promising, capital expenditures on equipment. Now, our present minister has issued his proclamation of a new era. There is to be an increase of 7 per cent per annum for each year of the next five years. The deception, of course, is that the defence budget is divided between capital and operating costs. The ratio between capital and operating determines whether the force is avoiding obsolescence or not. To avoid obsolescence requires an annual share of the budget for capital costs that should be in the neighbourhood of 30 per cent of the budget. In fact, the last time that Canada spent over 16 per cent of the defence budget on capital expenditures was in 1963-64.

Now, with the operating expenditure usually taking 85 per cent to 90 per cent of the budget—remembering that operating costs rose by 11.2 per cent last year and that the inflation rate is now 8.2 per cent per annum—a raise of 7 per cent in the total budget means a decrease, not an increase in capital expenditures. It is simply more of the same fraud that has been perpetuated each year, first on the personnel in the forces, and second, on the Canadian people.

I support the idea of Canada doing what it can do to bring peace to the Middle East. I know that our troops, as always, will conduct their affairs in a highly competent and professional manner. I hope that my remarks today may in some small way move the government to change its ways and give these troops the support they have so richly earned.

Mr. J. A. Jerome (Sudbury): Mr. Speaker, I am delighted to have this opportunity, brief as it is, to get a few remarks on the record, and I am delighted as well to conclude this debate with something on the positive side. I was surprised at the negative tone of the last speech from the opposite side of the House. I think that that kind of speech does more harm, about which the hon. member was worried in his speech, than it does good. It is precisely the problem that we face. There is too much of the negative attitude.

I am anxious to get a few remarks on the record because, recently, I had the honour of being a member of the delegation which visited Cyprus and Turkey for the general assembly of NATO. It was an all party delegation. In the course of my remarks, had I more time, I would have liked to spend some time on the NATO conference and our role in NATO in a peacekeeping effort, but more appropriate to this debate is the role that our forces have been playing on the island of Cyprus in the UN contingent there. This is exactly related to the possibility of our doing something meaningful in the Middle East.

The population of Cyprus numbers about 600,000 people, about 120,000 Turkish Cypriots and about 480,000 Greek Cypriots, who are literally in armed confrontation with one another all over the island. There are enclaves where the Turks live in walled cities, separated from the Greek Cypriots by walls that were built centuries ago. Let me give you a more graphic picture. There is a green line that separates the Turks from the Greeks on this island of 600,000 people. This line goes the length of the island, and right through the city of Nicosia, where a few feet apart armed patrols of each side face each other ready to fire. For every ten of these posts the United Nations force has one of its own, and still manages to keep the peace. Canadian forces have been there since the United Nations first undertook that job. Our contingent plays a key role and commands tremendous respect, so much so that it has been estimated, by persons involved in the work undertaken by other countries contributing to the UN force, that if the Canadian contingent had to be replaced, other countries would be required to supply several times their number simply because of the high degree of training and dedication of the members of the Canadian force.

● (1650)

This is an incredibly difficult job, yet it is being done. It is difficult in one respect because there is a temptation to say that, during the years the United Nations contingent has been there, there has been no progress, no hope of progress, and that it has incurred a tremendously high cost. There is the temptation to say that it is not our business to be there, that we should depart and let the parties go to it themselves. On the other hand, we must realize from the experiment in Cyprus, which is a living laboratory of peacekeeping operations, that its success can be measured in the avoidance of open war and savage conflict. In those terms we have made tremendous progress. And there is hope for the future, because it may be possible for future generations of those people, who hate each other so deeply, who have deep seated prejudices, to find a more enlightened approach to living with one another. That is our investment in Cyprus.

When the cost is mentioned, Mr. Speaker, in actual fact the cost may be zero because the forces we are contributing would have to be trained anyway. If we had them in our own country they would probably be doing something much less meaningful. Our contribution demonstrates above all that we do have a commitment to peace, and that we believe in peace. When we learn, in addition, that our forces are not only playing a leading role but command respect throughout the world, then we know we have learned our lessons in Cyprus well, and are willing to continue to learn. We rotate our contingent there every six months.

As a result, when we send a team of logistics experts to the Middle East, we know that we are really sending experts. When our forces are able to move for Cyprus to Egypt at 24 hours notice we can conclude, with some considerable pride, that no matter how hopeless the situation may seem in the Middle East, no matter how great and technical are the logistics problems, no matter how deep seated the prejudices and the hatred, and no matter how difficult external influences may make the situation, the fact is that we in Canada can demonstrate to the rest of the world, from our experience in Cyprus, that we do believe the peace can be kept there as well as in other parts of the world.

Our reputation as one of the most ably trained and dedicated peacekeeping forces in the world, is a reputation Canadians should prize. When we are explaining to the Canadian people the rationale for having armed forces at all, I cannot think of a rationale I would be more proud to place before the Canadian people than the fact that we are in this business not to make war but to prevent it. For that

reason I welcome the role we are asked to undertake, and I commend our forces for the role they are undertaking in Cyprus. I welcome the opportunity to go from there to another corner of the world where we can make our experience available. Mr. Speaker, we really are ready to go to any corner of the world to help keep the peace.

Mr. Deputy Speaker: Order. It is the understanding of the Chair that the speech by the hon. member who has just taken his seat concludes this debate. I will now put the motion.

Motion (Mr. Sharp) agreed to.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Before we proceed to private members' business at five o'clock it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hillsborough (Mr. Macquarrie)—Transport—Prevention of Abridgement of Prince Edward Islands' right to ferry link with mainland—Possibility of government operation of service; the hon. member for Vancouver Kingsway (Mrs. MacInnis)—Criminal Code—Request that abortion be removed; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Air Canada—Construction of new computer centre at Dorval—Effect on Winnipeg centre.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions (papers), private bills and public bills.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

INDUSTRY

REQUEST FOR COPY OF EVALUATION REPORT OF INDUSTRIAL DESIGN ASSISTANCE PROGRAM

Mr. Edward Broadbent (Oshawa-Whitby) moved:

That an Order of the House do issue for a copy of the latest evaluation report of the Industrial Design Assistance Program (IDAP).

He said: Mr. Speaker, for the past five years a number of us have been trying to obtain evaluation studies from the government concerning the spending of hundreds of millions of dollars of the public's money, and in fully consistent fashion for the past five years the government has been denying members of parliament, and therefore the

people of the country, access to serious and relevant information that has been accumulated in evaluating a variety of programs that provide assistance to the private sector. For example, since 1965 the alphabet soup programs, PAIT, IRDIA, IDAP, PEP and GAAP have received from the public treasury, that is to say, from the taxpayers of Canada, $1,315,600,000. This has been paid in outright grants, in the main to the private sector.

An hon. Member: A very active government.

Mr. Broadbent: Yes, very active in giving away the people's money to the corporations. That is exactly the issue, and I want to state the problem as clearly as I can.

The NDP has not taken the position that under no circumstances should grants be made to the private sector for research and development. It is normally held that where financial assistance is provided there should be some direct return if a successful commercial product results, or if other benefit occurs to the company concerned. We believe that when programs like IDAP, the Industrial Design Assistance Program, provide money to corporations, the least that could be done is to provide members of parliament with an evaluation of the progress made, on an annual basis. I do not know of any other legislature that is so systematic in keeping from its members the opportunity to pass judgment on spending programs.

● (1700)

The United States, for all its faults, is a governmental system. We are seeing some of those faults right now of course, but its system has left Canadian members of parliament in the dark ages. No member of the House of Representatives or member of the United States Senate would tolerate the restrictions imposed on members of parliament when they try to find out the efficacy of government spending. Members of the U.S. House of Representatives and the U.S. Senate have virtually unlimited access to studies that have been done to evaluate government spending programs, whether they be programs of the kind under discussion now of providing assistance to the corporate sector or other programs. They have set up all kinds of investigative committees that enable them to conduct their own inquiries independent of the executive branch. In this country we are totally dependent on whether the government of the day deems it politically expedient to reveal such information.

Each year we are called upon to vote in the estimates hundreds of millions of dollars, in a state of total ignorance. We just do not know if the programs are working. We do not know if PAIT, IRDIA, or IDAP are providing the benefits that they are supposed to provide to the Canadian Public. Each year since I have been a member of this House, I have asked in a committee of the House of Commons for a systematic evaluation of the various programs. I asked the former minister of industry, trade and commerce, Mr. Pepin, and I have asked the present minister, but I have never received them. Last spring, I raised these questions again and the minister followed the bad example of his predecessor by not providing any information at all.

I would refer hon. members to the reports of the Standing Committee of Finance, Trade and Economic Affairs particularly issues No. 9 and No. 14, respectively dated April 10, 1973, and May 8, 1973. Anyone who wants to take pride in the democratic political procedures in Canada would be ashamed of the testimony. It discloses a total attempt to obscure rather than make clear the results of those spending programs.

The question at stake is what guarantee we have that the moneys provided to IDAP, IRDIA or PAIT are used to the benefit of the public. How do we know that the companies getting the benefits had not already planned to undertake the particular research and development without government assistance? That is the crucial question, Mr. Speaker, and there are a number of ways of studying it. It has been done elsewhere but this government either does not want to do it or, having done it, does not want to reveal the results.

The problem can be put in a more concrete way. For example, if I own a company and, because of internal studies, am planning to expand a certain product during the next three years because my own studies show a growing market for it, then if I have any entrepreneurial talent I will go ahead. Now, if I were aware that the federal government would provide $1 million or $2 million or several hundred thousand dollars for research and development of that product, I would be mad if I did not take advantage of that benefit at the expense of the taxpayer. The point is that the moneys in this instance would not be spent in the way that was intended. It is intended that the money should be used as an incentive for a company to expand in a direction that it would not have done otherwise.

There are a lot of economists now who say that such government spending is a total waste precisely because competent businessmen in the private sector would have already made plans to expand in a certain direction even without financial assistance from the government, but they will obviously take advantage of this welfare assistance now provided by the state. It is that kind of study that we need. We have to be shown that there is a direct causal relationship between the federal government and businessmen in this area. The onus of proof is on the government to show that there is a specific action and not just express the pious hope that there is. If it cannot be established, then the program should be cancelled.

Mr. Breau: Would the hon. member permit a question?

Mr. Broadbent: At the conclusion of my remarks. One aspect of the question that has come up, not only from this minister but other ministers who have refused to reveal such studies, is that confidentiality would be a problem; that somehow some companies would gain at the expense of the particular companies that have received assistance or made known that they received the assistance and under what circumstances. That is a red herring, Mr. Speaker, there is absolutely no need, in the kind of study I am asking for, to give the names of the companies involved in it. It can be shown that X, Y or Z companies engage in certain activities and received grants. They do not have to be named. It is a well known practice in social science to conceal names if some relevant information would be revealed in a public study that could be of direct benefit to competitors. An essential point is that a study of the firms receiving hundreds of millions of dollars could be presented with the names left out so that nothing would be lost to them as individual companies.

Similarly it has been suggested that in some cases military security is involved. That is a red herring, too. It is interesting that one of the few studies that has been released to the public was done on military industrial research and development. If there was a concern for security, one would have thought it would not have been made available.

In summing up, Mr. Speaker, I must say that I have no expectation of moving this docile, secretive government on this issue but I repeat, hundreds of thousands of dollars have been spent—$150 million last year and the same the year before—well over $1 billion has been spent in this area since 1965. I think the government has a fundamental obligation to the people of Canada, and to members of parliament, to reveal studies such as those we are concerned about at present, so that we may have some idea of the facts when we are called to vote, year in, year out, the money that is to be spent on these programs.

• (1710)

Mr. Barnett J. Danson (York North): Mr. Speaker, I listened to the hon. member for Oshawa-Whitby (Mr. Broadbent) with great interest, particularly when he referred to alphabet soup programs and suggested we are probably spending too much on them. I suggest we are not spending enough. I think these programs are excellent. They are not fully appreciated. I do not expect the NDP to appreciate them, as much of this money goes to the private sector. On the other hand, if NDP suggestions were adopted, what is now the private sector would become the public sector and, oh boy, you would really see money going down the drain.

The program known as IDAP is rather interesting, although not too well known. It has to do with industrial design assistance.

Mr. Broadbent: Why is the government afraid to disclose certain information about it?

Mr. Danson: The government provides incentives for those who are interested in research, development and engineering. Not enough incentives are put into design. Most of the money spent in programs such as these goes to corporations, who happen to be the people who conduct business in this country. In some cases, corporations must contribute as well; in the present case, they contribute 50 per cent. That is, the corporations must contribute 50 per cent towards any design and construction process, and IDAP provides the other 50 per cent.

The question of secrecy disturbs many of us. I agree that there should be as much disclosure as possible. Of course, some caution must be exercised in dealings involving commercial agreements and intelligence. Certainly, we are entitled to any information which would not infringe on these areas.

The matter being discussed concerns me, inasmuch as design in this country simply is not good enough. I do not

think government or business has paid enough attention to design. This becomes evident when one compares our situation with that of countries of comparable economic size, such as the Scandinavian countries. The Scandinavian countries have always been very conscious of design. Their designs have always been imaginative. I have seen their products and have not seen anything superior to the way they design and manufacture various products.

Also, good design helps those countries to sell. I have had some experience in this regard, having dealt with the National Design Council in the private sector and seen the work which can be done with rather limited resources to encourage industry to think more in terms of good design. Good design involves basically engineering and better manufacturing methods. I had one experience in this regard many years ago when I was sales manager of a plastics manufacturing company.

A man came to me with a magic lantern. I had not seen one since I was a little boy. It was made of tin. I was fascinated by it. This thing was selling for around $4 at that time; then you could still get something for $4. I took it back to my office and examined it. The man wanted to duplicate it in the conventional material being used at that time, which was polystyrene. I took it to another designer friend of mine, who felt he could do many things with the lantern. The result was a product which was exceptionally well designed and which could be manufactured for much less cost than the original products. Sufficient research had been done into the material which was to be used, in this case one of the phenols, known as Bakelite. The lantern sold very well—I am going back 20 years—and sold in large volumes around the world. It could be manufactured for less than half the price of the old tin product. It was of much better design, much more functional, much less expensive and of much higher quality. That shows what you can do with good design.

Canadian manufacturers do not give design sufficient priority. We are prone to copy. Perhaps that is the difference between the Scandinavians and ourselves. We tend to go to the United States and do our design by shopping at Macy's, so to speak. In other words, a manufacturer goes down to the States, picks up a variety of things, and produces them in Canada. This is regrettable because that does not develop our export markets. I agree with the hon. member; our private sector should be developing designs. We should be doing everything in our power to encourage this.

I think that the alphabet soup programs to which the hon. member for Oshawa-Whitby referred offer great opportunities for developing industry in this country. They can lead to good design and innovation. The government of Canada is responsible for many such programs. During the life of the last Parliament we tried to put these programs together in one package. The Department of Industry, Trade and Commerce was responsible for many of them; other departments were responsible for others. The department developed what is known as the businessman's guide to government. Several thousand copies were circulated across this country. When business associations want to meet, they sometimes ask for copies of the publication. It is a pity that more people do not know about it. It refers to good government programs.

I have before me a copy of what might be termed as the businessman's guide to the federal government. I will be pleased to table it and, if there is unanimous consent, to have it appended to *Hansard*.

Mr. Knowles (Winnipeg North Centre): The hon. member cannot table anything. He is speaking only as a private member.

Mr. Danson: Well, I can try.

Mr. Deputy Speaker: Order, please. This particular period, the private members' hour, is always a time of great stress for the Chair. I said on a previous occasion that I wondered whether the hon. member presenting a motion was really having his day in court in arguing as to why a certain order of the House should issue for certain information. It seems that hon. members talk about almost anything vaguely associated with the subject matter of the motion but do not talk about the main issue itself. I think I should be a little more stern.

The hon. member for Oshawa-Whitby has asked the House to decide whether or not an order of the House shall issue for a copy of the latest evaluation report of the Industrial Design Assistance Programme (IDAP). Speaking on that topic, the hon. member certainly presented his case. He did it clearly within the rules of the House. He was relevant. With great respect to the hon. member for York North (Mr. Danson), I suggest he is talking about a variety of things which sometimes come reasonably close, but never close enough to enable the Chair to relax, to the main matter. That has made the Chair uneasy, rather than easy. I ask the hon. member to look at the motion and to deal with the point at issue.

Mr. Danson: Mr. Speaker, I take your admonition to heart but assume you will allow me the same latitude you allowed the hon. member for Oshawa-Whitby who spoke of a whole range of programs. He wondered about their value. I was only responding, I thought, to the hon. member and was dealing, I thought, with questions raised in connection with the report to which he referred.

The hon. member suggested that this was a sort of corporate welfare program. I do not think it is. I do not suggest for a moment that there are not such cases. Having had experience with the department, before and after entering Parliament, I can say that there are strict criteria and that these programs are carefully monitored and handled. I should like to see a proper approach taken to them. At present we are concerned particularly about industrial design. I should like to see the government show greater leadership in this regard than it has done in the past.

I wrote a paper on design when I first came here. I was so incensed at bad design. I said that there ought to be minimum standards of design. I do not like the prospect of some sort of jury monitoring the creative crafts, but I am appalled at the shabbiness of the designs we have had to tolerate around here right from architecture to letterheads, and I should like to see something done about it.

● (1720)

This program, as far as I can see it, is an excellent one and one which should be expanded. The point the hon. member is making is a good one. Programs such as these must be evaluated and reported upon and then given adequate publicity because the publicity resulting from an intelligent evaluation can spur others on to using them intelligently. I am delighted at this opportunity, which the hon. member for Oshawa-Whitby has provided, because I have never had an opportunity to speak in this House about the inadequacy of attention paid to design by the government itself. For example, when we changed the PA system in this chamber, little attention was paid to the design. We have these little metal boxes in front of us, efficient, no doubt, but really quite ugly. I feel something equally efficient but something more attractive could have been installed.

Canadian industry, too, has been deficient in this respect with some notable exceptions. The motion has merit and should be taken seriously by the government. The greater the publicity given to these programs the better, because the growth of our exports is related to this type of activity. I believe this is the subject which deserves far more attention than it has so far received, because not only would an advance in this direction make the economy more prosperous but it would lead to our becoming far more conscious with living with ugliness; it would also make us appreciate how much more pleasant it is to live in surroundings that are harmoniously and aesthetically pleasing.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question? It is a simple one. Is he for or against the motion?

Mr. Danson: That is a very good question. I do not make up my mind until I have heard the debate. I am sure that is the object of the debate. I understand there are some worthwhile interventions forthcoming which will help me reach a final opinion.

Mr. Knowles (Winnipeg North Centre): Does the hon. member not find it uncomfortable sitting on the fence?

Mr. Bell: He has been doing it for years.

An hon. Member: He is a Liberal, isn't he?

Mr. H. T. Herbert (Vaudreuil): Mr. Speaker, I am glad of the opportunity to say something on this motion.

An hon. Member: Are you for it?

Mr. Herbert: In principle I shall be for it. Maybe, first of all, we should review the machinery we already have to see whether we need to look any further. I am happy to speak on industrial design assistance program—

Mr. Knowles (Winnipeg North Centre): That is not what is before us.

Mr. Herbert: —and recall what it has done in order that we may better estimate the need for any improvement.

This program has received an enthusiastic response since its inception. It evolved in response to requests from industry, and the primary object is to improve the competitive position of Canadian secondary industry and to expand sales in foreign markets by upgrading the design quality of Canadian products. The second objective of the program is to create in Canada an environment which will attract and retain skilled industrial design talent, initiate new Canadian designs and develop product ideas. IDAP provides assistance on a cost shared basis in support of 50 per cent of the approved cost of a design product, excluding capital costs. Projects cover the design of such diverse items as an X-ray unit, a tea kettle, a relocatable school, an automatic skate sharpener, a tent trailer and office furniture.

The first comprehensive report and evaluation of the program covers the period from its inauguration on August 17, 1970, to March 31, 1973. Over this period, 64 projects were approved for support involving an estimated total cost of $2.87 million. The IDAP commitment amounts to $1.439 million, of which $885,000 was actually paid out. The program was recommended by the National Design Council and developed by the office of design in consultation with others in the Department of Industry, Trade and Commerce. The IDAP program received treasury board approval on December 18, 1969. Departmental news releases about the program were issued on February 17 and August 17, 1970.

The first application under the program was received by the department on August 20, 1970, and the first meeting of the IDAP Advisory Committee was held on December 17, 1970. The specific aims of the program are to improve the design quality of Canadian products and to create an economic environment in Canada which will advance the level of industrial design capability in the nation.

Projects approved for support conform to the program's selection criteria and are the subject of a formal agreement between the department and the company which ensures that if the project is successful exploitation of the results will be pursued and will contribute in an optimum way toward achievement of the objectives I have mentioned.

Assistance under the program is available to companies incorporated in Canada, to groups of companies organized as consortia, and to trade associations to the extent that they can satisfy the requirements of the program. The fundamental requirements for IDAP support are that a new or improved product will result from the IDAP project, that the project carries with it good prospects for profitable follow-on production and sales from a Canadian manufacturing base, and that the applicant company is prepared to make a substantial contribution to the development cost. The department's contribution to a project is normally 50 per cent of the approved cost.

● (1730)

The program's project selection criteria require objective appraisal of the merits of the development proposal and of the capabilities of the applicant company. Development proposals are appraised for innovation and for technical feasibility within time and cost constraints. The commercial aspects are appraised with respect to the needs, characteristics and size of the market, the growth of the market, tariff and non-tariff barriers to market access,

the nature of competition in the market and realistic market penetration. The capabilities of applicant companies are evaluated as to organization, facilities for follow-on exploitation and financial resources. With regard to organization, the technical, marketing and management capabilities and the corporate characteristics are of special interest.

Title to patents, designs, technical data and materials resulting from a project vests in, and remains the property of, the applicants. However, applicants must undertake not to transfer technical data or inventions, methods or processes resulting from the project to anyone for the purpose of producing or manufacturing outside Canada products identical to, or substantially the same as, the products resulting from the project without the consent of the minister. In addition to these general requirements, the following specific requirements must be met by every IDAP application. Financial support by IDAP is limited to projects concerned with the design of durable products—not throw-aways—which are produced in quantity by industrial processes and which have significant sensitivity to the physical and psychological needs of the user.

The following is a guide to the types of projects that are eligible for support by IDAP. They include office, institutional and home furniture; medical and scientific instruments; recreational and industrial vehicles; toys, games, sports equipments; craft items which are functional, such as dinnerware, ashtrays, etc.; farm and industrial machinery and implements; boats and marine products; functional clothing for sports and industry, such as fire protection suits, life jackets, etc.; household appliances and data processing and communications equipment.

IDAP does not support the design of items which are materials, such as upholstery fabrics, wall-panelling, hardwood flooring, etc.; items generally identified as components, such as gears, axles, relays, casters, etc.; items generally associated with engineering, such as submersible pumps, distribution transformers, etc.; items generally associated with architecture, such as girders, buildings, structural assemblies, etc.; items predominantly graphic, such as record-jackets, point-of-purchase packaging, books, etc.; fashion items, such as clothing, costume jewellery, etc.; or individual traditional handcrafted items of a decorative, non-functional nature such as paintings, sculptures, etc.

The product or products to be designed must be innovative. This is defined for IDAP as the practical implementation of industrial design to provide new or improved products, offering a significant advancement in form and/or function, from the user's point of view. Because design innovation is relative, its significance must be evaluated with respect to the design of similar products currently in development or already available on the market. Projects which propose design innovations based only on cost reduction or ease of manufacture are not eligible, although these factors have important additive value. Projects related to annual model changeovers, without substantial design innovation, are not eligible.

The costs for industrial designer services, whether supplied by staff or consultant designers, must be not less than 25 per cent of the total eligible costs for the project. An IDAP project must be an expansion of the design program of the company or companies making the application. The design expansion may be measured in either of two ways: as an increase in the applicant's normal budget affecting industrial design manpower, or as an expansion by the applicant into a new or highly innovative product area. Thus, an applicant company planning little or no expansion in industrial design manpower can qualify if it proposes to enter into manufacture of a totally new product line, or if it proposes to develop an exceptionally innovative product in an existing product line.

The industrial design services required for an IDAP project must be directed by a person qualified in the field of industrial design who is included in the record of designers maintained by the Department of Industry, Trade and Commerce, or who has the qualifications that would permit his registration in the record of designers. To qualify for work on an IDAP project, an industrial designer must either have graduated in a course of industrial design from an accredited university and have had not less than two years' practical and applicable industrial design experience, which experience must be documented in a professional portfolio covering products which have actually been designed and marketed, or he must have graduated from an accredited university in a related design discipline, such as architecture or engineering, and have had not less than two years' practical and applicable industrial design experience.

This experience must have been sufficient to provide an ability to solve the types of problems normally encountered in industrial design and which relate to environmental and human factors, the integration of aesthetics with function and form, a knowledge of materials and manufacturing processes for a wide variety of markets; and this experience must be documented. Or in lieu of formal design training at the university level, an industrial designer must have had substantial practical and applicable industrial design experience of not less than five years which will have been sufficient to provide an ability to solve the types of problems normally encountered in industrial design, as I have enumerated.

Up to March 31, 1973, 64 projects had been approved. Up to that same date, 33 projects had been completed. In the year 1970-71, 11 projects were approved for a total IDAP commitment of some $226,000. In the year 1971-72, 27 projects were approved for a total commitment of $629,000; and in the year 1972-73, 26 projects were approved for a total commitment of $571,000 in that fiscal year.

One measure of the success of the IDAP program is the increase in industrial design expertise in Canada and the participation of that discipline in the program. An industrial designer was used for the first time by the applicant company in the great majority of the approved projects. Indications are that many of these companies will continue to utilize this new-found technology, and already there are proposals in hand for companies who want to obtain a second IDAP grant. Some industrial design houses have been particularly skilful in promoting the value of the program and have used it to good advantage. While most design houses have been involved in only one project to date, others have managed as many as eight.

The largest grant to date is $55,300, the smallest is $4,000, and the average grant to date is about $22,000. Allowable

costs under the program include salary, wages and other operational and administrative costs for staff industrial design and associated technical personnel. Also included—

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

Mr. Deputy Speaker: Order. The hon. member for Winnipeg North Centre (Mr. Knowles) is rising on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I hesitate to disturb the peace that you seem to be enjoying up on your plateau, but I am wondering whether Your Honour sees any relationship between the speech now being made and the motion before us which asks that an order of the House do issue for a copy of the latest evaluation report on the industrial design assistance program, IDAP.

Mr. Deputy Speaker: I am among the most trusting of human beings and I was hoping and anticipating; but I really have not seen very much relationship between the speech being made and the motion that has been presented.

Mr. Breau: Mr. Speaker, may I speak to the point of order?

Mr. Deputy Speaker: The Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Breau) on the point of order.

● (1740)

Mr. Breau: I respect your position and your decision, Mr. Speaker, but I submit it is very difficult, after one has put forward his motion and stated his position, to respond without in some way giving information about the program. This is particularly so when the hon. member asking for the information has suggested that we have not divulged it. In order to justify our position, I suggest we must explain the nature of the program.

An hon. Member: In no way.

Mr. Broadbent: I rise on the same point of order, Mr. Speaker. I entirely agree with and respect your earlier intervention in the discussion, suggesting that members of this House have to relate their remarks to the subject before us. It is abundantly clear that government members use this hour to talk-out a serious motion without giving reasons for or against disclosure. I attempted deliberately to relate my comments to the subject matter of my motion. Now we have various government members simply getting to their feet and blabbering about the program, when the issue is, should the government or should it not reveal the study on the efficacy of this program.

An hon. Member: That's right on.

Mr. Deputy Speaker: As I said during a debate that took place a month or so ago on a similar motion when the same type of problem was encountered, it is helpful to have some understanding of what the document itself is concerned with. However, I think it is going a bit far for the hon. member for Vaudreuil (Mr. Herbert), who is making a very good presentation in respect of the work carried out under this program, to do so without referring to the merits of the issue, namely, whether the evaluation report should be presented to the House. I think that is the sole issue.

Since hon. members are getting a great deal of information now from research staffs and the like, I would hope those staffs would bear in mind that what is being asked for is not an over-all debate on the program but whether, members having become aware of certain facts, the report should be presented to the House or whether in the wisdom of the government it should not. I am as interested as other members in the industrial design assistance program. However, the hon. member for Oshawa-Whitby (Mr. Broadbent) has come before us and asked that a specific order of the House do issue, and I think that is the point to which the hon. member should address himself.

Mr. Herbert: Mr. Speaker, with due deference to the Chair, I do not see how we can make an assessment on whether we should have what is called for in the motion unless we have an appreciation of what is already in existence. I have been trying to explain what we already have, in order that we might make a just assessment as to whether we require further information. I have spoken about the size of grants, the number of grants, and so on, with the object of pointing out that possibly we already have enough information in our hands and that any more is unnecessary. I am not suggesting that is necessarily so, but I am pointing out that we do have a tremendous amount of information available to us at this time. I have come to some conclusions concerning this program.

An hon. Member: We don't want conclusions.

Mr. Gilbert: Stay with the motion.

Mr. Knowles (Winnipeg North Centre): This is out of order.

Mr. Herbert: I have reached some conclusions, based on the information we have today, about whether we need further information.

Mr. Gilbert: Stay with the motion.

Mr. Baker: There is nothing like a conclusion to make a member speechless.

Mr. Herbert: I am giving it deep thought.

An hon. Member: Time is going down the drain while a lot of clocks are ticking.

Mr. Herbert: I have come to the conclusion, Mr. Speaker, that IDAP provides an excellent incentive to industry to develop new and better products in sectors where industrial design is a prime consideration. There is a need for increased attention to the monitoring of approved projects. This is possibly the point referred to by the hon. member in presenting his motion. There is also a certain need for better marketing knowledge on the part of all persons concerned with the program, including industry management, departmental officers and industrial designers.

The impact and success of the program could be improved possibly in two ways. It could be improved with an increase in liaison activity between the office of design and the line branches, and by an increase in promotional activity by the various provincial governments, regional offices of the Department of Industry, Trade and Commerce, and professional and business associations. From the information available to me and, I assume, therefore available to the hon. member who moved the motion, I have no real problem at the moment in assessing the success of the program. It is fine in principle to talk about evaluation reports, but at the moment I do not know whether such are produced on a periodic basis by the department. However, perhaps the parliamentary secretary could enlighten us on that point.

Mr. John Gilbert (Broadview): Mr. Speaker, I suggest that the motion of the hon. member is very simple in that it asks that an order of this House do issue for the production of an evaluation report with regard to IDAP. The hon. member for Oshawa-Whitby (Mr. Broadbent) was very clear, cogent, precise and persuasive in his argument about the necessity to produce the evaluation report in order that members of this House, and perhaps members of a committee, could study it and decide whether the program should be continued, dropped or cut back. So far we have heard members of the Liberal Party speaking in great detail about the virtues of the program without discussing whether the evaluation report should be produced. The hon. member for York North (Mr. Danson), who is a businessman of some success, spent a great deal of time speaking about the program and how great it was. Can you imagine the situation where that hon. member, having decided his factory should do some research and development on a product, having called in his comptroller and other executives to assess the desirability of developing the product and having set aside the money to do so, finding out three months later that no evaluation study had been carried out in regard to the efficacy of the product? We have here a government program, and in order to assess its efficacy we should have access to the evaluation study. It would be nonsense and a sheer waste of money not to evaluate the research done on a particular project. As members of parliament, we have a responsibility to see how moneys are spent in respect of IDAP.

The hon. member for Oshawa-Whitby says the government has an evaluation report. We should like to study it in order to decide whether the program is effective. If it is not, we would propose measures to end it. For the hon. member for York North to suggest that members of the NDP would stop grants to private firms is sheer nonsense. The hon. member for Oshawa-Whitby said we would gladly give this money, but we feel we have a responsibility in this regard.

An hon. Member: He said it was a waste.

Mr. Gilbert: He said we have a responsibility to see that this money is properly spent. It would certainly be a waste if members could not study the evaluation report. The question arises as to why the government should attempt to hide the report. Is it disappointed with the results of the program? I recall that when I was a member of the committee on finance, the president of Electrohome appeared on behalf of the Canadian Manufacturers' Association and spoke about television sets in Canada. He said there were nine companies which manufactured television sets—seven United States companies and two Canadian companies.

● (1750)

The Canadian companies are Clairtone and Electrohome. Here we have Canadian firms competing with Unites States firms in the production of television sets. Where is the research and development conducted in respect of the seven United States firms? Is it in Canada? No. All the Canadian firms do is assemble the television sets. We have two Canadian firms competing with seven United States firms in the television industry.

We have here a program under which we could make use of the research and development programs of these various companies and thereby give an opportunity to young Canadian research men and engineers to develop Canadian products. We have IDAP which accommodates such research and development. Surely we should be able to evaluate any study that results from any moneys we give. For the government to shelter behind some of the excuses it has given, to the effect that confidentiality or secrecy may be affected, is pure nonsense. This is really demeaning to members of this House who would like to know the effects of this program.

I hope the Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Breau) will get up and say he supports this program and sees the necessity of all members of parliament studying the evaluation report so we might determine whether the program should be continued. I hope that hon. member will not shelter behind the weak excuse he will probably give, because that would not be worthy of him. There are only five minutes remaining in this discussion, and I shall sit down in order to give the parliamentary secretary an opportunity to say he supports the program and supports the issuance of the evaluation report.

My colleague, the hon. member for Oshawa-Whitby, said that our United States friends can look in depth in and full detail into the programs they sponsor; this makes me feel ashamed that we in Canada should deny such information not only to members of parliament but to Canadians at large. I would hope that at one minute to six when the vote is taken, the vote will be favourable.

Some hon. Members: Question.

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I appreciate the opportunity to participate in this debate because I believe it is an important subject. The hon. member for Oshawa-Whitby (Mr. Broadbent) and the hon. member for Broadview (Mr. Gilbert) have argued that there should be an order of the House for the issuance of an evaluation report so we may evaluate the usefulness of these programs. In support of their argument they say the government has refused—I believe "denied" was the word used by the hon. member for Oshawa-Whitby—members of parliament access to information with regard to these programs.

If that is the only reason, there is absolutely no reason to have these reports, because on May 8, 1973, before the Committee on Finance, Trade and Economic Affairs, the Minister of Industry, Trade and Commerce (Mr. Gillespie) when defending the estimates of his department for the year gave quite an elaborate report on the estimates as well as of the programs.

It is very difficult to understand the attitude of members of the New Democratic Party. So far as I can see, they really do not want the evaluation report published in order to evaluate the program or to find out whether it is working. I say this because when listening to the hon. member it was obvious that he believes this program is a waste of money. The problem in respect of the NDP is that because of their political philosophy they believe anything the government does in the private sector is bad.

Mr. Broadbent: Did you listen to the argument?

Mr. Breau: Let me continue.

Mr. Broadbent: It is obvious that you were not listening.

Mr. Breau: I was. I also listened to the hon. member as the time the departmental estimates were before the committee. It seems to me they are looking for information to further their political aims and bring in distortions. They say the matter of commercial confidentiality is not important. The minister tabled before the committee and explained in detail as objectively as he could, not on a selective basis because it was difficult without divulging confidential matters, the sales to actual expenditure ratio and the projected sales to projected expenditure ratio.

What else could the hon. member want, unless it is information to be used in an election campaign in order to show there is a corporate rip-off? The hon. member wants the evaluation, but on a subjective basis. He does not want to make a study on an objective basis. What that party wants is information as to the names of the companies in order to pursue a political debate. If they wish to do that, I think they should do so without these evaluation reports.

Evaluation is carried on within the government on an ongoing basis. It is done constantly, for the benefit of the government and of particular departments. I am directly opposed to this motion. I do not believe it is necessary. The minister gave all the information he could without divulging commercially confidential matters. If this information were divulged publicly, the validity of the program would be denied. If the members of the NDP do not believe in research or doing anything in the private sector, I disagree with that position and think we should continue to help the private sector in respect of research and development.

Mr. Deputy Speaker: Order, please. The hour provided for the consideration of private members' business having expired, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[Mr. Breau.]

GOVERNMENT ORDERS

[*English*]

FOREIGN INVESTMENT REVIEW BILL

PROVISIONS RESPECTING ACQUISITIONS OF CONTROL OF CANADIAN BUSINESS ENTERPRISES AND ESTABLISHMENT OF NEW BUSINESSES

The House resumed, from Tuesday, November 13, consideration of Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and motions Nos. 2, 3, 4, 5 and 6.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I would like to continue some of the remarks I was making last Tuesday evening at ten o'clock when the adjournment debate was called. As an hon. member has said in this debate, the bill which we are discussing is a negative piece of legislation. It accomplishes three things: it gives Ottawa, by means of a screening agency, the right to restrict the influx of foreign capital to establish a new industry; it gives the same agency the power to restrict the use of foreign capital already in Canada; and it restricts the foreign takeover of an already existing industry.

This government has once again failed to get to the root of the problem. It has submitted a piece of ad hoc legislation. It has failed to come up with a positive long-term policy to encourage Canadian participation in new and existing industries. Until such time as we can encourage large-scale Canadian investment, we will require foreign capital, and a great deal of it, unless we are content to stand still and mark time.

What kind of long-term policy should we have? In this respect I can do no better than quote from the statement made by Mr. Darcy McKeough, parliamentary assistant to the Premier of Ontario, when he appeared before the Standing Committee of Finance, Trade and Economic Affairs on Tuesday, June 19, 1973. He said:

> The government of Canada must approach foreign investment positively. Its actions must be co-ordinated with and supported by federal action in tariffs, trade, taxation, competition, energy and resources policy. Each of these actions should be strongly directed toward Canadian industrial development needs, recognizing not only our basic economic goals of employment and income growth, but also the kind of lifestyle we as Canadians seek to achieve.

He also stated, and here I am paraphrasing, that Canadians should be more prominent on boards of directors of subsidiary firms in Canada; there should be increased Canadian equity participation in all Canadian-based enterprises; we should encourage portfolio rather than equity investment, and clear guidelines should be applied to the performance of foreign industry and unions in Canada.

● (2010)

I agree with these statements in their entirety. I believe that the present bill, because of its uncertainty and negative approach, has driven away or delayed the investment

of foreign capital in certain areas following its introduction in this House.

I was interested to read an article which appeared in the October 8 issue of the *Financial Times* of Canada, at page 11, about a new recycling plant being built by MacMillan Bloedel in the Oakland, California, area. It will be owned 15 per cent by the workers employed there. Under the plan, and I will not go into in detail, not only do the employees become shareholders but the corporation is provided with capital that is paid off with pre-tax dollars. Of course, United States tax laws are different from ours.

I would suggest that we must examine our tax laws and perhaps redraft them in such a manner that they will encourage Canadian corporations to utilize such a scheme and allow the workers to receive a portion of the profits. Schemes such as these, and tax laws which will allow tax credits to individuals who purchase shares in certain designated corporations, will go a long way toward substituting Canadian ownership for foreign ownership.

It is up to the government to develop a positive policy and present it to parliament as expeditiously as possible. Until such time as it does, we can only look forward to a continued feeling of foreign domination and further regional disparity.

[*Translation*]

The Acting Speaker (Mr. Laniel): The hon. member for Témiscamingue (Mr. Caouette) asked to be recognized. I recognize the hon. member.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I sincerely thank the hon. member who was ready to speak on Bill C-132 and the related amendments. I thank you for recognizing me at this time.

Bill C-132 deals with foreign investment in Canada, a question which has for a number of years interested the whole population, especially economists, whether they are partial or not to these investments. I will mention only one of them, Jacques Parizeau, from Montreal. According to him, foreign investments are not helping Canada.

Mr. Speaker, we have known for many years that our neighbours to the south have contributed significantly to the development of our natural resources, when we could have dealt with it ourselves. Today, Quebec Superior Court Justice Malouf ordered that work in the James Bay area be suspended because the provincial government has supposedly encroached upon the rights of Quebec Indians.

Mr. Speaker, I believe that the James Bay development is essential, not for political reasons, but to develop—

Mr. Roch La Salle (Joliette): To produce electricity!

Mr. Caouette (Témiscamingue): —yes, to produce electricity, but mostly to develop the province and consequently the natural resources of Canada.

Mr. Speaker, up to now the James Bay development projet has been financed by loans from the United States. I am not in agreement on this with the present Quebec premier, Mr. Bourassa. Recently, he borrowed $100 million from the United States at an interest rate of 10 per cent repayable within 25 years. This means that during that 25 year-period, we will have paid $250 million in interest alone and we will still be owing the $100 million.

Mr. Speaker, when the Quebec premier came back from the United States he did not return with wheelbarrows full of American dollars. No. He came back with a promissory note under which the Quebec government undertakes to pay to American financiers $100 million bearing interest at 10 per cent for 25 years. The note is signed by Mr. Robert Bourassa and endorsed by the province of Quebec.

Mr. Speaker, should the James Bay project not have proved profitable, Mr. Bourassa would have failed to get even two bits from the Americans. But because they saw there an electrical energy potential that might perhaps be useful to them in five or ten years from now, they said: Robert, go ahead, we are going to finance you. How? With figures we call bank credits, borrowed most of the time here in Canada, from our Canadian bankers. But to whose advantage? To the advantage of the American lenders who finance the James Bay project.

Mr. Speaker, I said and I repeated it for the last five years at least that those figures could easily have been written by the governor of the Bank of Canada, in Ottawa, if only the Quebec premier had taken the trouble to apply to that bank, which is our chief financial institution. We could thus have said: We are the owners of the James Bay development. Today, we have to say: We are the servants of some American financiers who now control 100 per cent of the James Bay development. The first contracts for building roads to that area were awarded to Americans from Cleveland and everything else is in keeping with that.

Mr. Speaker, why would Canada, the province of Quebec or some other province have to ask the American people permission to develop our natural ressources? So long as we keep on saying: Let us go get American, German, French, Spanish or Soviet capital to develop our natural resources, how can ws say that we are masters in our own house? We could so easily say it with the control of the Bank of Canadas' operations.

● (2020)

Even though some may think that the Creditists are dreaming in colour those who are dreaming about the United States are making even sillier dreams than the Creditists who are suggesting a logical solution to the problems currently facing us.

Bill C-132, whose purpose is to ensure our control over foreign investment in Canada, contains nothing new. We can control them without this bill. I wish to state that I am not opposed to the Americans, Germans, Hungarians or Bulgarians investing in Canada and establishing manufacturing industries or developing our resources. We are not opposed to it. However, standards should exist. We should have some regulations which would permit us to tell foreign companies: Reinvest your profits in Canada where you are doing business. Do not run away with our resources. Do not run away with the product of Canadian economic growth. Stay here to develop still further our country and provinces.

Shortly we shall be confronting our neighbours to the South about oil. The Alberta people are saying: We want to control our resources and not to be told by Ottawa what

we should do with the Americans. In this connection, I support the government of Alberta which says: Listen. Our natural resources belong to us. I supported premier Bennett during the discussion and fight over the Columbia River in British Columbia. This fight lasted for seven years under a Progressive Conservative Prime Minister as well as under a Liberal Prime Minister. The premier of British Columbia won his point after seven years of work.

Today, Alberta says and rightly so: We are owners of our natural resources. In the Maritime as well as the western provinces, they say: We are the owners of our fisheries. Quebec says: We are the owners of our hydroelectric resources inasmuch as we do not borrow from the Americans nor sell them these resources.

Mr. Speaker, I am far from thinking of telling the Americans to stay home, not to invest in Canada, in either Quebec or Ontario. It is important, however, that these people who are now using credit generated by our Canadian banks at least leave their profits in Canada in order to achieve the economic development of this country, to control unemployment, to fill in present economic, social and political gaps.

Mr. Speaker, the Creditists cannot work miracles and neither can Bill C-132. This legislation merely aims at letting foreigners know that they may invest here but without taking over our economy and companies, nor the operation of our natural resources. We are saying to these companies: Come to this country, but the control over our natural resources is ours, the Bank of Canada is ours. We are using it and you, from the outside, will have to abide by our laws, standards, and logical criteria in this country so that Canada remains the property of its people.

[*English*]

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, I am very anxious to put my thoughts on record on the question of foreign investment in Canada and Bill C-132, the government's answer to the problem. I say "problem," Mr. Speaker, because we have been told over and over again that there is a serious problem with respect to foreign investment in Canada.

Before I get into the matter of the bill itself I should like to dwell for a moment or two on this "problem." I feel there must be one because so many people have said so much about it for so long a time. But just what is that problem? I had hoped the government would identify it when they set out to offer a cure. Before I decide whether to accept the cure or reject it, I want to know what the problem is—and, Mr. Speaker, I do not mean that catch phrase of the NDP, "economic nationalism". As recently as last Sunday night, on CBC television the leader of the New Democratic Party (Mr. Lewis) made another call for his version of democratic socialism in Canada.

Some hon. Members: Hear, hear!

Mr. Beattie (Hamilton Mountain): I am reminded that many of the countries behind the iron curtain label themselves as democratic socialists. When I hear these two words from the mouth of the leader of the NDP I worry about the implications of economic nationalism in the Canadian way of life. I cannot help feeling that if there is a problem with respect to foreign investment in Canada, the true nature of it is quite different from what the average Canadian is led to believe.

If there is some danger that Canada is to be taken over by some group of foreigners, or if there is some danger that our Canadian identity is being threatened by outsiders, I want to know about it. I want to know just where the danger lies and I want to know the extent of the danger. I want it expressed in terms that the average citizen of our country can understand, because it is their interest that we are discussing here.

In the past, Mr. Speaker, I have heard people say that their Canadian identity was being threatened by foreign takeovers of business and industry in our country. I do not know just how this threat will materialize, but I cannot become too worried about it. I know what I am, and I am not about to let the investment of any amount of foreign capital in Alberta or Nova Scotia affect my identity. To those who complain that their identity is in any kind of jeopardy from foreign investment, I say their Canadian identity must be very fragile indeed.

My concern goes much deeper than that, Mr. Speaker, I am not concerned about the plight of the individual who is drawing a weekly salary and benefits from a firm that was established with foreign capital. I reserve my concern for the individual in this country who is not drawing salary at all and who has little or no hope of drawing one. I venture to say that the majority of the half-million unemployed in this country would not give a thought to who built the factory if they were offered a job in it. I would also suggest that those employed in the so-called foreign-owned industries would fight to keep their jobs.

● (2030)

One aspect of this bill which concerns me most, apart from the fact that the problem of foreign investment has not been clearly defined, is the manner in which the bill has been presented. On March 30 of this year, as recorded in *Hansard* the hon. member for Trinity (Mr. Hellyer) made the point that the federal government had not consulted the provincial governments on the question of foreign investment.

Mr. Alexander: Or on anything else.

Mr. Beattie (Hamilton Mountain): In my view, there is no other way that a federal government could draft legislation to deal with a problem that has different implications for different regions of the country. As recorded on page 2783 of *Hansard* for March 30, the hon. member for Trinity said:

> —it is a matter of regret to the Conservative Party that a bill of this importance to various regions of Canada should be introduced without prior consultation with the provinces.

It does not surprise me that the federal government should attempt to push legislation through this House in this manner, Mr. Speaker. I do not think anyone in this House is surprised that the government would try to push through a bill that has such far-reaching implications to the various provinces without consulting the provincial governments. It is fairly obvious that the federal government has deliberately avoided consultation and that it is not just an oversight. There must be some good reason

why the government neglected to seek the views and advice of provincial leaders in this matter. This leads me to believe that this bill is designed to satisfy the NDP economic nationalists: it is a ploy to reward the NDP for past favours and to ensure that those favours will continue for as long as the government chooses to hang on.

When I say that, I would like someone to identify the problem of foreign investment for me and to make some kind of assessment of what the probable effect is on our country. This does not indicate lack of concern, Mr. Speaker—quite the contrary. I am interested enough to want to know whether it is in fact good or bad for our country. I want to know why it is bad, as so many people have maintained, and I want to know what the alternatives are to foreign investment.

I am puzzled by the lack of hard information as to the actual effects and I am puzzled by the fact that the per capita investment in the U.S. by Canadians is greater than the per capita investment in Canada by Americans. My figures are not completely up to date, Mr. Speaker, but a year or so ago it was estimated that total U.S. investment in Canada amounted to about $50 billion. Canadian investment in the U.S. was estimated to be about half that figure, or $25 billion. This works out to a per capita investment in Canada of $161 per American. The per capita investment in the U.S. by Canadians is something like $581. There has been some talk about trying to repatriate most, if not all, of that hefty Canadian investment in U.S. securities, but in my view this is a pipe dream. There is no way that an investor can be lured away from a blue chip investment to the uncertainty of investing in Canadian industry, resources or anything else, without a great deal more security than exists today.

In fairness to ourselves and in fairness to the Canadians we are representing in this debate, if we are to recognize what the real problems are it must be recognized that Canadians invested heavily in the United States because the investment climate in that country was better. Investments which have attracted Canadian funds across the border have been secure investments which at the same time offered a good return and have not been placed in jeopardy from time to time by erratic and unreasonable tax laws. It must be admitted that where a person has a choice, no one is going to put his or her money in a risk venture when high yield, secure investment opportunities are offered elsewhere.

This does not mean that Canadians who invested in the U.S. and elsewhere were not good Canadians. It means, simply, that they were good business people. It means they were concerned about their investments and were not prepared to invest their savings in high-risk ventures involving resource exploration and development. Nor were they prepared to risk their capital in industry, knowing that the money market tended to be erratic and uncertain.

There is even less incentive for Canadians to invest in Canadian-based industries or ventures, Mr. Speaker. The so-called tax reforms of a year or two ago have frightened even the hardiest investors and sent many of them scurrying abroad again looking for investment opportunities. If it were so easy to get Canadians to invest in Canada, we would not be debating this bill, or at least it would be a far different bill from the one we are debating. I think it is obvious to anyone here or elsewhere that you do not just say to a person, "Be a good Canadian and invest your money in this Canadian industry or Canadian resource exploration venture." You have to talk about security of investment, you have to talk about yield, and you have to satisfy investors that their investment is not going to be eroded or wiped out by irresponsible government action.

Let us look at the other side of the coin—American investors looking for investment possibilities in Canada. First of all, it was they who took on the uncertain, high-risk ventures which opened up our north and gave impetus to our heavy industry, especially our resource industries. However, they had something going for them besides an adventuresome spirit and lots of capital. They had a government behind them which encouraged them to find minerals and to build industries to process and market them. They were allowed to keep a reasonable share for themselves—and in addition to tax incentives there were other incentives.

Let us not delude ourselves by ignoring the truths in the matter we are trying to resolve. A false premise will produce a false solution, and it is for that reason that I want to keep the government completely honest while we discuss the matter of foreign investment. Is there a real problem? If there is, what is it? Why is it a problem? Who is being adversely affected?

I believe we have to go back to the statement of the hon. member for Trinity earlier this year to find the answer to those questions, Mr. Speaker. We must go back to square one, consult the provinces and determine which, if any, of the provinces feel there is a serious problem with respect to foreign investment. I cannot accept the view that we are going to lose our identity if we do not throw a few investors out of our country. So I am not satisfied that what we are discussing is purely a federal matter which can be settled by isolating the question and excluding all of those who are really concerned, in a dollars and cents way, about the question of investment both foreign and domestic.

Nova Scotia and New Brunswick would give a far different answer to such a question than would British Columbia or Alberta. If we do not ask them, we are never likely to know for sure what they want. If domestic investment capital and domestic investors were readily available to the have-not provinces, I do not think they would care what we do about foreign investment. But we know all too well that there has not been a rush, on the part of domestic investors, to the Maritimes or to the prairies. Why should there be, Mr. Speaker, when they can find opportunities for investment in other countries where the investments are more secure and where governments are more understanding?

● (2040)

I was appalled at the thinking of the government when the question of foreign investment was capturing the public imagination a couple of years ago, thanks to the economic nationalists, hon. members to my left in the NDP and assorted other personal interest groups. Someone must have thought this talk would result in a great rush on the part of Canadians to buy up everything in sight and that we would suddenly find new millionaires springing

up overnight all over Canada. The government could not wait to introduce a capital gains tax. In my view, if Canadians had felt the urge to invest in Canada, then this move frightened most, if not all of them, out of the market.

I am sure some hon. members may wonder why I have not set out to debate this bill clause by clause, Mr. Speaker. But I just cannot see the wisdom of trying to leave the impression that I can improve on a bill that I disagree with so completely. As I said before, this is not a federal problem. What we should be doing is finding an answer at the highest level to a regional problem; and I ask my colleagues, how can we hope to find a solution when we don't know the problem, if indeed there is one? Why can we not ask the provinces what they want, what they need, and seek their suggestions as to what we might do at this level? I believe they would also tell us what they do not need, and at the top of the list would be federal legislation which ignores the regional character of the Canadian economy.

I am not an expert and I would go a long way to avoid leaving that impression with anyone. But I am convinced that we are able to deal with foreign investors in the same way as we deal with Canadians, through existing Canadian laws. If there are loopholes, let us by all means plug them; but let us not chase will-o'-the-wisps in the name of Canadian nationalism or in any other name. Everyone in Canada, whether Canadian born, foreign born, or even a visitor, is subject to the same laws and I cannot bring myself to support new laws unless there is a demonstrated need for them. We may, in fact, need foreign investment controls and regulations, but let us not rush them into being until they have been proven to be required.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I will take this opportunity of making a few comments on Bill C-132 which still is very important. I must say I have had the possibility of giving some opinions a few months ago on what is termed a legislation on foreign investment.

Having heard all the statements, it is obvious that we are looking for mechanisms or a legislation aiming at a take-over by Canadians of their industry and economy. I also feel that it is important to stress all the services that foreign investments or investors have brought into the country. I think that it is important not to reject these investments lightly. On the contrary, I think that we have the responsibility of establishing some mechanisms and to find a certain motivation for Canadians as regards the necessary investments for the expansion of our industries.

I think that this would be a much more positive way than throwing out or blaming foreigners for coming here to finance or invest in projects which are definitely interesting. Of course, foreigners do not come here simply to please Canadians. On the contrary, there is interesting business to be done in Canada, and these businessmen are always interested in greater profit. Therefore I think that we have the responsibility of attempting to motivate Canadians to invest more in our Canadian businesses.

I would also like to mention that I have already hoped for the sales promotion of our Canadian products. I think that this speaks to the pride of Canadians and that is something that many of us lack. We should think more often about the necessity to encourage Canadian firms and their products, so that they may attain a more competitive position on world markets.

When we talk about foreign investments, we are seeking economic independence for Canada. And then, we take for granted that it is probably through very strong incentives given to Canadians eager to invest in our industry that we may acquire this economic independence. So, whether we like it or not, if we want to be independent as Canadians, we shall have to pay the price sooner or later. We must therefore adopt measures which may mean sacrifices for us, but if we are really sincere when we say that we want to put our economy back into the hands of Canadians, we must also accept a number of sacrifices.

For a number of years, we have heard of a revolution in industrial development. It would be desirable that the development and all related investments be made by Canadians. Again, there might be a lack of incentive and inducement so that Canadians would prefer foreign investors.

There is always the same question of incentive. Even though we introduce new legislation or changes in legislation, if we do not succeed in stimulating and interesting Canadians I feel we are in the wrong direction. It is clear that the foreign investor as well as the Canadian businessman will not care about investing money in a Canadian corporation. I think that in order to motivate Canadians and interest them we have to offer them some advantages. So, during the few minutes left to me, I would like to urge hon. members to think about this possibility.

It is very easy to talk about these nice principles and I think it is an example which could interest Canadians in investing more in Canadian companies. We would simply have to consider the possibility of giving a deduction of up to $500 on the dividends for every investment made by Canadians in Canadian companies. I think that the fact of having a deduction of $500 on dividends would prompt any Canadian to invest in Canadian companies. If this Canadian benefited from such an advantage it would mean that at current interest rates he would have invested about $6,000 in a company.

We are well aware of the interesting effects that it could bring to the Canadian who, being interested in a company, holding an equity and having been motivated to invest his money, would become a better citizen, a Canadian more interested in his country's affairs. Therefore, he would become much more interested in his country's businesses; it might be surprising to find out how many Canadians could invest small amounts which would build up into a sizeable fund to help the economic development of Canada.

I imagine that the minister or the appropriate department will find other proposals as interesting and efficient as my own. I think that would be a way of creating motivation for Canadians.

Once more, as I said, all that motivation and pride we must have as Canadians demands sacrifices. So, through an interest we could awaken in individuals we would manage to help considerably industry and curb foreign influence on the Canadian economy. A step such as the

one I suggest could have very interesting effects in various respects.

I would also like to take this occasion to express my views on an amendment now before the House, namely the right of veto for the provinces. Personally, I would be tempted to support that amendment since I always regarded highly the right to speak, the right to act for the provinces in co-operation with the federal government; however, I feel that considering our system we have an obligation to give the provinces the right to express themselves on foreign investment that in some cases may not have the influence hoped for but in other cases may often bring the province new possibilities. That is true but as members of this House we have a responsibility to give the provinces the right to speak, negotiate, consult, and finally the right of veto on foreign investment.

I think it is perfectly normal in the present system for the provinces to have a say in and be consulted on foreign investment.

I would also like to remind the government, on the occasion of the study of this very important bill, that the present situation related to oil is particular and must make us think twice about what may be the result on our economic future of an overly heavy influence by companies whose majority of shares are not held by Canadians.

It seems to me entirely justified to talk about the establishment of a national corporation to mitigate a little that influence which the oil companies seem to have on the government.

In my opinion, a national corporation would likely give Canada some control. I believe the present situation is a perfect illustration of the absolute power of those companies. Of course, we have every reason to ask for the creation of such a corporation which could give the government, therefore the people, some control again.

Those were the remarks I wanted to make, Mr. Speaker, because I think that as members of Parliament we have suggestions and opinions to offer. I hope the government will take them into consideration and I insist that Canadians will find a greater Canadian identity and be more interested in investing in their economy inasmuch as they will be motivated by legislation introduced in the House of Commons. Thus we will succeed in reducing the influence of foreign investors on our future.

We naturally seek a degree of economic independence in Canada and I think that making Canadians consider their future with pride, concern and responsibility and introducing very practical and interesting measures is the way to achieve the aim that every member of the House is pursuing.

● (2050)

[*English*]

Mr. Don Blenkarn (Peel South): Mr. Speaker, I have already addressed myself to the amendment and I want to speak very briefly to the subamendment which seeks to include the words "territorial council". Clearly, this amendment has no real merit since it tries to make fun of the prime amendment moved by the hon. member for Central Nova (Mr. MacKay). The prime amendments moved by the hon. member for Central Nova make a great deal of sense to many members of this House who are very much in favour of legislation that somehow will control the spread of foreign investment in Canada and the control by foreign investment of the resources of our country.

Some day the territories may become provinces. At the present time they are not provinces, for the simple reason that these vast areas of land are populated by very few people. Indeed, more people voted for me during the last election than voted for all of the parties in both territories—and I received less than 40 per cent of the votes cast in my constituency. Therefore, to suggest that we include the words "or a territorial council" in the amendment is ridiculous, though it is promoted by a party that is capable of making ridiculous suggestions.

Mr. Peters: Don't underrate the Northwest Territories or the Yukon. There is only one member on your side from the Yukon, but don't downgrade his position.

Mr. Blenkarn: I would not want to downgrade the territories, but we must remember that the resources of the territories are held in trust for all the people of Canada and are different from the resources which, in accordance with the interpretation of our constitution, are held in ownership by the people who reside in the provinces. As I say, one of these days our two territories may be added to another province, or they may form a province of their own in much the same way as the provinces today were carved out of the previous Northwest Territories limits, as hon. members know.

The hon. member for Timiskaming (Mr. Peters) should understand that we are a growing nation, and with a free enterprise economy we will continue to grow. But we will never grow under the philosophy that his party represents.

Mr. Peters: Time will tell.

Mr. Blenkarn: The provinces of Prince Edward Island, Nova Scotia, Saskatchewan and now Ontario have either passed legislation controlling the ownership of the land both by persons within the province and without, or they are considering it. Indeed, one province has even stated that Canadians who are not Prince Edward Islanders are not allowed to own significant pieces of land within that province. Clearly, the ownership of land is within the ambit of provincial control. When this matter came before the committee, many of us asked, "Where does land begin and business end, or vice versa? When is a company in business, or when is the business of a company involved in the ownership of land?" The same applies to natural resources, such as mining, timber limits and oil. It is virtually impossible for any of us clearly to define what is control over the land and land-oriented resources of a province and what is control over business within a province. This is the kind of problem that continually besets this House.

Our constitution was drafted in 1867 or thereabouts, long before we had high-speed transportation and started to worry about foreign control or the ownership of business. I submit that our constitution is not clear or specific enough and it is really impossible for this parliament to control foreign ownership without the co-operation of the provinces. May I say through you, Sir, to the minister that

it is not with any intention of holding up this bill or of preventing its passage, but strictly with the intention of telling the government that the bill will not work without complete consultation with the provinces, that these amendments have been presented. To include the territories would make it a laughing stock. The territorial councils do not have control over the resources or over the land within the territories. But the provinces are in an entirely different position; this is one of the prime reasons why the minister must accept the amendments presented in honesty and in faith by the hon. member for Central Nova. These amendments could well unify Canada.

● (2100)

One of our major problems is confrontation between the federal government in Ottawa and the provincial legislatures and the hopes and aspirations of various parts of the country, such as we have seen in the recent oil issue between this government and the government of Alberta. The people in these parts of Canada feel they are being pushed around. They say they are being pushed around because they have only 19 members in the House of Commons and that the big bloc of Ontario and Quebec, central Canada, will destroy the future as they are trying to control their natural resources.

This legislation, in terms of growth of natural resource development in this country, of development of this nation's land resources, water resources, timber resources, and so on, will only work if it is implemented in consultation with the provinces. This party understands that, as should the minister. He should not be so bullheaded and just say that it will work. He should realize that the briefs received from the provinces of Ontario and Saskatchewan both refer to the fact that their input must be felt in terms of what is of significant benefit to Canada.

This is not a filibuster and my speech is not designed to prolong this debate. I am speaking tonight simply because it is essential that the amendments put forward by the hon. member for Central Nova carry.

Mr. John Wise (Elgin): Mr. Speaker, as I rise to participate in the debate on Bill C-132 I have the thought and feeling that few issues of Canadian economic policy in the past ten years have aroused as much interest, yet as little resolution, as those surrounding foreign investment and particularly the changes proposed in this bill. The approach to the problems of direct foreign investment has to date involved the development of a collection of policies in the form of laws and agreements of a unilateral, bilateral and multilateral nature. In general, this approach has been one of ad hoc reaction often associated with a particular individual who has shown an interest in the topic and the problems as they have arisen. This approach has obviously not been successful.

Other members on this side of the House have pointed out that this bill is so strongly biased against foreign investment that it would damage the Canadian economy. This is a possibility. Quite obviously, the extent to which this is true will depend largely upon the willingness and ability of Canadians to fill any void that may be created. Large new capital investments are required in Canada on a scale well in excess of previous experience. If Canadians and the Canadian government are unable to meet this challenge, then of course our economic prospects will be affected and our present standard of living will be greatly eroded.

There are a number of small and medium sized private businesses in this country—indeed, a number of them are in my riding of Elgin. I have frequently been told that this bill places a particularly heavy burden on small businesses whose resources are already strained to the limit in reporting to the government. I share their concern. The government can go a long way toward alleviating these fears by simply issuing guidelines which would let small businesses know exactly where they stand. This government has shown it has a total lack of vision and courage in projecting even five years ahead. In fact, it would be a great feat if we could manage to get the government to think past the next crisis which we as a nation will have to face, instead of edging along day by day on this ad hoc, crisis-to-crisis basis.

On an over-all Canadian basis, some acceptable alternative to the present trend must be found. When we reach the point, as we did five years ago when over 46 per cent of our metal fabricating industry, over 86 per cent of our transportation equipment industry, over 71 per cent of our machinery industry and over 99 per cent of our petroleum and coal products industry—as measured by total assets—was owned by people outside Canada, then we reach a rather sobering situation. Since then, the level of foreign ownership has continued to increase. Something must be done, and we must reassess our position.

I believe it is extremely important that my party's position on this matter and on the amendments we have put forth should be considered very seriously. The honorable member for Trinity (Mr. Hellyer), the party spokesman for industry, trade and commerce, has pointed out many times that the real problems facing Canada have not been dealt with in this bill. More importantly, however, he has pointed out a sound and positive approach to help Canada in its present position. First, the Progressive Conservative Party's full employment proposals would include a more expansionary budget. Our second point is that we believe our tax laws must be changed so as to encourage greater savings, greater investment and risk-taking by our fellow Canadians. At the present time, taxwise an American in many cases is in a more opportune position to invest in Canada, in many fields, than is a Canadian. This situation must be changed to ensure that a Canadian has an advantage if he or she wishes to invest in such fields in their own country. This thought is basic and any other suggestion is certainly ridiculous.

Third, we say that Canadian business in general has fallen behind the world in the last few years in research and development. Federal leadership is required to allow us to regain our momentum in this important field. We intend to outline certain proposals to allow our businesses, especially those which are Canadian-controlled, to regain their position in the world. Let me underline our party's position. Research and development are the forerunners of business development. During the past ten years Canada, with all its resources and with all its potential, has fallen into the bottom third of the world's first 25 countries in terms of rate of growth per capita. For a country with the

potential Canada has, this is an extremely sad situation. It is time this trend was changed.

Fourth, our party believes our financial institutions should be redirected and restructured to ensure that Canadian business can be properly financed within Canada, including proper financing of regional activities of companies in our five main regions. Fifth, we believe that through a more aggressive export policy, a positive trade balance in current account can be achieved exclusive of whatever resources are sold. Such a positive balance would create a cash pool which could then be directed toward acquiring substantial or controlling interest in Canadian institutions now foreign-controlled. There are many fields in which we believe Canadians could buy sufficient equity to ensure our control of many of the multinational corporations. In this regard we are suggesting it is high time Canada started to live as part of the economic world.

To summarize, most Canadians are in favour of economic nationalism. But the question is: What is economic nationalism? To some, it is the taking of positive economic steps to strengthen Canada's position at home and abroad. To others, it is the welcoming of foreign or Canadian investment and technology to achieve these ends, with proper safeguards to protect Canadian industry. To this end, greater co-operation between the provinces and the federal government is required.

● (2110)

Several provincial premiers have spoken out against the bill, stating that the federal government would not fully take into account the special needs, aspirations and interests of a particular province. This is a real and very dangerous problem that must be faced and resolved by consultation rather than confrontation.

In a world of economic change, where Canada has much to gain and even more to lose, it would be unfortunate if we embraced a form of negative nationalism wherein the exponents were anti-foreign and, in particular, anti-American. In rather emotional arguments, these negative nationalists take statistics on foreign ownership and use them out of context in an alarming way. They allege that various types of ownership are harmful, without meaningful proof. They fail to appreciate Canada's involvement in today's multinational world economy and they put forth no creditable alternatives to replace what they would destroy.

The positive Progressive Conservative policy that has been outlined many times on this subject is far more important than anything the government has offered. In fact, the only thing the government has done is to show the country that it does not understand the economic world of today. We have tried to show that it is possible not to just keep a situation from further deterioration but to do something about it and move in the direction of a real solution involving greater Canadian participation and incentives for Canadians to invest more heavily and actively in this great country—Canada.

Mr. Norval Horner (Battleford-Kindersley): Mr. Speaker, in rising to participate in this very important debate on foreign ownership I wish to deal generally with the bill, and especially with some of the amendments. We in Saskatchewan view with suspicion what appears to be a desire by the federal government for more control over the provinces. We look at the DREE programs, the LIP program and some of the other programs which do not seem to be designed having us in mind.

Today such clichés as "Buy Canada back", "Canada for Canadians", and so on, are very popular. Foreign capital has been necessary in the past. It is here and we can live with it. The challenge really is how to maintain control when using foreign investment, and not how to stumble along without it. In fact, it is difficult to get Canadians to invest in high-risk ventures such as oil exploration. There seems to be a correlation between the distance from Ottawa and the confidence in the government. This might explain why people from other countries more readily invest in high-risk ventures in Canada than do Canadians. A good deal of investment capital will be required, for example, in oil exploration alone. It is estimated that $30 billion will be needed during the next ten years for exploration if we are to maintain and ensure security of supply. It is doubtful that this amount of money could be raised in Canada; therefore, we will have to look to foreign investment.

I should like to deal specifically with the amendment of the hon. member for Central Nova (Mr. MacKay). I believe this amendment to be of particular interest to the people of Saskatchewan who have always viewed with a great deal of suspicion the motives of eastern bankers and eastern businessmen. In a recent publication by Norman Bromberger, entitled "Conflict and co-operation", there is an outline of the problems of credit in Saskatchewan, particularly farm credit. In his opening remarks Mr. Bromberger states that the settlement and development of western Canada was promoted to develop eastern commerce and industry. Further, he makes the statement—this is following confederation—that westward expansion served the interests of two sections of Canadian business, that is, the railroad interests and the growing commercial and industrial interests. He also states that although western settlement did not come with confederation as anticipated, it was a deliberate policy decision by eastern business and commerce to set up a hinterland for commercial and industrial exploitation. So the people in western Canada—which includes Saskatchewan—have for a long time had a deep-rooted suspicion that central and eastern Canada are not out to do them much good in terms of investment.

The finding of investment capital in Saskatchewan has always been a problem. In recent years, provincial governments have been involved with new enterprises entering their provinces. I would mention examples such as the Interprovincial Steel Company and the Prince Albert Pulp Company. The premiers of all provincial governments went south to the United States, where they found the required money. Then they came back and started the businesses. In the case of Interprovincial Steel Company, I believe this has been quite a valuable acquisition for the city of Regina and the province of Saskatchewan. I am wondering whether that business would have been established under this proposed legislation.

For many years the NDP received most of its capital from the United States. The provincial minister of finance would sojourn to New York every year to obtain money for rural Saskatchewan farms. A strange thing about the NDP is that it does not particularly favour United States capital. In fact, most countries outside of Canada are referred to by that party as "foreign"—but with the NDP some countries are more foreign than others. There were recent plans to bring in a Romanian tractor company. The NDP government of Saskatchewan had no objection to their retaining 51 per cent control. It would throw in 49 per cent of the capital and forfeit any control. However, last Saturday was a rather eventful day for the NDP Premier of Saskatchewan. The Canadian Press carried a half-page cover story. Over the picture of the premier the headline of the story was "Sask. economy to go boom-boom soon: Blakeney".

While that appeared in the eastern papers and in some Saskatchewan papers, the headline stories in the Saskatchewan papers on the same day did not indicate a boom-boom for Saskatchewan. In fact, the Romanian tractor deal, after two or three years of discussion, folded completely. The Romanians will not be setting up the tractor plant, so that big election promise goes down the drain.

Also, the Burns company in Regina not only does not intend to expand as previously announced and provide 300 or 400 new jobs, but is to close down its plant in Regina leaving 340 people to look for new work. Of course, the Burns' decision resulted from Liberal policies which emptied the feedlots in Saskatchewan so that the packing plants would have nothing to do the following year. It also resulted from the policy which raised interest rates. I think I hear the hon. member for Assiniboia (Mr. Knight) say that I agreed with the policy.

Mr. Knight: That is what the *Star-Phoenix* says.

Mr. Horner (Battleford-Kindersley): It comes from "you know who". I think he looks after the Department of Justice. Certainly Burns' reason for closing their plant and not expanding was the high interest rates. On the same day, to top off the picture, John Richards, secretary to one of the ministers, announced he was leaving the government and would sit as an independent until the new Waffle party was formed. I do not know on which side of the fence the federal NDP members are, whether they are Waffle, or NDP members, or just NDP wafflers. That is a decision they will have to make. Certainly, John Richards is a strong nationalist and will form what he terms the real socialist party in Saskatchewan.

● (2120)

Saskatchewan is a tremendously wealthy province in terms of mineral wealth. All it needs is the money to develop it. Capital, whether it is Canadian or foreign, is limited and the available money goes to areas where there is a safe political climate, where the ground-rules are such that investors can operate or where the people investing have confidence in the government's administration. A good example is the difference between the province of Alberta and the province of Saskatchewan. The new rapeseed processing plant in Lloydminster is being set up on the Alberta side. One could give an endless number of examples of new industry being set up in Alberta which could as easily, except for the difference in government philosophy, be set up in the province of Saskatchewan.

After many years of CCF and Liberal governments in Saskatchewan, we are not setting any records in that province so far as the manufacturing industry is concerned. We are not doing too badly there now—and if all goes well, by the end of 1974 the population of Saskatchewan should increase to the point where it was in 1931!

Some hon. Members: Oh, oh!

Mr. Horner (Battleford-Kindersley): We are quite a few years behind the rest of Canada in that regard. In the 1973 Saskatchewan economic review it is stated that the production of agricultural commodities accounted for 46.4 per cent of the total value of all goods-producing industries. So you can see that agriculture is still the mainstay of Saskatchewan. In the non-agricultural section, mining accounted for 37.5 per cent, a quarter of which is potash, manufacturing accounted for 24.7 per cent, and construction for 27.6 per cent. Most of the goods that leave Saskatchewan do so in the raw form, to be processed elsewhere. This might be one of the reasons for the low population growth. Surely the problem is lack of investment capital in the province. In that review, increased capital spent on farm machinery and housing is predicted, but no mention is made of any increase in expenditures in industry or manufacturing. Mining investment in 1968 amounted to $225 million, and in 1972 it was $100 million.

Obtaining capital for investment and the control by the province of who invests in Saskatchewan and who controls the investment are very important. Provincial political parties always seek support on the basis that they can attract the most capital if they are elected. The late Ross Thatcher worked hard to meet an election promise and managed to attract funds for a pulp miill in Prince Albert. It was not easy. As the late Woodrow Lloyd said, the province assumed 80 per cent of the risk in return for 30 per cent of the equity. A New York firm, Parsons and Whitmore, ended up with 70 per cent of the equity. Most of the money for the mill came from the United States. The pulp mill employs about 1,00 people and has been a boon for the city of Prince Albert and the northern area. The argument as to whether it was a good deal for Saskatchewan will probably go on indefinitely between the provincial NDP and Liberals until such time as they have amalgamated, I suppose.

Mr. Knight: Impossible.

Mr. Horner (Battleford-Kindersley): My point here is that if Mr. Thatcher had been forced to use Canadian funds to build a pulp mill at Prince Albert, he would have completely exhausted the funds in those areas. Were it not for the Americans taking a chance at Prince Albert when Canadians would not, there would not be a pulp mill there today. A similar arrangement for a mill at Meadow Lake was entered into by the Liberals. They spent about $6 million. They were defeated in the June, 1971, election. Along came the new NDP government which said, "We will give you $5 million or $6 million to get out of it". So

the province was out $10 million and all they had left to show for it was a pretty good education.

Mr. Knight: The best thing they ever did.

Mr. Horner (Battleford-Kindersley): I never studied the problem one way or the other. I was not involved in provincial politics then, and had no reason to be. Perhaps the hon. member would like to repeat the statement in Meadow Lake.

Lack of investment is not the only reason for the slow growth of industry in Saskatchewan. Another reason is our young people's mobility and desire not to draw unemployment insurance, that is, not to be unemployed. Millions of dollars on DREE programs and LIP are spent in areas of high unemployment. In Saskatchewan, people simply move to the jobs: this is an example which people in other parts of Canada could follow. For years DREE grants in Saskatchewan went only to Saskatoon and Regina and the rest of the province was industry-starved. The fact that the only Liberal member from Saskatchewan came from Saskatoon may have been part of the reason money was restricted to the large cities. A town could be 50 per cent unemployed, but if it did not have an Unemployment Insurance Commission office it was assumed by DREE to have 100 per cent employment.

Since this bill is directed at foreign investment, perhaps one should look at the Canadian money flowing into American-dominated international unions—something which I thought the NDP would clear up because they are specialists in unions.

Mr. Horner (Crowfoot): Unions own their party.

Mr. Horner (Battleford-Kindersley): In a six-year period from 1962 to 1967, international unions made a net profit of $68 million, according to Kent Rowley, secretary-treasurer of the Canadian Council of Unions. It appears that it is all right if union money flows into international unions which are controlled by the Americans—but the NDP do not appreciate foreign control here. What about Canadians who invest in other countries? According to the Watkins report, in 1964 foreigners owned $33 billion of assets in Canada, while Canadians owned $13 billion abroad. The per capita investment of Canadians in the U.S. is probably higher than that of Americans in Canada. The figures may differ in 1973, but the proportions are probably similar.

In closing, I want to warn hon. members that Canada is still going to require a great deal of foreign capital. In the oil industry alone, as I mentioned, to assure a long-term supply would require five times the available investment capital that Canada possesses today. We had better be certain that in a nationalistic fever we do not establish ground rules that will discourage foreign investment and destroy the confidence of the world in Canada as a good place in which to invest.

● (2130)

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I rise to take part in the debate on the subamendment moved by the hon. member for Timiskaming (Mr. Peters) who I think left the House with some erroneous impressions. The subamendment obviously takes care of an oversight. We in this party are very conscious of possible developments in the Yukon and Northwest Territories. We have in our midst the very able hon. member for the Yukon (Mr. Nielsen) who is forever reminding us that his area will soon become Canada's eleventh province. I am sure the NDP member for Northwest Territories (Mr. Firth) has similar views. I would like to hear him speak on the subamendment.

Mr. Watson: Does your leader agree with that?

Mr. Horner (Crowfoot): I would think so. It is a question you had better put to him.

Mr. Watson: All those resources for 20,000 people?

Mr. Horner (Crowfoot): All those resources for Canada, the same as all resources are for Canada. The Premier of Alberta has been the first to admit that Canada comes first. Representatives of the oil industry came down here in 1969 and said, "Let us build a pipeline to Montreal." But the cabinet said no. The present minister wasn't in the cabinet: he is a Johnny-come-lately; his talents have just been recognized. In 1969 the oil industry was told, "Peddle your oil elsewhere. We don't need it. We would rather buy oil from the Middle East." Now the cabinet is attempting to treat Alberta like some kind of blue-eyed Arab. Nothing is further from the truth.

As recently as last week, the minister of intergovernmental affairs for the province of Alberta said, "We will give you all the oil it is possible to deliver by the present means to the Montreal market." He estimated that deliveries could total something like 100,000 or 150,000 barrels a day.

Mr. Breau: On a point of order, Mr. Speaker, I listened to the hon. member with great interest for an hour the other day, but I do not think he is now speaking to the substance of the subamendment and he should be called to order.

Mr. Speaker: Order, please. The point raised by the hon. member is obviously well taken. The hon. member for Crowfoot (Mr. Horner) has already spoken for the full time allocated to him under the Standing Orders on the motion before the House. The hon. member for Timiskaming (Mr. Peters) has moved a subamendment, and if hon. members are going to speak a second time on a motion to amend the bill they should restrict their contributions to the subamendment before the House. I am sure this is what the hon. member intends to do.

Mr. Horner (Crowfoot): Mr. Speaker, it is obvious that I was replying to some heckling from the other side, and the answers I gave were not the ones they wanted. I think somebody should put two or three Brownie marks beside the parliamentary secretary's name because he has done yoeman service; he found that my answers were ridiculing the arguments the government is trying to sell across Canada and he immediately acted to stop me.

When I rose to speak I had a copy of the subamendment in my hand. Then I was rudely interrupted by hon. members opposite. As I was saying, the subamendment fills an oversight in the amendment moved by the hon. member

for Central Nova (Mr. Mackay). It is a worthy subamendment and one with which the hon. member for Yukon would certainly agree.

The hon. member for Timiskaming said some interesting things when he moved his subamendment. There is a great deal of oil in the Yukon. Oil was discovered over 100 years ago in the Norman Wells area of the Yukon. We would like to think that the Canadian market would be made available for that oil—but that will not happen unless we have foreign capital. It will take $5 billion or $6 billion to build a gas line down the Mackenzie Valley. If the gas line is built, you will see extensive drilling taking place along the route. Of course, it would be even more costly to build an oil pipeline down the Mackenzie Valley.

Some members of the NDP have a mistaken belief that the oil in Alberta does not belong to Alberta, does not belong to Canada but belongs to somebody in a foreign country. The oil now being found and developed in the province of Alberta belongs to the people of Alberta. The oil companies don't own it; they could not extract one barrel of oil without the permission of the provincial energy board. How much they extract from each well is determined by that energy board. There is no ownership of the oil itself. There is ownership of the drilling rights; they buy the drilling rights, and pay a very steep premium for them, but it cannot be said that they own the oil in the ground. Albertans own the oil in the ground, and they limit the amount that comes out. As I was saying, there is room for great potential development in the Northwest Territories and the Yukon.

The minister's speech in support of this legislation was rather weak. In an earlier energy debate in this House the hon. member for Waterloo-Cambridge (Mr. Saltsman) said that we are being strangled by private enterprise. I thought that was a rather strange statement, but perhaps coming from him it is not strange. He has got himself hired on as a two-bit professor at some university and now he has become an academic and a long-haired theorist on socialism.

At one time we sat in this House and wondered if the Waffles would take over the NDP. But they did not have to do that, Mr. Speaker; they were swallowed up. No Waffle member could say more in support of state control than the statement uttered by that hon. member, that we are being strangled by private enterprise. We need private enterprise to move into the territories and help develop their resources so that Canadians will have continuous reserves of oil and gas. There is absolutely no need for Canada to be short of oil or gas this winter. But because we have not encouraged enough money to come in and develop our resources, we may well remain at the mercy of the Middle East and its pricing system.

An editorial in the *Financial Post* of November 10 contained the following:

> Our major expansion money is going into the U.S. Our Canadian growth will level out, while our U.S. growth will really take off.

That is a quotation from a statement made by a company president. That is certainly what will happen if this bill goes ahead. The minister piloting this legislation is from Toronto. A few wealthy Torontonians have told him there is enough money in the country to develop it—

Mr. Breau: On a point of order—

[Mr. Horner (Crowfoot).]

Mr. Horner (Crowfoot): Another two Brownie points.

Mr. Breau: With all respect, the subamendment is very simple. It adds the words "Northwest Territories and Yukon territory" to the amendment presented by the hon. member for Central Nova (Mr. MacKay), and I would suggest that the hon. member for Crowfoot (Mr. Horner) is not speaking to that at all. It is obvious that these hon. members want to filibuster.

Mr. Speaker: I am not sure what the hon. member is speaking about, but I think it is the responsibility of all hon. members who take part in debate in parliament to respect the rules. If there is any rule that members should attempt to take into account, it is the rule of relevancy. That rule means that we should discuss what is before the House. If members are moved to move subamendments or amendments to the motions, we will be here for a long time and they are attracting, of course, this additional debate. I am not sure whether the hon. member is taking advantage of the fact that this subamendment is before us. He has 20 minutes in which to make a speech. Perhaps the easiest thing is to allow him to make his speech until another subamendment is moved. But for the moment I will hear him out.

• (2140)

Mr. Hellyer: Mr. Speaker, I rise on a point of order. Would it not be in order for Your Honour, in the circumstances related to this amendment, to rule that one would be able to discuss the question of financing oil and gas development in the territories?

Mr. Speaker: The hon. member's approach to such matters is very liberal, obviously. I am not prepared to go as far as him in a liberal interpretation of the rules.

Mr. Horner (Crowfoot): Thank you, Mr. Speaker, for your counsel. I always pay close attention to it and will attempt to adhere to the amendment. Apparently some hon. members are not aware of what the subamendment would do. It does not deal with the Yukon, but just says:

> —following the words "a province" the words "or a territorial council".

There are two territorial councils, the Yukon and the Northwest Territories. Provinces are not necessarily named in the amendment. I just point that out so that next time the "Brownie" seeker jumps up he will use the right word. There is certainly great potential for gas and oil recovery in the Northwest Territories—but that is not all that is there. There is a tremendous amount of mineral wealth there, and it needs to be developed. I remember when the right hon. member for Prince Albert (Mr. Diefenbaker) was prime minister he introduced the roads to resources program. Many roads were built up to those resources so that the mining and development necessary to get the metals to market could begin. That was a very worth-while project, and it took capital which the government of the day advanced to the provinces and the territories. The roads moved the minerals out and the Pine Point railroad also moved the minerals out. However, despite what some people might think, we cannot move the oil and gas very efficiently because if any means other than a pipeline is employed, huge amounts of foreign investment

will be necessary. If we do get the pipeline down the Mackenzie Valley, this will require further foreign investment.

I read a moment ago a newspaper article which says that foreign investment will be curtailed. It says that our major expansion money is going to the U.S., that Canadian growth will level out while U.S. growth will really take off, and that this kind of loss hurts. Another headline in the same paper says that every major cost and tax will be higher in Canada. That is interesting, Mr. Speaker. We are not keeping up with our major competitor for money, the United States.

This afternoon the hon. member for Peel South (Mr. Blenkarn) said that few people live in the Northwest Territories and the Yukon, and that more people in his constituency voted for him than live up there altogether. This will continue to be the case as long as we keep out the foreign investment that is necessary to develop that area. It is all well and good for the lost souls from Saskatchewan in the New Democratic Party to say they have to manage their economy and curtail their growth. Saskatchewan is a very rich province in minerals, but it is very afraid to develop and it has frightened off foreign investment. Some of that investment has come to Alberta, where we have confidence in ourselves and in the province. We are not afraid of managing foreign money and I think we have done a relatively good job of it under the present and former governments.

The federal government could do it, too. Foreign investment could not go into the Northwest Territories without full consultation with the federal government, because that area does not yet have provincial status. I suppose the NDP would like to think they would curtail the growth there so that their power over the people living in the area would remain in Ottawa and they would never be given provincial status. I do not agree with that, Mr. Speaker. Canada is a vast country, a very regional country, a confederation of areas—and those areas should be encouraged to grow and develop.

I notice that no one in this House speaks out strongly against development in the north at James Bay. That is a similar region and huge amounts of foreign capital are going into it. Why do we say that we must control the foreign investment going into the Yukon and the Northwest Territories? Is it because they are undeveloped areas and we want to keep them undeveloped so that control will remain here; so that the population will always be small and will never bother Ottawa very much?

I should like to pose a question to the minister in charge of this bill. When he sets up his agency, will there be somebody on it from the territorial Councils, because of the rich mineral wealth that is there?

An hon. Member: Of course there will.

Mr. Horner (Crowfoot): Someone says, "Of course there will". I would like to think so, but the minister steadfastly studies his papers when the question is posed because he does not know who will be on the agency. He will not have the authority to appoint them; that will be done by the Prime Minister (Mr. Trudeau). The minister cannot say that there will be people from the Northwest Territories or the Yukon on the agency; but certainly those areas should be represented as well as the other major provinces in Canada.

A great deal of care must be used in setting up the agency so that none of the bitter, cantankerous feelings that have been apparent recently, and best exemplified by the Minister of Energy, Mines and Resources (Mr. Macdonald), become dominant factors in it. There should be complete regional representation on the agency so that this sort of feeling could be suppressed and controlled at all times and there would be no particular hatred against any region, certainly not against a region with so much development yet to take place and with so much room for growth in population as in the Yukon and the Northwest Territories.

We are dealing with a very important subject today, Mr. Speaker. Someone on the other side suggested this is a filibuster. If you make two speeches on a matter, you are filibustering around here.

Mr. Breau: What about 25 speeches?

• (2150)

Mr. Horner (Crowfoot): Perhaps it will take another 25 speeches to put the government into a receptive frame of mind for suggested amendments.

Mr. Breau: We are very receptive.

Mr. Horner (Crowfoot): If the government remains steadfast and will not perceive the usefulness of worthwhile suggestions from this side of the House, let me say to the parliamentary secretary who is continually interrupting me that a minority government should always have its ears open for good ideas—

Some hon. Members: Hear, hear!

Mr. Horner (Crowfoot): —because it does not have the support of the House of Commons. The vocal group to my left are pounding their desks. They had 17.8 per cent of the popular vote last time; they know how much support there is for socialism in Canada. Even so, they had to hid their true colours. They had to push the Waffle, the real socialists, out; yet they are still Wafflers. Their leader is outwaffling Mr. Laxer by a long shot. They could not be tarnished when going to the people in the 1972 election; they had to hide their true feelings. But even so they got only 17.8 per cent of the vote.

Mr. Speaker: Order, please. I regret very much to interrupt the hon. member. Of course, he may continue if he has the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There does not appear to be unanimous consent. The hon. member, I am afraid, will have to wait for another amendment.

Mr. Knight: On a point of order, Mr. Speaker, I wonder if I might be permitted to ask the hon. member a question?

Mr. Speaker: The Chair thought it heard the hon. member refusing, a moment ago, consent to extend the hon. member's time. If the hon. member has changed his mind and wants to allow the hon. member additional time, if he has the consent of the House he can ask his question. Is there unanimous consent to extend the time of the hon. member for Crowfoot?

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

Mr. Speaker: There is a very qualified acceptance—for one question.

Mr. Knight: Mr. Speaker, I want to ask the hon. member for Crowfoot (Mr. Horner) the following question. As the hon. member for Peel South (Mr. Blenkarn) expressed a view exactly opposite to that which the hon. member for Crowfoot expressed about the amendment proposed by the hon. member for Timiskaming (Mr. Peters), I wonder if the hon. member for Crowfoot in this instance, especially in view of his record as an individualist within the party's ranks, would inform the House whether he or the hon. member for Peel South is speaking for the Conservative Party.

Mr. Horner (Crowfoot): Mr. Speaker, I think that is a very good question. I particularly like it because we, in the Conservative Party, are very broad minded. We are not sterile. We do not believe that only one person should speak and that we should not listen to anybody else.

Some hon. Members: Hear, hear!

Mr. Horner (Crowfoot): Yet that is how the NDP group operates. Those members think they must follow.

I have looked at the subamendment. I think it is very worth while. I think it was slipped in by oversight or by error. I personally thanked the honorable member for Timiskaming for suggesting this subamendment. I know the hon. member would never do anything without consulting the whole caucus of his party. I know the whip of the NDP group will certainly support the frontbencher of that party who has brought forward this subamendment.

Further, I know that the hon. member for Northwest Territories of the NDP will certainly support the subamendment. I can assume that the whole group to my left will wholeheartedly support the subamendment and I wish to thank that group for supporting it. I think it is worth while. Between now and the time when we vote, they can rest assured that I will have lengthy conversations with the hon. member for Peel South and will attempt to persuade him to support this subamendment also.

Mr. Speaker: Are there any further questions?

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I too am strongly in favour of strong provincial input into these matters we are discussing—and I think the territories were not included in the legislation because of an oversight. The hon. member for Timiskaming (Mr. Peters), seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), moved an amendment which may correct this glaring oversight. I am sure the hon. member for Central Nova (Mr. MacKay) is entirely in agreement with it.

The territories, even more than the provinces, are concerned about representation with respect to decisions affecting investments. Some suggest that as there are only a few thousand people in the Yukon and Northwest Territories, we do not really need to bother about them. Some say there are too few people up there to affect the resources of the region. I ask, what about the neighboring state of Alaska? Compared with the population of New York state, California or other states in the U.S.A., the population of Alaska is very small indeed. Yet that state is important. It is equally important for the people in the Northwest Territories and in the Yukon to have a say in decisions affecting investments in their area. Why, Mr. Speaker? The reason has to do with discoveries of oil and gas and with the building of pipelines in those areas.

The courts have pointed out that jurisdiction and ownership with respect to thousands of square miles of land in the Yukon and Northwest Territories will need to be examined if we are to build pipelines from those areas. It is important for native peoples and others affected to have some input into decisions respecting investment in areas in which they live. This investment, in the foreseeable future, will take the form of gas and oil pipelines and things like that. In the previous parliament we discussed the Yukon minerals legislation. It was found that a group of civil servants in Ottawa had designed the minerals legislation for the Yukon. It was an autocratic piece of legislation which did not take into account certain needs and was detrimental to the development of the Yukon.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been made.

TRANSPORT—PREVENTION OF ABRIDGEMENT OF PRINCE EDWARD ISLAND'S RIGHT TO FERRY LINK WITH MAINLAND—POSSIBILITY OF GOVERNMENT OPERATION OF SERVICE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on September 18 I asked the Minister of Transport (Mr. Marchand) if he was actively seeking means whereby P.E.I.'s constitutional right to transportation links with the rest of Canada should not again be abridged. I further inquired whether he was giving consideration to having the ferries operated by the Department of Transport. For some reason, the minister in his reply talked about the right to strike and asked whether hon. members wished to remove the right to strike. My question was not one dealing with labour relations. Rather, it was concerned with transportation and the right of Prince Edward Island

to be connected with the rest of the Dominion by reliable and adequate transportation links.

This chamber, and the one which existed before the great fire of 1916, echoed with the complaints of Prince Edward Island members of parliament troubled about their province's lack of transportation facilities. A vital question when we entered confederation a century ago was transportation. We entered because we were promised continuous and efficient communication with the mainland. This hundred-year old promise was never fully implemented. It certainly was very much in abeyance during the last railway strike and two preceding ones.

It is a strange thing that Prince Edward Island and Newfoundland, the two provinces from which the CNR has made a most thorough withdrawal, should suffer most when the CNR and its employees have a row which brings on a strike. The vast number of people crossing on the Island ferries are not railway passengers at all. Yet the ferries are operated by the CNR. My belief is that that corporation should be removed from the picture and the ferries operated directly by the Department of Transport. Premier Campbell has suggested a provincial Crown corporation to operate the service. I cannot see this as a realistic notion. The province of Prince Edward Island could not afford to operate the ferry service, nor should it. Interprovincial transport is purely and simply, clearly and definitely, the responsibility of the government of the Dominion of Canada.

● (2200)

But what troubles me most about the whole matter is the lack of action and communication between the government of Prince Edward Island and the government of Canada on this vital link. Surely the break-off of service should have shocked both governments into action. But on October 29, in reply to an order paper question, I learned there had been no formal communication from the government of Prince Edward Island or suggestions for the avoidance of any future cessation of service on the Borden-Tormentine run. No formal word from the Prince Edward Island government, and from the federal department the reply, "The continuance of alternate routes should guarantee that Prince Edward Island is not completely isolated in the event of future work stoppages."

In other words we are back to where we were last summer, six years ago, and in 1951. Leave it to the Northumberland ferries! They did a good job and I am surprised they have not been paid for their great work. I am surprised, too, that the P.E.I. government has not presented a bill for what it had to do to relieve some of the strain of the shutdown of the main ferry service.

However, the status quo is not good enough and I think the minister should do something. I do not think our island province deserves to be cut off as it was three times in recent years. Now is the time to move. Now is the time to learn the lessons of the strike. Montesque said that to govern is to foresee. Let us see some foresight, some action, some concern on this vital issue.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in the fall of 1972 a team of CN and MOT officials began examining the organizational structures of the east coast ferry services to Newfoundland and Prince Edward Island and considering alternates. Many alternatives were considered, among which were: creating a separate entity for ferry services that would report to the CN vice-president responsible for the Atlantic region; creating a separate CN subsidiary with its own board of directors; creating a Crown corporation; bringing east coast ferry service activities into the public service.

On October 12, 1973, the Minister of Transport (Mr. Marchand) and the Minister of Regional Economic Expansion (Mr. Jamieson) jointly announced with the president of CN a new east coast ferry operating administration to be based at Moncton, New Brunswick, with operating units in Newfoundland, Nova Scotia and Prince Edward Island, responsible for all ferry and coastal services managed by CN for the Ministry of Transport. Featured in the reorganization was the creation of a directing committee for the new administration, composed of senior Transport and CN officials. CN president J. MacMillan announced that Rupert J. Tingley, formerly CN area manager in Newfoundland, had been appointed as general manager. The major objectives for the new administration are the co-ordination, improvement and expansion of the present ferry and coastal services to meet expected increased traffic demands.

It should be noted that in regard to all of the alternatives employees would either have by law the right to strike or be able to choose the right to strike as a means of dispute settlement. Even if by some means the services could be declared essential and prohibited from striking, there is no guarantee that the employees under certain conditions might not find it necessary or desirable to initiate a work stoppage. One way of avoiding shutdown of the ferry services would be to have the services run by the military, but this has never been considered a viable alternative. The government is not considering abolishing the right to strike.

CRIMINAL CODE—REQUEST THAT ABORTION BE REMOVED

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, this morning, two days after the acquittal of Dr. Henry Morgentaler on a charge of performing an illegal abortion, the Montreal *Gazette* spoke out strongly in favour of a change in the present abortion law. Editorially, it congratulated Dr. Morgentaler on having the courage of his convictions, adding that he had "done more than a full parliament of MP's to bring the abortion issue squarely before the public". The *Gazette* is quite right. The government of Prime Minister Trudeau, and indeed most members of parliament, have been remiss in their duty to respond to human need by repealing Canada's outmoded and unworkable abortion law. Instead, like the ostrich this House has buried its head in the sand and hoped that the whole matter would go away. It will not!

In Canada there are 1,422 hospitals. Only 247 have established abortion boards. The result is that these hospitals are overloaded and that women in places where there are no hospital boards are compelled to attempt ghastly "do it yourself" ways to find relief or to look about desperately

for someone, far too often an incompetent practitioner, to save them. Meanwhile, women with money can get safe abortions in New York. No wonder Dr. Morgentaler commented on his acquittal in these words:

> Even if I lose the appeal the point will have been made. Public opinion will pressure the government to establish clinics so that women who want them can have them safely and with dignity instead of going to butchers . . .
>
> "It's not just helping these people that interested me, but helping get the law changed across Canada".

In face of this tragic and absurd situation, what is the response of the Minister of Justice (Mr. Lang)? Clothed in rectitude and rigidity, he warns hospitals to narrow their interpretation of the abortion law so that social and economic factors will have little or no weight in permitting an abortion. He turns a blind eye, a deaf ear and a cold heart to the misery of those who need help.

The Toronto *Globe and Mail* of this morning comments editorially:

> Almost from the day Prime Minister Pierre Trudeau brought in the present abortion rules he has been under attack for not liberalizing them further. He has kept doggedly to his stand that the government would not consider further reforms so soon after the 1969 changes. The existing system works and there is no need for further relaxing the rules, he says. He's wrong. The present system works but it works badly. Therapeutic committees are cumbersome. Some hospitals will not establish committees. Others interpret the abortion section of the Criminal Code so strictly that whole communities are denied the right to abortions. Hospitals vary so widely in their approval to abortion that it's true to say the law on abortion varies from community to community, which is an intolerable situation.

Of course, we cannot materially reduce the great numbers of abortions, legal or illegal, until we have birth control knowledge and access to contraceptives fully available. Contraception is the first line of defence against unwanted pregnancy. We are far from that state of affairs today. Meanwhile we must get rid of our present abortion legislation which gives rise to such absurdity and injustice all across this country.

When is this government going to permit freedom of conscience to the people of this country by taking abortion from the Criminal Code and allowing the decision to be made in each individual case by the woman involved and her doctor?

[*Translation*]

Mr. Raynald Guay (Parliamentary Secretary to Minister of Justice): Mr. Speaker, the Montreal case will probably be appealed but we cannot make comments on the future development of events concerning possible amendments to the Criminal Code.

The general position of the minister inside and outside the House is as follows: He objects to any amendment to the abortion legislation as it now stands.

The hon. member for Vancouver Kingsway (Mrs. MacInnis) has insisted that abortion legislation should be liberalized and amended according to the decision of the U.S. Supreme Court. It has also been stated that in several areas, hospitals refuse to set up abortion committees thus overburdening other hospitals and compelling women who wish to obtain an abortion to travel to other provinces or abroad or still to rely on those who practise illegal abortions.

[Mrs. MacInnis (Vancouver Kingsway).]

On August 25, 1970, in the 10 provinces and Yukon Territory, it was reported that 143 hospitals had appointed therapeutic abortion committees. Their distribution is as follows: Newfoundland, 4; Prince Edward Island, 2; Nova Scotia, 6; New Brunswick, 7; Quebec, 16; Ontario, 48; Manitoba, 4; Saskatchewan, 8; Alberta, 18; British Columbia, 29; Yukon, 1.

It appears that the abortion rates vary considerably among the provinces and are in no way connected with the availability of chartered or approved hospitals which have appointed therapeutic abortion committees. The statistics for the first six months of 1972 are also available. The therepeutic abortion rate, compared with the total number of births, had been 7.6 per cent for the first semester of 1971. In 1972, for the same period, the rate was 10.1 per cent. Here again the rates varied according to the provinces. For the first six months of 1971, the statistics varied from 19.3 in British Columbia to 0.5 in Newfoundland. For the same period in 1972, these rates were 22.4 in British Columbia and 1.2 in Newfoundland. For the period of January to June 1972, the total of therapeutic abortions was 18,817. For the same period in 1971, the total was 14,168.

The number of abortions for women from elsewhere or residing in the province, other than those reported in the province, was negligible. In 1971, foreign residents accounted for 0.1 per cent. During the same year, patients residing in a province other than that concerned in the report represented 0.7 per cent of the total. For the first six months of 1972, the figures are the same. Here are publications of Statistics Canada in support of what has been said.

1. Special publication on therapeutic abortions in Canada, from August 26, 1969, to August 25, 1970, dated November 20, 1970.

2. Therapeutic abortions in Canada in 1971, dated May 3, 1972.

3. Therapeutic abortions in Canada, from January to June 1972, dated December 11, 1972.

The minister has also been asked from time to time about the publicity in Canadian publications offering abortions in locations where they are legal, in New York for instance. The minister simply replied that he was studying this publicity and that his department would soon complete its research in this matter.

● (2210)

[*English*]

AIR CANADA—CONSTRUCTION OF NEW COMPUTER CENTRE AT DORVAL—EFFECT ON WINNIPEG CENTRE

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, over the past few months I have spoken several times on the subject of Air Canada and for the most part my remarks have concerned the transfer of the Air Canada overhaul and maintenance base to Dorval in 1969. This House is quite familiar with the circumstances surrounding that transfer and the destructive effect the move has had on the aerospace industry of Manitoba. I believe that part of the base should be returned to Winnipeg.

Tonight I intend to discuss a situation which in many ways bears an ominous resemblance to the transfer fiasco.

I refer to the construction by Air Canada of a new computer and systems service centre at Dorval. In spite of assurances to the contrary from the Minister of Transport (Mr. Marchand), I fear that this new facility might render the computer operation in Winnipeg obsolete. Such a move would force many employees to move to Dorval.

I am skeptical of the minister's assurances because they resemble those false assurances about the maintenance base given to the people of Manitoba during the 1950s and 1960s. Successive Liberal governments repeatedly denied that the base was to be moved—but it was. One thousand Manitobans were forced to move to Dorval. Today, employee morale is incredibly low, especially among transplanted Manitobans. The people of Winnipeg do not want a repeat of the air base debacle. The Minister of National Defence (Mr. Richardson) termed the transfer "one of the worst mistakes ever made in Canadian history". We do not want to be the victims of another government mistake.

The new computer building is scheduled for occupancy in January. But who exactly is going to occupy the 25,000 square feet of floor space? Air Canada maintains that the building will house employees and equipment presently located in various other areas of the base. However, there appears to be some doubt whether a building of this size is necessary if in fact it is to be occupied only by those currently working in Dorval.

A letter sent last spring by Air Canada to Winnipeg's civic executive policy committee stated that the airline was moving the Winnipeg accounting department to Montreal. Air Canada, however, claimed that this information was erroneous and have since continued to assert that no facilities will be moved. But for obvious reasons I am skeptical, and so are employees at the Winnipeg branch. History has made it hard for us to be confident of government assurances.

Even with the guarantee that the computer centre will remain in Winnipeg, the Manitoba aviation industry will continue to flounder. The government has failed to live up to past commitments. I suggest that rather than moving the Winnipeg branch to Dorval, Air Canada should centralize its computer facilities in Winnipeg. It is functionally possible to locate a central computer for all Air Canada requirements outside central Canada, with no loss of efficiency. Both the TransCanada Telephone Company and CN-CP Telecommunications are technically able to provide data transmission at reasonable cost because rates are rapidly becoming distance-insensitive.

Most airlines in the United States have decentralized their operations. United Airlines has its headquarters in Chicago and its main computer in the western city of Denver. Eastern Airlines has its head offices in New York but has computer centres in North Carolina and Florida. However, according to the Parliamentary Secretary to the Minister of Transport (Mr. Guay) this is not what the government means when it speaks of decentralization. The hon. member stated in a recent letter to me that centralization "does not apply directly to such Crown corporations as Air Canada". I quote further from his letter:

> Air Canada is, of course, expected, as a Crown corporation, to recognize the government's social and economic policy. However, any decision regarding the actual operation of Air Canada must be left to its management which is responsible for the performance of the airline.

This is without doubt one of the most incredible statements I have read since becoming a member of parliament. I suggest that as Parliamentary Secretary to the Minister of Transport the hon. member should read the Air Canada Act. Crown corporations are clearly subject to the people through parliament and are dependent upon parliament, especially the cabinet, for policy orientation. To imply, as the hon. member does, that Air Canada runs its own affairs independent of the cabinet is an insult to hon. members' intelligence.

An example of just how much direct influence the cabinet does have in formulating Air Canada policy can be found in a decision by the airline last spring to extend a contract to CAE aircraft in Winnipeg. CAE was awarded a contract to build galley equipment for Air Canada's New Lockheed jets without even having entered a bid. Furthermore, CAE had no experience in this type of work. Noorduyn Norseman Limited of Montreal had won the contract with a $200,000 bid, but was later informed by Air Canada that the contract was to be assigned to CAE.

CAE is Air Canada's replacement at the Winnipeg base and has been plagued with difficulties. Former Air Canada president, John Baldwin, frankly admitted "it will cost us more, substantially more, to have the galley equipment, and so on, built by CAE". He also said the airline had an obligation to Winnipeg. It is obvious that Air Canada was advised by the government to give the contract to CAE, yet the parliamentary secretary asserts that Air Canada makes all its own decisions. Even Mr. Baldwin admits this is not so.

Thus, the government does control Air Canada policy and is in a position to steer that corporation on a road to decentralization. This it must do. Not only must the computer office remain in Winnipeg but the government should consider centralizing all computer facilities in that city. This, combined with the return of portions of the air base, would not only alleviate the deteriorating situations in Dorval and Winnipeg but would prove to the people of Manitoba and western Canada that this government is sincere when it talks about decentralization.

● (2220)

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, first of all I would like to say that the hon. member for Winnipeg South Centre (Mr. McKenzie) was already on the air on this subject on station CJOB yesterday morning, making the same statement as he made here a moment ago and making many allegations which he cannot substantiate. If he has a real problem, let him spell it out here, instead of all this literary writing that he is doing in the House.

In fact, Peter Ward, the investigating reporter for CJOB, said on that station recently that the hon. member for Winnipeg South Centre was known to exaggerate. I think that I myself would not want this said about me. Speaking about CAE, this is another thing. He should read in the House the letter which he received from the manager of CAE in Winnipeg contradicting what the hon. member said on the air, in the House and elsewhere.

After taking this into consideration, I would now like to return to the matter of the computer. On June 6, the day after the hon. member asked his question in the House, the Minister of Transport (Mr. Marchand) sent him a letter in reply. The situation, contrary to the allegations made by the hon. member for Winnipeg South Centre and also by another member of the opposition, has not changed since then.

Air Canada is changing computer equipment at both Winnipeg and Montreal and some computer operators are regularly transferred in these operations. Those transferred from Winnipeg are replaced, and the total staff size in Winnipeg is being maintained at last year's level. Beyond this I can really only repeat the substance of the minister's June 9 letter, that Air Canada's plans are to result in a significant upgrading in technological resources at Winnipeg. Through a new, flexible terminal computer, Winnipeg is being interlinked with Toronto and Dorval real-time computer capabilities and the technology available at both these locations is thus becoming available to the Winnipeg group. That is contrary to what the hon. member keeps saying. The Winnipeg group is having its knowledge updated accordingly.

Air Canada regards it of prime importance that the same relative levels of advanced technology be achieved, regardless of geographical location, to provide uniformly up to date and efficient service to all Air Canada users of computer services at any of their prime three locations and to ensure equal opportunity for promotion to all their employees across their system.

Mr. Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Friday, November 16, 1973

The House met at 11 a.m.

[*English*]

THE LATE HARRY KUNTZ

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we learned with sadness this morning of the death of our colleague and friend, Harry Kuntz, member for Battle River.

Born and raised on a farm in Alberta, he had a deep respect and love for the land he represented. Although he was a relative newcomer to federal politics, his record of public service at the community level in Camrose was well established. As the father of five sons, he had an enthusiastic interest in amateur sports and volunteered his time to work with young people. Since he was elected to Parliament last year, he quickly became known among his colleagues as a dedicated constituency man. The concerns of his riding—agriculture, transportation and small business—became the concerns which he keenly pursued as a member of this House.

Mr. Speaker, I know all members will join with me in extending our sympathy to Mrs. Kuntz and her sons.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I was very shocked this morning to learn of the death of the hon. member for Battle River. It is always with particular sadness that one learns of the death of someone who is young in years, a husband and father of a young family.

Harry Kuntz came to the House of Commons from a part of the country where much remains of the spirit of the pioneers. He applied that spirit himself to the service of his neighbours. He was very active in the economic life of his community, in its civic affairs and, as the Prime Minister indicated, in community affairs.

His concern for the future of agriculture and the agricultural communities in his constituency was demonstrated with great sincerity and great conviction in this chamber. He was a man of very sound judgment, a man who spoke out when he had something to say. Knowing our hon. friend from Battle River, I and other members who come from other parts of the country came to appreciate the feelings and aspirations of the people he represented. I will miss his counsel.

On behalf of myself and my colleagues I join the Prime Minister in expressing our deepest sympathy to Mrs. Kuntz and her family.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my colleagues and I join with the Prime Minister and the Leader of the Opposition in expressing our sorrow at the sudden passing of the late member for Battle River. Although Harry Kuntz had been a member of this House for only the period since the last election the seating arrangements have been such that he was near us, physically at any rate, and my colleagues who sat close to him found him a delightful person to know. All of us wish to express our regret at his sudden and untimely passing. We extend our sympathy in particular to the Leader of the Opposition and to his party in the loss of a valued colleague.

● (1110)

We would ask that you, Sir, express on behalf of all of us in the House our deepest sympathy to Mrs. Kuntz and the five sons. The loss of a husband and father at such an early age is indeed a time of sadness, but we trust that the precious memories they will have through the years that lie ahead will be a source of strength and comfort to them even now.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, my colleagues and myself should like to join the Right Hon. Prime Minister (Mr. Trudeau), the leader of the official opposition (Mr. Stanfield) and the hon. member for Winnipeg North Centre (Mr. Knowles) in expressing our heartfelt condolences to Mrs. Kuntz and her children.

Mr. Kuntz was a very devoted and active member of parliament. I believe that the House has lost one of its good members and this is why we join all hon. members in expressing our deepest sympathy to his family.

[*English*]

Mr. Speaker: Later today it will be my duty to convey directly to Mrs. Kuntz the sympathy and condolences which have been expressed by the party leaders on behalf of all members of the House.

* * *

PRIVILEGE

MR. COSSITT—NATURE OF REPLY TO QUERY CONCERNING UNANSWERED ORDER PAPER QUESTIONS

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a question of privilege. Last Wednesday, on a point of order, I drew attention to certain questions which I have on the order paper and which have remained unanswered by the government for some time. My question of privilege arises from two things that have occurred subsequent to my raising the point of order last Wednesday.

The first is the nature of the reply made by the Parliamentary Secretary to the President of the Privy Council which I have had an opportunity to examine in *Hansard* and which contains what I find impossible to construe as anything other than a threat to the right and privilege of members of this House to ask questions of the government. The following were his words:

I want to inform hon. members that I am attempting to find out the cost of answering these questions and on some of the more absurd ones I intend to make cost figures available.

It seems to me clear that in reality what has been said here is that members of the House should take warning not to continue asking too many questions of the government or they will be dealt with as posers of costly absurdities. There is, indeed, a not very veiled and threatening suggestion in the parliamentary secretary's remarks that members who ask questions of the government had better watch themselves or face unpleasant consequences. This sort of threatening language strikes at the acknowledged and long established duty and privilege of opposition members to examine and question in detail, without interference, any aspects of the governing of the country.

The second point on which I raise this matter of privilege arises from an article on page 41 of the Ottawa *Citizen* of Thursday, November 15, which reported my question and the parliamentary secretary's reply. This article contains information which the writer attributes to an unnamed member of the Privy Council staff who has told him that the Privy Council has had to hire extra staff for the sole purpose of answering questions from the member for Leeds. This is an untrue, malicious and blatantly irresponsible allegation by an employee of the government to a member of the news media, and it can scarcely be interpreted as anything other than an attempt by the government through one of its bureaucrats to discredit and interfere with the right and privilege of an opposition member to examine properly matters of concern to his constituency and to the country as a whole.

In conclusion, I make no apologies for questioning this government as often as possible and, like other members on this side of the House, I will continue to exercise my right and privilege to do so regardless of direct or indirect threats to desist from a government obviously easily embarrassed when its activities are questioned.

Mr. Speaker: Order, please. The President of the Privy Council.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, in connection with the first part of the question of privilege raised by the hon. member for Leeds (Mr. Cossitt) it should be made clear to him at this point that there has always been a tradition in the House of Commons to refuse answers to questions that involve an inordinate expenditure of public funds. That precedent has been quoted more than once in the House, and if he will look at a primer on Canadian government he will find that this fact has often been quoted and established. I would refer him to MacGregor Dawson's book on Canadian government.

We intend, in the answering of questions, to be as responsible as possible and to produce all the volumes of information that can be produced, but I think we ought to assert, as has been asserted in the past, that in particular cases where the cost of answering a question is very large the government can refuse to answer it on that ground. In doing so we are not establishing a new precedent at all. As I say, it is a precedent that has been quoted in the House before this session.

[Mr. Cossitt.]

Mr. Speaker: Order, please. The hon. member for Leeds has raised the matter by way of a question of privilege. There is no motion. I would think it is a subject of debate, and I do not believe the Chair should be required to make an extensive ruling. The President of the Privy Council was allowed to reply according to practice. I suggest to hon. members that not much would be gained by pursuing the matter further and having a debate on the point raised by the hon. member for Leeds.

Mr. Cossitt: On a point of order, Mr. Speaker, I must point out that the President of the Privy Council is in error if he is implying in any way that any of my questions have involved, to use his word, "an inordinate expenditure of public funds."

Mr. Speaker: Order, please.

Mr. Cossitt: This is a patently false statement.

Mr. Speaker: Order, please.

Mr. Bell: It is just a case of revenge. You don't like him because he was a Liberal.

ROUTINE PROCEEDINGS

[*English*]

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. Ralph Stewart (Cochrane) moved that the third report of the Standing Committee on Broadcasting, Films and Assistance to the Arts, presented to the House on Wednesday, November 14, be concurred in.

Motion agreed to.

* * *

EXTERNAL AFFAIRS

CHILEAN REFUGEES—ADMISSION TO CANADA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Harney (Scarborough West): Mr. Speaker, I rise under the provisions of Standing Order 43 to raise a matter of urgent and pressing necessity. In view of the fact hundreds of refugees from Chile have sought refuge in such countries as Panama, Honduras and Argentina and that many of them are seeking entrance to Canada, along with hundreds needing asylum within Chile, and in view of Canada's abysmal lack of response to this pressing human need, I move, seconded by the hon. member for Greenwood (Mr. Brewin):

That this House instruct the government immediately to follow the measures adopted toward political refugees from Hungary in 1956, Czechoslovakia in 1968, and Uganda in 1972, thereby respecting the traditions which the Canadian people wish to have

respected, and to instruct our embassies and affected departments to act accordingly.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

CHANGE IN NAME OF CONSTITUENCY FROM LASALLE TO LA SALLE-ÉMARD-CÔTE SAINT-PAUL

Mr. John Campbell (LaSalle) moved for leave to introduce Bill C-228, respecting the Electoral Boundaries Readjustment Act.

Mr. Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the said bill?

Some hon. Members: Explain.

● (1120)

Mr. Campbell: Mr. Speaker, the purpose of this bill is to change the name of my constituency from "LaSalle" to "LaSalle-Émard-Côte Saint-Paul". The basic reason for the change is that Émard and Côte Saint-Paul form integral parts of my riding and therefore I believe should be represented in the name. I ask that the name be changed.

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

ORAL QUESTION PERIOD

[*Translation*]

AIR TRANSPORT

ACTION TO ENSURE SERVICE NOT INTERRUPTED BY SHORTAGE OF FUEL

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to put a question to the Minister of Transport.

What measure does he intend to take to ensure that air transportation of passengers and goods will not be interrupted through the relative uncertainty of the oil reserves situation?

Hon. Jean Marchand (Minister of Transport): So far, Mr. Speaker, air transport companies have indicated to us that they had enough fuel to provide all services in Canada, the only problem being that of supply in the United States where there is a rationing system.

[*English*]

Mr. Stanfield: In view of the reports that some American planes are leaving Canadian airports with unnecessary amounts of additional fuel on board, will the minister check to make certain that this is not going on in such a way as to erode the reserve supplies available to Canadian aircraft?

Mr. Marchand (Langelier): Mr. Speaker, the problem we have is that fuel is rationed in the United States and it is not rationed in Canada. Would it be fair to say, therefore, that we are going to ration only American aircraft and not Canadian aircraft? We are looking into that situation now. This is why some Canadian airlines have to curtail their provision in the United States, and the reverse is not true. If we are going to have a shortage of fuel, I think we will have to do the same thing as they did to us in the United States.

[*Translation*]

Mr. Stanfield: I should like to put a supplementary question, Mr. Speaker. Is the minister satisfied that the emergency plan which he has developed will be sufficient to ensure adequate air transport under any circumstances in Canada?

Mr. Marchand (Langelier): At this time I would say yes, Mr. Speaker, but I cannot say whether this will be so throughout winter.

[*English*]

ALLOCATION OF MILAN ROUTE TO CANADIAN CARRIER

Hon. Paul Hellyer (Trinity): Mr. Speaker, I have a supplementary question for the minister. Can the minister tell the House if the oil shortage has had anything to do with the year's delay in assigning the Milan route to a Canadian carrier? Can he tell the House now when it will be assigned and what reason the government has for this unconscionable delay in providing an opportunity to a Canadian airline?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, maybe we can set up an inquiry board to see if there is a relationship between the two.

Mr. Hees: Mr. Speaker, I have a question for the Prime Minister. Would the Prime Minister advise the House what new crisis has made it—

Mr. Speaker: Order, please. Is the hon. member's question supplementary? I gathered that he was rising on a supplementary question. If not, the Chair will recognize the hon. member for Vegreville for a supplementary and then the hon. member for Greenwood.

EFFECT OF FUEL SHORTAGE ON INSTITUTION OF NEW ROUTES TO UNITED STATES UNDER BILATERAL AGREEMENT

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a supplementary question. In light of the growing fuel shortage and its effect on the air industry, particularly in the United States, can the minister advise the House whether this will have any effect on the institution of the new air routes under the bilateral agreement which was to have been initiated on January 1, 1974?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think it is a little bit too soon to say. I do not know exactly when the bilaterals are going to be ratified by both governments, and I do not know what the fuel situation will be in Canada and the United States at that time.

* * *

EXTERNAL AFFAIRS

STEPS TO ASSIST CHILEAN REFUGEES WISHING TO COME TO CANADA

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the many assurances given by the minister both inside and outside the House that the problems of Chilean refugees would be dealt with in the same humanitarian manner as the Hungarian, Czechoslovakian and Ugandan refugees were dealt with by the government in the past, and in view of the mounting evidence that no adequate steps have been taken to implement these assurances and that very few applications have been processed either in Chile or in other countries to which the refugees have gone, can the minister state now what steps the government has taken or proposes to take to ensure that Canada maintains the humanitarian standards to which the minister referred?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I can assure the hon. gentleman that the humanitarian attitude taken by Liberal administrations toward the Hungarians, the Czechs, the Tibetans and the Ugandans will be continued.

An hon. Member: Paul Martin.

Mr. Trudeau: Shut up!

Some hon. Members: Oh, oh!

Mr. Hees: Mr. Speaker, I rise on a question of privilege. I would ask Your Honour if it is within the rules for one hon. member to tell another hon. member to shut up.

Some hon. Members: Oh, oh!

Mr. Sharp: Mr. Speaker, I should like to assure the hon. member for Greenwood that very special steps are being taken to deal with cases of Chileans either in Chile or outside of Chile who wish to come to Canada. Within Chile there has been a very limited interest in coming to Canada. We do know, however, of the presence in Panama, in San Jose and in Honduras of a number of people who have expressed an interest in coming to Canada. A team will be arriving in Panama on November 19 to begin processing applications. Another team is being sent to look at the whole situation in Panama, San Jose and Santiago to make sure that the willingness of Canada to accept those who wish to come to Canada is well known and that we shall take whatever steps are necessary to meet needs.

Mr. Brewin: In taking those steps, is the government giving consideration to doing what I understand was done at the time of the Hungarian episode, that is, provide means of transportation? Often these refugees have not got the means and without them they cannot come to this country.

[Mr. Mazankowski.]

Mr. Sharp: Yes, Mr. Speaker, some preliminary consideration has been given to this. The teams that are being sent to Santiago and to the other points outside where there are individuals who have left Chile will report back within a week, when the government will take a decision on this particular point if, in fact, there is the kind of interest that has been suggested and there is need for special assistance.

Mr. Jake Epp (Provencher): Mr. Speaker, may I direct a supplementary question to the Secretary of State for External Affairs. Humanitarian considerations notwithstanding, can the minister give assurances to the House and to the Canadian people that all steps are being taken so that the entry of such refugees into Canada will be based on the investigations that the department generally undertakes in such cases?

Mr. Sharp: Mr. Speaker, in such cases the Canadian government believes, as it did in the case of the refugees from Hungary, Czechoslovakia, Uganda and Tibet, that humanitarian considerations should prevail.

INSTRUCTIONS TO CANADIAN AMBASSADOR TO CHILE RESPECTING PROVISION OF ASYLUM WITHIN EMBASSY TO CHILEANS

Mr. John Harney (Scarborough West): I have a supplementary question, Mr. Speaker. As our embassy in Chile has been instructed by the Department of External Affairs to allow asylum within the embassy only in cases where individuals are being hotly pursued, that is to say, when they are being chased down the street by armed policemen, would the minister undertake to give different instructions to the ambassador to Chile so that we can see very clearly just how many people want to seek asylum in the embassy and then, in turn, seek refuge in Canada?

● (1130)

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, this is a very difficult problem and I would hesitate to give any such assurance. Our experience in Chile has been an extraordinary one. I would like to pay tribute to the work of the ambassador and the members of the embassy for the way in which they have worked day and night in an effort to deal with this very difficult problem.

Some hon. Members: Hear, hear!

Mr. Sharp: I say to the hon. member that he has not helped in facilitating the work of that ambassador.

Mr. Harney: Mr. Speaker—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Scarborough West on a supplementary and then attempt to complete the first round of questioning by recognizing the hon. member for Témiscamingue.

Mr. Harney: Mr. Speaker, I will not take up the point of privilege which I would be allowed following the remarks of the Secretary of State for External Affairs. They are very much in the nature of remarks he has made previously to the effect that I am spreading misinformation and making unworthy suggestions. I will not take up that point now. I will gladly take it up later if the minister keeps it up.

Some hon. Members: Oh, oh!

Mr. Harney: In view of the fact Canada in 1956, under the active participation of the Hon. Jack Pickersgill, not only dispatched teams to Vienna but fortunately undertook to intervene directly to save the lives of refugees arriving from the Hungarian uprising at that time, will the minister now change the instructions he has sent to the ambassador so that Canada can have a record in this case at least as good as that of Sweden?

Mr. Sharp: Mr. Speaker, I would remind the hon. member it was under my administration that similar teams were sent to Czechoslovakia. I do not take any such remarks in good part. I say to the hon. member, and I repeat what I said before, that his action in distributing cables which he obtained somehow or other has made it very difficult indeed for our ambassador to operate effectively in Chile. Indeed, we have had to put special guards on the embassy.

Mr. Harney: Mr. Speaker, I have to rise on a question of privilege. In 1972, when the government of the time took generous action vis-à-vis Ugandans and were suffering attack on the hustings for doing so, I definitely approved and applauded their action. I think the minister is being extremely testy at the moment. I suggest I have a complete right to let the people of Canada know what their ambassadors are doing abroad, if the Department of External Affairs will not do so.

Mr. Speaker: Order, please. I do not think the Secretary of State for External Affairs would want to pursue the matter further. He has made a point. The hon. member makes a point. At this time I should like to recognize the hon. member for Témiscamingue.

* * *

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

We are all aware of the acquittal of the professional abortionist of Montreal, Dr. Morgentaler. Does the minister intend to take the necessary steps to have the 12 jury members submitted to psychiatric tests in order to determine whether they are truly sane?

[*English*]

EXTERNAL AFFAIRS

INQUIRY AS TO INVESTIGATION AND DISMISSAL OF EMPLOYEE FOR RELEASE OF DISPATCH FROM EMBASSY IN CHILE

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question arises out of questions that have been directed to the Secretary of State for External Affairs. Has an employee of the minister's department been investigated and possibly dismissed as a result of the release of a confidential document to a member of an opposition party in this House, as evidenced by a quotation from a dispatch allegedly from a Canadian diplomatic mission abroad, specifically our embassy in Chile, appearing on page 7504 of *Hansard*, following the recent precedent established by the dismissal of an employee of Central Mortgage and Housing Corporation for similar conduct?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker. I would just add that this is the first time in my experience a member of parliament has connived in this way in the distribution of a leaked document that could endanger the position of an ambassador abroad and jeopardizes diplomatic relations between Canada and foreign countries.

Mr. Munro (Esquimalt-Saanich): A supplementary question—

Mr. Woolliams: A question of privilege—

Mr. Speaker: The hon. member for Calgary North.

Mr. Woolliams: Mr. Speaker, surely there is a question of privilege when the minister refers to conniving by a member of parliament. It is a slight on every member of parliament. I do not know what the Prime Minister and the Secretary of State for External Affairs had for breakfast. One told us to shut up. The other suggests that members of parliament on this and even on the other side of the House are conniving with certain public servants. I think the Secretary of State for External Affairs should withdraw those remarks.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Sharp: Mr. Speaker, I rise on the question of privilege raised by the hon. member for Calgary North. I was referring to one member of parliament who has distributed some documents that were leaked from our embassy in Chile.

Mr. Harney: Mr. Speaker, I thank the hon. member for coming to our defence but I think I can handle this one myself. I did not connive. The documents were handed to me and I made them public almost immediately. It is up to me as a member of the House to judge whether my actions will affect the well-being of Canada, here and abroad. I would say that if there has been any conniving it has been done on the other side, not on this side, because in this matter we have been getting much less than the full truth. People outside the House know the truth, and it can be

fully documented, but we cannot get at the truth in the House. All I can say is that it takes a conniver to know one.

Some hon. Members: Oh, oh!

Mr. Speaker: Rather than attempting two withdrawals we will call it a draw. I will return to the hon. member for Esquimalt-Saanich for a supplementary.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I have no intention of entering this dispute over connivance. However, I would like to know whether there has been an investigation with a view to a possible dismissal for the divulgence of classified documents from the department?

Mr. Sharp: Mr. Speaker, an investigation is under way. It has not yet been successful.

* * *

ENERGY

PURCHASE OF HEATING OIL BY CANADIAN COMMERCIAL CORPORATION—GOVERNMENT POLICY ON USE

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources I will direct my question to the Minister of Supply and Services. In view of the announcement that spot purchases of oil by the Canadian Commercial Corporation on government account will be used exclusively for government heating requirements, suggesting a government first policy on energy use, will the minister inform the House if priority is being given to the government having adequate supplies of fuel oil ahead of the government showing economies in its use?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, the Minister of Energy, Mines and Resources will soon announce the policy which the government intends to implement to cope with the present conditions.

● (1140)

[*English*]

Mr. Stackhouse: Taking some comfort from the assurance that a policy will be announced some day, may I ask the minister whether he will indicate to the House the extent to which the use of federal taxes to subsidize federal government energy requirements is now creating a price shelter at the expense of Canadian consumers?

[*Translation*]

Mr. Goyer: Mr. Speaker, the Minister of Energy, Mines and Resources will also indicate the government policy as to the problem raised by the hon. member.

[Mr. Harney.]

[*English*]

AIR CANADA

POSSIBILITY OF MAINTENANCE AND OVERHAUL AT WINNIPEG OF AIRCRAFT TO BE PURCHASED

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is to the Minister of Transport. In the event of Air Canada purchasing a number of new DC-9s and other aircraft, is the minister considering having those aircraft maintained and overhauled at the Winnipeg air base?

Mr. Speaker: Order, please. I have the impression that the question has hypothetical implications. I am sure the hon. member will appreciate that the question is hypothetical.

Mr. McKenzie: I will rephrase it, Mr. Speaker. Is the minister negotiating with the province of Manitoba with regard to these aircraft being serviced in Winnipeg?

Hon. Jean Marchand (Minister of Transport): There are not usually negotiations on these matters, though there might be talks between the two governments. Air Canada, as is public knowledge, is about to buy new aircraft. We hope that some offsets can be negotiated and I hope some of them will be for the benefit of Winnipeg.

Mr. Doug Rowland (Selkirk): I have a supplementary question to the Minister of Transport. Has a final decision been made by Air Canada with respect to the location of its new computer centre and, if so, where is that centre to be located?

Mr. Speaker: I am not sure whether that is a supplementary. Perhaps the hon. member will be recognized in a moment.

* * *

ENERGY

SUGGESTED CONVENING BY PRIME MINISTER OF FIRST MINISTERS' CONFERENCE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Prime Minister. It has to do with the situation that is developing from day to day in connection with energy and the widespread demands that the Prime Minister should at once convene an energy conference representative of the federal government and the various provinces. Is he giving consideration to calling such a conference now?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. I have been in correspondence with the various premiers on this very subject in the past few weeks. I have told them we were going ahead with our program to have the Minister of Energy, Mines and Resources meet with their ministers on Friday of next week to lay the groundwork for such a federal-provincial conference, probably at the first ministers level. So far I have received no replies from the premiers indicating that they want to proceed with a full-blown conference without going through these preparatory stages for which we have laid the basis.

Mr. Diefenbaker: Will the Prime Minister tell us which of the provinces with which he has been in communication have replied to his suggestion?

Mr. Trudeau: I said none had replied to my suggestion. Therefore I take it they are happy to see the arrangements I have suggested to them go forward. One premier, Premier Barrett, and also the premier of Ontario, I believe—I will have to check my memory on that one—did suggest such a conference but I reminded them that this other conference has been scheduled for some time and that they would probably want their ministers to attend it and then make an assessment about the timing and subject matter of a future conference.

Mr. Diefenbaker: Having regard to the very serious situation in our country—indeed, there seems to be a stalemate of confusion on the part of the government—does the right hon. gentleman not think that now is the time, in the interests of the Canadian people, to convene a conference of first ministers to the end that this problem might be faced and suggestions put forward on the basis of which there would be agreement on a national energy policy?

Mr. Trudeau: That would be very nice, Mr. Speaker, but I must remind the right hon. gentleman, as I have done on a few occasions in the House, that we have wanted to put this subject on the agenda of federal-provincial conferences before, notably at the Western Economic Opportunities Conference last July. We wanted to have the subject of energy as one of the items on the agenda. It was apparent from the refusal of the western provinces to allow it on the agenda that they had not arrived at a joint position with regard to it. I have no evidence that since then they have reached such a joint position. I think this is why they are generally in agreement with my suggestion that a preparatory conference be held at the level of the responsible ministers before going into a federal-provincial conference at the first ministers' level.

* * *

[*Translation*]

LABOUR RELATIONS

SETTLEMENT OF RAILWAY EMPLOYEES' DISPUTE—PUBLICATION OF ARBITRATION RESULTS

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to put a question to the hon. Minister of Transport.

It seems that the 100,000 non-operating railway employees who went back to work after last summer's strike are still waiting for the results of the arbitration ordered by special legislation of the Canadian Parliament concerning their new work standards. Since this has been going on for nearly three months, could the hon. Minister of Transport tell us how negotiations are progressing and if the results will soon be published or if all the settlement of this conflict will be forgotten much longer?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this question is somewhat contradictory as the hon. member asks how the negotiations are going when the problem involves arbitration, which means that the parties are not negotiating and are submitting their case to an arbitrator. But I think that the hon. member would get a more complete answer if he asked his question to the Minister of Labour who will probably be here Monday, since the report will be made to him.

* * *

[*English*]

INCOME TAX

POSSIBILITY OF EXTENSION TO SMALL BUSINESSES OF TAX-FREE, ROLL-OVER ADVANTAGES APPLICABLE TO FARM FAMILIES

Mr. William C. Frank (Middlesex): Mr. Speaker, I would address my question to the Minister of Finance. It arises from a statement by the hon. gentleman in the House some time ago that he would give further consideration to extending to small business the tax-free roll-over advantages now allowed between a farmer and his family. Can the minister inform the House whether there is at this time any plan to extend such advantages to small family-owned Canadian businesses which are so vital also to the Canadian way of life?

Hon. John N. Turner (Minister of Finance): I want to thank the hon. member for having given me notice of his question. The Department of Finance is actively considering this matter. Of course, any resolution of it, if in the affirmative, would be a budgetary matter. There are, as I have said earlier, some special considerations militating in favour of special treatment of the family farm, one being the lack of liquidity of the holding. These are matters which would have to be dealt with.

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EXTERNAL AFFAIRS

FAMINE IN ETHIOPIA—DIRECT ASSISTANCE BY CANADA

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, I have a straightforward question for the Secretary of State for External Affairs, if he has recovered from the last round. In view of the famine that is causing extreme suffering to many of the people of Ethiopia, and in view of reports that Canada's relief contribution through the United Nations is not reaching Ethiopia, can the minister say whether the government is considering direct assistance to that country?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the hon. member knows, it is only in comparatively recent days that the government of Ethiopia has admitted the extent of the drought and the effect upon the people there. This problem is now being considered by officials of CIDA. We have already sent a certain amount of limited direct assistance through the Red Cross and we are considering other measures.

Oral Questions

AIR TRANSPORT

SUGGESTED ELIMINATION OF DISCRIMINATION BETWEEN FIRST AND SECOND CLASS PASSENGERS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Transport related to those asked earlier on the subject of fuel shortages. Does the minister, in the interests of economy and efficiency, intend to pursue the suggestion made by the president of Canadian Pacific Airlines that the discrimination between first and second class status for passengers be ended?

Hon. Jean Marchand (Minister of Transport): This will be among the measures that will be considered if ever there is a real shortage of fuel.

* * *

[*Translation*]

TRANSPORT

SUGGESTED RE-ESTABLISHMENT OF CERTAIN RAILWAY PASSENGER SERVICES IN EASTERN CANADA IN VIEW OF OIL SHORTAGE

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I wish to direct a related question to the Minister of Transport, of which I have not given notice.

In view of the fact that aircraft burn huge quantities of fuel whether it is in short supply or not, can the minister inform the House whether railway companies intend to take advantage of the present situation to restore passenger train services which had been discontinued for many years, especially during the winter season, when travel becomes much more difficult, particularly in eastern Canada?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I can hardly answer a question which is very hypothetical unfortunately. When we shall be facing this problem, railway companies will surely inform us of their intentions then.

* * *

● (1150)

[*English*]

AGRICULTURE

REASON FOR RETURN OF MINISTER FROM FAO CONFERENCE IN ROME

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. Would he be kind enough to advise the House of the nature of the new crisis that has arisen requiring the calling back of the Minister of Agriculture four days before he was expected to return from Rome to attend a special cabinet meeting tomorrow morning, while at the same time sending the Secretary of State for External Affairs to Moscow?

Some hon. Members: Oh, oh!

Right Hon. P. E. Trudeau (Prime Minister): You spent all that time just to ask that?

Mr. Hees: I want to know the answer.

[Mr. Sharp.]

ENERGY

OIL EXPORTS TO UNITED STATES—INFORMING OF ARAB COUNTRIES OF CANADA'S POSITION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the different and conflicting statements by various ministers on the question of oil exports to the United States, will the minister tell the House whether a statement representing Canada's attitude on oil exports has been sent to the Arab countries, especially to Saudi Arabia?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker, the nature of Canada's relations with the United States has been made quite clear to the Arab countries, and I think the statements that have been made by various ministers are consistent and are quite well known.

Mr. Carter: Mr. Speaker, having in mind the Arab states and the fact that recent ministerial statements are confusing and have left doubt as to this country's policy on this matter, will the minister undertake to send special representatives to the Arab oil producing states to assure that Canada's position will be clear?

Mr. Sharp: Mr. Speaker, as far as I know from my conversations with the ambassadors here in Canada there is no such misunderstanding as the hon. gentleman suggests.

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SCIENCE AND TECHNOLOGY

POSSIBLE INCREASE IN RESPONSIBILITIES OF MINISTER IN LINE WITH SENATE COMMITTEE RECOMMENDATIONS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to pose a question to the Prime Minister. Is it the intention of the government to modify or increase the responsibilities of the Minister of State for Science and Technology in line with the recommendations in the third volume of the report of the Senate committee on science policy? Will this entail legislation and if not, will a statement be made on motions?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the third volume, along with the others, has been the subject of discussion between myself and the Minister of State for Science and Technology. We do have a plan for acting upon some of the recommendations therein and making various other policy decisions respecting science and technology. I would inform the hon. gentleman that it will not be at this session of parliament, but I think he may find traces of it in the next Speech from the Throne.

AIR CANADA

INQUIRY AS TO DECISION ON LOCATION OF NEW COMPUTER CENTRE

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is directed to the Minister of Transport. Has an official decision been reached as to the location of Air Canada's new computer centre and, if so, whatever the location is, will the minister give us his assurance that this will not result in any further loss of employment by Air Canada in the Winnipeg area?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, if the hon. member will read *Hansard* of yesterday he will see that my parliamentary secretary spoke on this during the late show last night and gave all the answers to the questions he has put now.

* * *

AGRICULTURE

REASON FOR RETURN OF MINISTER FROM FAO CONFERENCE IN ROME

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I should like to go back to the question involving the Minister of Agriculture and address my question to the right hon. Prime Minister. Does the recall of the Minister of Agriculture from the very important meetings of the FAO in Rome dealing with the world food program for the next critical years mean a repudiation of the Canadian government's support of the world food bank and other proposals to meet this very serious problem?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would take that to be a most preposterous interpretation of the minister's return. He has already expressed Canada's policy at the FAO meetings, I believe on Wednesday of this week.

An hon. Member: In a most qualified manner.

Mr. Trudeau: He has attended the most important part of the meetings and had planned to come back over the weekend at any rate. I am very happy that he will be here in time for tomorrow's special cabinet meeting.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I direct a supplementary question to the Prime Minister on this very serious matter. It is because the minister's expression of Canada's viewpoint is so important to the world at this particular moment in history that we are concerned about his recall without a reason being given. Is the Prime Minister considering sending somebody else of ministerial capacity to show the rest of the nations that we are maintaining the position taken by the Minister of Agriculture last Wednesday?

Mr. Trudeau: Mr. Speaker, I must emphasize that the minister has not been recalled. The minister had planned to come back and is coming back at the beginning of the weekend rather than at the end. His participation in Rome was a very important one, and we feel that the ministers of agriculture of the many nations assembled there have benefited greatly from the presence of our Minister of Agriculture.

Some hon. Members: Oh, oh!

Mr. Trudeau: I am very pleased that this confidence in his ability is shared by all sides of the House.

An hon. Member: Don't smile.

Some hon. Members: Hear, hear!

Mr. Trudeau: I think they will understand that after his very valuable contribution in Rome he is also a very valuable minister in our cabinet and we would be very sorry if we had to hold this meeting tomorrow without his presence.

An hon. Member: Isn't Mitch valuable too?

Some hon. Members: Oh, oh!

An hon. Member: We want Mitch.

Mr. Trudeau: Therefore I think it is only fair to Canadians as well as to our responsibility as citizens of the world that the minister share his time equally.

Some hon. Members: Hear, hear!

Mr. Speaker: I understand the hon. member has a supplementary question, but I should remind the House that we are running short of time.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, this is not a supplementary question, it is a request of the Prime Minister which I put in all seriousness and sincerity. In view of the importance of mounting a big world food program over the next four or five years, would the Prime Minister not consider having somebody of ministerial capacity, perhaps the minister in charge of fisheries or somebody associated with the food of the world, represent Canada at these very serious meetings of the FAO in Rome?

Mr. Trudeau: Mr. Speaker, I must repeat that the minister has participated very earnestly for several days. He is leaving in Rome his deputy minister and many officials who will be carrying out his policy participation. There is some need, as the House will understand, for limiting ministerial time travelling abroad, as was just mentioned.

Some hon. Members: Hear, hear!

Mr. Trudeau: I see that Conservative members support this proposition. Surely they should make up their minds whether they want ministers to be in the House or to travel outside the country.

An hon. Member: Keep Mitch here.

Mr. Trudeau: Mr. Speaker, there has been some reference to the Secretary of State for External Affairs—

Some hon. Members: Let's keep Mitch.

Mr. Speaker: Order, please.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, there is a very hungry world out there.

Mr. Speaker: Order, please.

* * *

[*Translation*]

HEALTH

THALIDOMIDE—FINANCIAL ASSISTANCE TO FAMILIES FROM QUEBEC LIVING IN UNITED STATES IN ACTIONS AGAINST MANUFACTURERS

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I wish to direct a question to the hon. Minister of National Health and Welfare.

Since a fairly critical stage was reached yesterday in the court proceedings instituted on behalf of a number of Quebec families living in the United States with thalidomide victims in their midst, does the hon. minister intend to assist these families in their lawsuits against the American firms concerned?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, judging from the results they have obtained already, these families appear quite capable of taking very good care of themselves and to be very well represented. Under these circumstances, there is nothing I can add to what I have already said concerning thalidomide children.

* * *

[*English*]

EDUCATION

SECOND LANGUAGE INSTRUCTION—GOVERNMENT ACTION TO ASSIST PRIVATE SCHOOLS

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, on October 17 I directed a question to the Secretary of State in the following words:

> In view of the fact the government of British Columbia has declined to apply for assistance on behalf of private or independent schools under the federal official second language instruction program, can the minister tell us what steps, if any, are being contemplated to make financial aid available to these schools on the same basis as the public school system?

● (1200)

In reply the minister indicated that his officials were discussing this matter with representatives of the British Columbia government. I wonder whether he is in a position to give a reply today.

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, unfortunately I am not. The discussions are continuing. I will get an updated report and speak to the hon. member personally.

[Mr. Speaker.]

PUBLIC BUILDINGS

ALLEGED DIFFICULTY IN TURNING OFF LIGHTS—GOVERNMENT ACTION

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Minister of Public Works. In view of the difficulty the government apparently is having in turning off the lights in government buildings at night, would the government consider investing in one of these new machines that automatically turn off the lights, and thus end the controversy once and for all?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, we have no problems at all in finding the switches, but if the hon. member for Saint John-Lancaster will put his finger on a live light bulb he will find that it has not only light but also heat.

* * *

DRUGS

INQUIRY AS TO LEDAIN COMMISSION FINAL REPORT—POSSIBLE LEGISLATION ON DRUG ABUSE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, after this bright exchange I should like to address a question to the Minister of National Health and Welfare in respect of the final report of the LeDain Commission which was expected 13 months ago. Can he advise when he expects to be able to present this document to us, and can he also indicate whether he intends to bring forward legislation on the matter of drug abuse as promised by his predecessor?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, a couple of days ago I received a letter from the chairman of the commission advising me he expects to be in a position to make the report public in the latter part of December. But in light of previous experience with this particular commission and this particular report, I will limit my comments to that.

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WELFARE

SUGGESTED INCREASE IN FEDERAL GOVERNMENT'S CONTRIBUTION UNDER CANADA ASSISTANCE PLAN TO MEET INCREASED HEATING COSTS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is also directed to the Minister of National Health and Welfare. In view of the fact that the increases in the cost of home heating oil will mean an extra tax burden to the people on welfare, and in view of the fact that many provinces have to increase the fuel allowance at this time of year, has the minister received any requests from the provinces to increase the 50 per cent cost-sharing under the Canada Assistance Plan, and what is the position now?

Hon. Marc Lalonde (Minister of National Health and Welfare): The answer is no, Mr. Speaker.

HOUSING

ALLEGED SHORTAGE OF APARTMENTS FOR THOSE ON FIXED INCOMES—GOVERNMENT POSITION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a question to the Minister of State for Urban Affairs responsible for housing. In view of the fact that certain metropolitan areas in Canada are facing a critical shortage of apartment units, and in consequence rents will substantially increase and bring hardship to those on fixed incomes, what special programs, if any, other than the amendments to the National Housing Act which are not helping, has the minister devised to assist the cities and provinces to cope with this shortage?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I have seen the report to which the hon. member refers. The difficulty is that building activity in the country is being carried on at an extremely high level, and we expect building activity to be as great next year, so any increased activity will place an almost inflationary pressure on the supply of labour and materials. In terms of the people for whom the question expresses concern, the low and moderate income earners in Canada, the programs of social housing under the National Housing Act are being used as extensively as possible.

Mr. Speaker: The Chair will recognize the hon. member for Calgary North, then the Leader of the Opposition, and then call orders of the day.

Mr. Woolliams: Mr. Speaker, I am wondering whether the minister is having any program devised to replace the large pools of money which resulted from investment by wage earners, professional people and small businessmen and which have dried up. Prior to the changing of the Income Tax Act these people could use the depreciated cost allowance on apartment buildings as a write-off against their taxable income, so millions of dollars were poured into apartment blocks which kept the rents at a reasonable level for the average man.

Mr. Basford: Mr. Speaker, we have in front of the committee right now Bill C-135 which is designed to help allay some of the difficulties to which the hon. member refers.

EFFECT ON INFLATION OF ENCOURAGING HOUSE CONSTRUCTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, the minister suggested that a greater building program might lead to inflationary pressure. I should like to ask the minister whether it is the policy of the government to in fact encourage the construction of housing, which seems to be the view expressed by the Minister of Finance, or whether the minister feels this would be more inflationary so far as the price of housing and apartments is concerned compared with the inflationary pressure induced by an actual shortage of houses?

Hon. Ron Basford (Secretary of State for Urban Affairs): Mr. Speaker, our goal is to meet our medium-term objectives which are about 250,000 units per year.

National Parks Act

Mr. Speaker: Orders of the day. The hon. member for Vancouver Quadra rises on a point of order.

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EXTERNAL AFFAIRS

FLOODING OF SKAGIT RIVER VALLEY—DELIVERY OF TEXT OF RESOLUTION ADOPTED BY HOUSE TO UNITED STATES

Mr. Bill Clark (Vancouver Quadra): Mr. Speaker, on Wednesday I asked the Prime Minister a question concerning the delivery of the text of the unanimous resolution of the House to the government of the United States and he replied that he would inquire into the question of who looks after such matters. I wonder if I could inquire through the Chair whether the Prime Minister has found out who handles such matters.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I discussed the matter with the Secretary of State for External Affairs who assures me that the resolution has been transmitted by his department to the State Department for further transmission onward to the western states concerned.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

NATIONAL PARKS ACT

AMENDMENT DELINEATING GOVERNMENT'S POWER IN DISPOSING OF PUBLIC LANDS

The House, resumed, from Friday, November 2, consideration of the motion of Mr. Chrétien that Bill S-4, to amend the National Parks Act, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, before I resume my remarks on Bill S-4 I am sure the House will allow me, as a member from Alberta, to express on behalf on my colleagues in that province our deep regret at the death of our colleague Harry Kuntz. We perhaps knew him best and had the best opportunity to appreciate his practicality and good advice. I would think the House would also allow these remarks because of Harry Kuntz interest in matters touched on by the bill we are discussing today, matters concerning national parks, particularly those in the north. He travelled with members of the standing committee to visit parks in northern Canada during the summer and planned to do so again. We will miss his company and his counsel.

When I began my remarks the other day, I indicated the general support members in this party have for the principles contained in Bill S-4, which is now before us, but also indicated the very grave concern we have for the lack of adequate provision in the bill as it stands for public

consultation with those people who are concerned about either additions to or subtractions from the national parks in Canada. We believe substantial progress was made in the other place when an amendment was introduced and accepted requiring the printing of a notice in the Canada *Gazette*. We also indicated our intention to seek a more extensive provision to ensure public consultation on these matters.

The discussion of this bill in committee will provide an opportunity to review the whole national parks procedure which has caused a great deal of concern to people who have had to deal with that in the past. As the House will know, members of the standing committee will be returning to Whitehorse early in December, at which time they will have an opportunity to continue hearings there on matters relating to the establishment of parks. We had the opportunity earlier to visit the spectacular site of the new national park in the Northwest Territories. Also, as the House would know, there is very grave concern in the north about some of the boundaries of the proposed new national park in the Yukon, concern on the part of representatives of a cross-section of Canadian interests, such as wilderness groups and the native people. We hope to give them all a fair and full hearing. It would be very useful to us to have the bill before us for those purposes.

As the House knows, this bill establishes legal descriptions, and in some cases new legal descriptions, for several parks in several provinces. It also changes the status of two historic parks, Fort Beausejour and Fort Anne, and it empowers the government to establish by order in council, as a result of the intervention of the Senate, through publication of a notice in the Canada *Gazette*, new parks in British Columbia, New Brunswick, Quebec, Newfoundland and Ontario. We believe, as I indicated, that the amendment regarding the publication in the Canada *Gazette* is a significant improvement on the bill as presented to the other place.

● (1210)

There are some points which I wish to emphasize today. The first concerns the procedure of enshrining park descriptions in the statute, yet specifically allowing additions to national parks by order in council. This means that boundaries can be enlarged by order in council but they can only be diminished by parliament. I accept that parliament should pass on any proposal to diminish the boundaries of national parks; it is an acknowledged and welcome national responsibility of parliament to protect national parks for the enjoyment and use of future generations. However, we want an answer from the government as to why parliament should be asked to approve only diminutions of national parks. Why should we not be asked to make decisions with regard to additions? Why should that be a power that the government can exercise by order in council? Is the diminution of public land more important than the expropriation of private land? That is the principle inherent in the double standard which the government applies in this bill. It leaves citizens less protection than the state, and that is a principle about which we are concerned.

The second matter to which I would like to draw attention is the fact that this bill, as it was originally introduced in the other place, proposes that the enlargement of

[Mr. Clark (Rocky Mountain).]

public land and the expropriation of private land be achieved virtually without notice. That is unacceptable to us, as it was to the other place which introduced the amendment requiring publication in the Canada *Gazette*. In the testimony there, the director of Parks Canada indicated that there would be adequate safeguards by allowing groups who are interested to appear before the committees of this House and the other place. I think that the argument is a faulty one. People from distant parts of Canada will clearly not be able to come here to make the kind of representations that would be useful to committees of parliament, even if we have the time on our schedules to hear them, which we do not.

I want to point out that that argument, which the government attempted to incorporate in the bill that went to the other place, could be used to avoid public hearings on any subject. The House should note that the government's attempt to achieve this objective was stopped by the other place, which clearly possesses within its walls members who have a greater sense of democracy than does the government. As I indicated, the amendment regarding the Canada *Gazette* is an improvement, but we believe that the provision relative to public notice must be improved and fortified even more.

A third matter to which I would like to draw the attention of the House is the requirement in the bill for the agreement of any province to enlarge or establish national parks but it requires only consultation with the Northwest Territories. That is one more indication and affirmation of the colonial attitude which this government takes to the people who live within our Northern Territories. It is particularly dangerous coming from this government because it is clear on the record—and particularly clear on the recent record—that to this government consultation means mere advice. We would want to seriously consider and propose to the committee that the Northern Territories be treated in the same manner as the provinces, so that before parks are established in those areas there would have to be agreement rather than mere consultation.

The bill as it stands also proposes certain so-called housekeeping amendments, and principally an amendment which would allow the collection of traffic fines within the national parks. But I think it is the clear impression of members of the House, certainly members who are acquainted with the situation in national parks, that important as the question of traffic fines might be, there are several more important matters that have to be put in order in national parks. It is, of course, nonsense that matters relating to traffic fines must be referred to Ottawa now, but there is much more nonsense than that going on in the national parks as they are regulated and administered today. The committee members who came from other parts of Canada had the opportunity to visit townsites in the national parks of Banff and Jasper, and came away shocked at the colonial conditions there. They realise there is a much broader range of housekeeping matters that must be attended to, and I hope that we can attend to some of them in the committee. It is perhaps proper to ask why the government would stop to deal with the grievances of the RCMP, and not deal also with grievances of other citizens who live and work within the national parks.

I believe that the basic change which is needed in the administration and attitude of the government toward our national parks, and the people who live there, is the awareness that administration at a distance is not the best way to preserve the park values which most members in the House and most people in the townsites in the national parks know to be important. I referred earlier to the visit of the standing committee to the national parks of Banff and Jasper. Members of that committee from both sides of the House were shocked at the standard of architecture and at the look of the town of Banff. What shocked them most was the developments which had taken place under the direct control of the federal government. The reason they were undertaken is that the decisions were made at a place distant from the people who live there. By living in those places they indicate their own appreciation of the values and the beauty of the region, which is not necessarily reflected by those who live at a distance. It simply stands to reason that people who live in Ottawa and administer the parks will not be as careful about the look of a community like Banff as the people who have to live the rest of their lives in that community. It is simply one more indication of the dangers of administration at a distance which has been the underlying principle of the approach of this government to national parks.

There has been a consistent denial of self-government to the towns in the national parks. Discussions are now proceeding with the community of Banff. That does not indicate a conversion or a change of attitude; it is simply an accommodation to pressure, because extensive pressure has been applied by the residents of Jasper and Banff, as well as by the government of Alberta, in an unanimous resolution calling for a change in the approach to the administration of the two townsites. Now the government is creeping along because it knows that if it does not creep we will push it. I think members of the committee generally agree that the pace at which they are creeping now is not satisfactory, so we will push them beyond the meagre limits to which they want to go. The director of Parks Canada appeared the other night before the standing committee and refused to give a timetable for the vesting of some degree of self-government in the townsites of Banff and Jasper. I think it is very much the case that if the government is seriously interested in the housekeeping arrangements in the national parks, as indicated by the bill, we should give very high priority to self-government there. We hope that can be done.

One other aspect—and I think it is not particularly well known to people who live outside the parks—is that while the federal government keeps tight control of the right to govern which would be enjoyed in other communities outside the parks, it also keeps a tighter than usual control of the funds that are available to people who have the responsibility of administering whatever meagre powers are enjoyed by those townsites. I want to quote to the House from a letter written to me by the secretary treasurer of the Jasper school district relating directly to the grants in lieu of taxes from federal sources, which should come but which do not come to that community, from the federal government. It reads:

● (1220)

Assessed value of federal property (at present) is $1,081,000 and at our current mill rate of 37.207 should produce $40,250.53 in grants in lieu of taxes.

Last year (1972) we received $7,970.00 grants in lieu of taxes at a mill rate of 48.085.

That is a shortfall of some $33,000 in the grants in lieu of taxes that would be paid by the federal government to a normal community. This is another example of the discrimination that is practised by the government against the residents of the townsites in the national parks.

Now I want to pass quickly to the lease situation in the townsites. There are in excess of 40 kinds of leases in operation, with the application of different terms, sometimes pertaining to the same sites. Some of these leases were imposed by duress upon the people who hold them, and the government refuses to recognize the duress that was involved. Instead, the government suggests to people who have problems that they take the matter to court, which is surely the last resort, but in this case is the only resort.

Another highly important matter that I think members of the House should be aware of, which concerns national parks, and which we might be able to consider in committee on this bill, is that there exists a very great uncertainty regarding the future of the people in the townsites within national parks and the degree to which they will be able to participate in the planning of those communities, let alone in the government of those communities.

Master plans for the townsites have been promised, and then delayed. In some communities there is a real fear that the communities themselves will be torn right by the federal government. I received a letter the other day from an executive assistant to the minister, a very alarming document, in which he expressed reservations about the right of the people in Waterton to take part in such planning. It is a dangerous precedent, I submit, for the government to suggest that the only people who have any claim of residence at all in a community have no right, because of technicalities, to participate in the planning of that community. As I say these are matters we will want to go into in more detail in committee.

Members of my party take a great deal of pride in the fact that it was a national Conservative leader who first established national parks in Canada and brought the national parks system into being. Obviously it is a distinctive and important feature of Canadian life, which allows us to maintain a respect for nature and the wilderness "for future generations".

I believe, and members on this side of the House believe that the government has taken important initiatives, some of which are outlined in this bill. We commend the minister and the government for this, but again I want to make the point that the initiatives they have taken are relatively easy initiatives. We would welcome this legislation much more if it had tackled some of the hard problems in establishing national parks in places closer to the people of Canada. Still, this bill is an important step forward. It will allow us to discuss in committee various important matters respecting the national parks system, matters that are important to the people who live within the parks. We are pleased that the bill is before us. We look forward to a

productive discussion on the principles and precise details when the bill reaches committee.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, when the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mr. Marchand (Kamloops-Cariboo)) introduced the second reading stage of this bill on behalf of the minister, he spent some time outlining the expansion of our national parks system which has occurred recently, an expansion which has also been mentioned by the minister, both in this chamber and elsewhere, as being a matter of great satisfaction to him. At the outset I would like to say I share that satisfaction, and I believe that the minister quite properly can take some pride in the progress that has been made in this direction since he assumed this portfolio.

For my own part, I am happy to say that both before and since the present minister took office I have believed in the desirability of expanding our national parks system, as to size and to number of parks, and over the years that I have been a member of this House I have done what I could to further that end. I just hope that the bill now before us does not represent the end of our forward movement.

The bill proposes some alterations in the method by which lands can be put into national parks. It makes provision for additions of lands to parks by proclamation of the Governor in Council, while preserving the basic concept that once lands are dedicated, as we sometimes say, to the national parks trust, they cannot be removed except by an act of the Parliament of Canada. This is a principle I can accept because there are cases when additions to existing parks are necessary and desirable, and subject to the agreement of provincial and local government authorities, I think it is reasonable that minor additions, and even possibly major additions to existing parks, could be made without having to undergo the delay involved in having legislation for that purpose introduced and passed by the two Houses of parliament.

There are two other ways in which the bill provides for additions to our park lands. One is that by proclamation certain parks which are currently, shall I say, in the process of formation, can be added to the national parks system in a formal way. One of these is currently known as the Pacific Rim Park in my constituency, a major seashore national park. This, of course, has involved negotiations with the province of British Columbia, and other parks are in the process of formation as a result of negotiations with other provincial governments.

The third proposal in the bill for the addition of lands to the national parks—and I make this distinction deliberately—is for major additions to the parks system in the Northwest Territories and the Yukon. I make this distinction because the lands involved in the creation of these national parks constitutionally at the present time are held in the hands of the government and the parliament of Canada.

I and my colleagues can accept all three of these proposals, with one important proviso, and one or two of my colleagues may have something to say about this aspect of the matter as the debate progresses. That proviso, Mr. Speaker, is the still uncertain status of much of these

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lands in relation to the title of the aboriginal people of Canada. Of course, this has particular application at the present time with respect to the proposed national parks in the Yukon and the Northwest Territories and the committee should consider it very seriously if this bill passes second reading.

● (1230)

The situation is not confined merely to the acquisition of park lands in the Yukon and Northwest Territories, however. It certainly is involved in the question of park lands within the province of British Columbia, and it certainly is involved in the question of lands for the parks proposed in this bill. By way of illustration, Mr. Speaker, within the proposed Westcoast National Park a number of reserves are set aside for the benefit and use of the Indian bands in that area.

In this connection, I should like to remind the House that the National Parks Act contains a provision which allows lands to be taken from the Indian people. The minister possesses this authority, but I am well aware that as far as the park to which I have made reference is concerned he has stated in writing to the Indian people that he will not use it. However, my colleagues and I have some very basic reservations about this important concept in regard to the acquisition of park lands as proposed in the bill.

"Public lands" as described in the bill, even as amended, means lands belonging to Her Majesty in right of Canada. That is still the basic position which the minister has maintained in respect of lands within the national parks, even though they may in fact have been set aside as Indian reservations. This matter may be rectified in committee of course but I just want to say that while I approve of this bill in general on second reading, as far as this party is concerned its final passage through this House may be contingent upon resolution of that aspect.

Having indicated that I agree with expanding the area and the diversity of lands within Canada which are to be put into the national parks trust, I must say that the fact that there has been a rapid expansion in the number and diversity and location of these parks puts a particular responsibility upon members of this House to broaden the understanding of the role of national parks by the Canadian people. I think we have a clear responsibility to eliminate some of the confusion which currently exists in the minds of most Canadians regarding lands in the national parks trust, and lands which may be set aside for what is commonly referred to as recreational purposes. The hon. member for Rocky Mountain (Mr. Clark) expressed a wish for the establishment of parks nearer to the people, and if this comes to fruition it is perhaps more important that the distinction be clearly defined than it was in the days when we only had a few wilderness parks in the Rockies.

In the case of the Pacific Rim Park, which had already achieved some status as a provincial park before the national parks were established, there is still a disposition to think of it as a place to play golf or other activities—and quite properly so—but the basic purpose of setting aside that area of the west coast of Canada was to preserve, for the enjoyment of this and future generations, some of Canada in its natural state.

The degree of misunderstanding that exists on this point is evident from the diversity of approach in the briefs submitted to the committee which was considering this subject. It brings up the related question of what steps can be taken by members of parliament individually and collectively to promote the idea of the necessity for increased recreational areas outside of the national parks system and I think we should be addressing ourselves to this key question. Indeed, the aspirations which the minister has expressed for further expansion of the national parks system are largely contingent upon a growing awareness of the system by the Canadian people.

Another matter which becomes increasingly important with the growth of national parks is the use of land immediately surrounding the parks by visitors. This immediately involves the provinces and while it may have been tentatively discussed with provincial authorities, I do not think that it has been adequately covered. The question of visitor service facilities outside the boundaries of a park is an idea which must be considered although it may not be too easy to put it into practice. This aspect is designed in part to avoid the kinds of complications which are referred to so often by the people in Banff and Jasper and by members representing those areas in this House. That is the sort of thing to which the hon. member for Rocky Mountain was just referring, and it is designed to avoid that kind of paternalistic administration which has so long characterized the life of the communities of Banff and Jasper.

● (1240)

In a speech that I once made following an earlier visit of the committee to Banff and Jasper, I suggested that the House should recognize that Banff and Jasper are anomalies within the national parks system which should never again be repeated. Although we recognize that because of the size and location of those parks they are useful and necessary to those who live in those particular parts, nevertheless there is a danger, and it is a very real danger which is based on my observations of Pacific Rim Park, the park which I am best able to keep under direct observation, that in the vicinity of the parks there may arise that uncoordinated sort of development which, in other localities, is described as urban sprawl.

Although that kind of development in our urban communities is considered undesirable by some, I submit that that kind of development in the territories surrounding our park is of even more serious concern, because it can ruin the parks themselves. Although the provincial authorities must of necessity be involved in this situation, I none the less urge upon the House, and I am inclined to think that the Minister of Indian Affairs and Northern Development (Mr. Chrétien) will not quarrel with this, the idea that some of the other ministries of the federal government should concentrate on this situation to a much greater extent than has been evident up to this point. I urge that some retailoring be done with respect to some programs introduced by the Department of Regional Economic Expansion; that, possibly, the thrust of the Industrial Development Bank should be reconsidered. Indeed, it may be necessary to retailor some of the programs carried on under the aegis of Central Mortgage and Housing Corporation. That should be done so that we can easily make available the necessary financial muscle, for the use of those who are involved in the territories immediately surrounding the parks.

While it is all very well for us to urge upon provincial authorities the need for an interrelated planning concept in keeping with the needs of the parks themselves and the development of adjacent areas, none the less, in the total picture of provincial responsibilities, the fact remains that the thrust of a national decision to spend federal tax moneys in parks may create special, and in some cases unacceptable, burdens upon agencies of provincial governments which may have direct responsibility in those areas.

If we are to get the kind of co-operation we need from provincial authorities for their agreeing to transfer to the public lands of Canada pieces of territory within existing provincial boundaries, this Parliament will have to provide a clearcut understanding as to the ancillary role which the federal authority will play in making sure that we shall avoid repeating the mistakes in other parks which we have made in Banff and Jasper. As well, we must ensure that necessary ancillary services, which in many places means appropriate recreational areas, are available in the territory adjacent to the parks.

The only other point I wish to touch on at this time, and I do so because it was raised by the hon. member for Rocky Mountain, is that of self-government in the existing communities of Banff and Jasper. One need not remind hon. members of the House, especially some of those now present in the chamber, that this has long been a thorny problem. It has been a matter of great regret to me that the report of the committee of this House following the visit by that committee to Banff and Jasper in 1966-67 was, in my view, a complete whitewash with regard to existing problems of Banff and Jasper and the need for constructive solutions to them. I am rather hopeful that the present committee, after having received, as was mentioned by the hon. member for Rocky Mountain, some report on this matter from the Director General of Parks of Canada, will perhaps bring in a more constructive report, with recommendations to this House for action by the government in this area.

Really, the things which were said to committee members during the recent visit to the parks this year are not very different from the kinds of things which were said to the committee in 1966-67. However, I am pleased to note that the kinds of things which the minister's officers said to the committee were slightly different from those things which were said following the visit in 1966-67 by the then minister and his officials when they met with the committee. Although this subject matter is really not directly related to the bill before us, I think the hon. member for Rocky Mountain properly brought to the attention of the House how important and urgent the matter is. I hope that the minister, perhaps when he is closing this debate, will give some indication of the kind of thrust he hopes to see the government take in connection with this long standing problem.

I am sure that the committee will want to go into detail about the proposals for specific park boundaries, and so on, as outlined in the schedule to the bill. We shall consider that when the bill comes before the committee. I do not think we can usefully consider this at present, during the

second reading stage. Generally speaking, apart from the basic questions which I raised earlier, my preliminary observation is that, from a parks point of view, the areas which are proposed are ones which can be considered as suitable and appropriate as part of our national parks system.

● (1250)

Following that kind of detailed consideration by the committee, and possibly some agreement on any changes that may be desirable in the minds of the committee, hopefully we will be able to report back to the House a recommendation for the passage of this bill. However, I remind the minister that as far as the members of this party are concerned, our whole consideration of that final decision is going to be contingent in large measure upon what understanding we can reach in relation to the basic question of title to land which, according to the existing terms of the National Parks Act, are lands belonging to Her Majesty in right of Canada.

Mr. Dinsdale: May I call it one o'clock, Mr. Speaker.

The Deputy Speaker (Mr. Laniel): Order, please. It being one o'clock, I do now leave the chair.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, when introducing this subject to the House on November 2, the parliamentary secretary to the minister made the statement that Bill S-4, presently before us for second reading, did not incorporate any major policy changes in the National Parks Act. I have read the bill thoroughly, I have followed the debate in the other place, and I agree with the parliamentary secretary that this is the case. In my view this is the fundamental weakness of the measure. I believe new policy initiatives are long overdue.

The legislation before us contemplates the addition of new parks to the system and the alteration of some existing park boundaries. I wish to talk this afternoon about national parks policy in general and I trust that the minister, who is in his place, will also be making some observations on this subject. I am sure he agrees with everyone who has held ministerial responsibility for the national parks program that we are faced by a crisis situation calling for the wise management and multiple use of our renewable resources, a situation which can only be dealt with by comprehensive changes in government policy on park development generally. Here I am referring, of course, to the many other categories of parks outside the National Parks Act. These must be dealt with and considered if we are to meet the growing needs of our population for recreational facilities as well as the needs of a booming tourist industry.

I am delighted that at long last formal approval is being given to the acquisition of new parks. The discussions and negotiations which have been going on in this connection have covered a period of some 15 years. When I took over responsibility for national parks in the early sixties, most of the areas covered by the legislation now before us were under discussions and consideration. As a result of renewed emphasis on national development, there was a major effort at that time to come to grips with policy initiatives on many fronts which were coordinated to deal with resource areas and development in Canada, much of which had been neglected for far too long.

● (1410)

The Atlantic Development Board was one of the key instruments in this regard, and it was during that time a decision was made to restore Louisburg as an historic park of some considerable magnitude at an initial cost of $9 million. The cost has, of course, increased considerably since that time because of the continuing problem of inflation in Canada. The decision to restore Louisburg is the kind of initiative that governments must take if we are to provide an adequate commemoration of our historic sites and at the same time provide some living memorials, living or animated museums so that succeeding generations will have the opportunity to actually experience the atmosphere of the highwater marks of the development of Canada as a nation.

In the area of new national parks, Terra Nova in Newfoundland became an early initiative, and later Kejimkujik National Park in Nova Scotia. That is a tongue twister, and perhaps the reason there has been such a delay in actually getting Kejimkujik formally established is because of the difficulty in pronouncing its name. The first time I came in direct consultation with the hon. member of Halifax (Mr. Stanfield), who is now the leader of Her Majesty's Loyal Opposition, was when we were undertaking negotiations which led to the establishment of this beautiful park in Nova Scotia, the second of its kind for that province, which is now being formally declared as established by the legislation before us.

The concern about northern Canada, and its lack of development, was expressed by the late Prime Minister Louis St. Laurent back in 1953 when Canada first assumed its responsibilities for the 3.5 million square miles of territory north of the 60th parallel and made it an integral part of the Canadian body politic. He used a phrase at that time which I think describes the situation quite eloquently when he said that the country had been occupied and administered in a state of absent-mindedness since confederation. A growing interest in northern development led to a consideration of the necessity of preserving some of the huge wilderness areas in the north for all future generations, and it was at that time that discussions in respect of Nahanni, Kluane and Baffin Island National Parks were commenced.

I want to pay tribute to some of the old pioneers of the north who first conceived of the notion of reserving these wilderness areas for posterity. Too often the residents of the north are accused of being only concerned with exploiting resources. The accusation has been made that those engaged in the mining industry, for example, are only interested in making a quick buck and getting out of the north. I can give evidence here today that the original suggestions for preserving national parks came from some of these pioneers of the north, the men who made it

possible for the upsurge in northern development which began under the leadership of the right hon. member for Prince Albert (Mr. Diefenbaker).

In addition to some of the pioneers there were newcomers, and I refer particularly to a gentleman from Baffin Island—that great and magnificent scenic wilderness up in Canada's archipelago—Mr. Bryan Pearson who originated the idea of preserving some of the scenery in Baffin Island. In fact, he pioneered in the tourist industry with a project designed to attract the attention of the jaded sophisticates from the urban communities of Canada to lure them into the high Arctic and taste some of the savage beauty of Baffin Island. He used to advertise in some of the best tourist magazines in the United States. That gentleman is now a member of the Northwest Territories Council and is still active in promoting the northern part of Canada.

I do not want to refer to each of the areas referred to in the bill. They have been under discussion for a considerable length of time and it is unfortunate that it requires so much time and that there is so much delay in implementing programs which were emergent as far back as 15 years.

There is one area not mentioned in the legislation and that is the proposed Prairie Park which has been under discussion for a number of years. I see the minister nodding his head. There is all sorts of space on the Prairies. In fact, that is the one thing of which we have most, lots of open spaces. I would have hoped that by this time the government would have negotiated with the provinces concerned in respect of a tract of land that could be preserved for all time to perpetuate the sort of sentimental nostalgia referred to in a song we sing out west quite frequently which is in part:

> Where the deer and the antelope play,
>
> Where never is heard a discouraging word,
>
> And the skies are not cloudy all day.

There are great areas on the Prairies still available for this sort of preservation, and unless the government gets busy soon we will have lost the opportunity to develop a typical prairie park. I am sure the right hon. member for Prince Albert, who is in the House this afternoon, will endorse what I am saying, because it was one of his visions which encouraged the minister of his day to try to get this kind of wilderness area preserved under the terms of the National Parks Act.

There is obviously a need for upgrading national parks policy. The parliamentary secretary in introducing the legislation talked about the over-use of existing parks. We used to talk about that 15 years ago. It has become chronic now. That hon. member gave the figures showing that in 1952 there were 2.5 million visitors to the parks, in 1962 the figure had more than doubled to 7.5 million, and the latest figure for 1974 is something more than 14 million visitors. Most of these people have to be accommodated in the national parks system which, with the exception of the parks mentioned in the bill before us, existed when the pressure was much less. No additions have been made to the recreational areas of Canada. I had hoped that long before now there might have been an attempt to implement a definite policy in respect of recreational parks.

● (1420)

In 1958, the camp ground and picnic site program was initiated in co-operation with the provincial governments in order to provide adequate tourist accommodation along primarily the Trans-Canada highway system which was then under construction and, to a lesser extent, along the other major highways throughout the provinces of Canada. That program expired in 1962. We were in the process at that time of activating a program to succeed and expand the picnic site and camp ground program which would be known as the recreational parks program. Nothing transpired in this direction until the minister introduced his by-ways and highways and special places program which was announced about a year ago. The title of this program is a high-sounding phrase for a recreational parks program. There have been long delays in coming to grips with this problem. Even at the present time I am not aware of any excessive activity under the by-ways and highways and special places program.

Before there is a move into the area of recreational development, there must be consultation with the provincial governments. A relationship of trust must be established between the federal and provincial governments. This is one area in which the present government has succeeded least. It believes in a policy of confrontation rather than a policy of consultation in the area of non-renewable resources. In the current energy crisis this has led to the impasse, which all hon. members have been made fully aware of in recent days. For the purpose of consultation and continuing discussion, a federal-provincial parks conference was established to bring together from time to time on a continuing basis the provincial resource ministers and the federal minister responsible for the national parks in order that they might work together on a comprehensive policy that would meet the growing recreational needs of the population explosion that was referred to by the parliamentary secretary.

This consultation has not continued and as a result we are faced with a crisis situation which can be resolved only by some sort of emergency response on the part of the current government of Canada. In addition to recreational parks there must be another category of park established. We must have multi-purpose parks. Many of the national parks in western Canada do not fit into the rigid structure of parks as defined by the National Parks Act. This is quite obvious in respect of Banff, Jasper, Prince Albert National Park and Riding Mountain National Park. These parks have been in existence for many years, and, because of the shortage of recreational facilities in the western part of Canada, they have assumed a multipurpose role. In his remarks the hon. member for Rocky Mountain (Mr. Clark) referred to this problem. I have been a member of at least four parliamentary committees the members of which have made pilgrimages to the mountain parks in order to try to understand what the people of those park areas want. We have made recommendations. We have urged that a special status be established for these mountain parks which obviously do not fit into the pattern.

We have urged the adoption of a principle that would preserve the wilderness concept while at the same time cater to the growing demands of the tourist population and the Canadian population which visits the western

parks. However, nothing has been done in this regard. Instead there is a tendency on the part of the government, increasingly pronounced over the past ten years, to remove the facilities which are already there rather than utilizing them to the maximum and providing the recreational facilities that are required by the Canadian population today. I could refer to Riding Mountain National Park where a roller skating rink was closed down. It was located on the fringe of the park. It was a very wholesome recreational facility. It was close enough to the edge of the park so that it would not conflict with any wilderness aspect. It was arbitrarily closed down notwithstanding a strong protest from the people of Manitoba who were concerned that the taking away of this wholesome recreational facility— this was back in the 1960's, the decade of turmoil among our young people—would mean that the young people would turn to less wholesome pursuits for their recreation.

There was also an attempt to close down the church camps which provide excellent camping facilities for the young people of the province of Manitoba in Riding Mountain National Park. It was only after a massive protest by the church groups involved that the minister decided to intervene. He delayed the implementation of that policy until 1984. I do not know whether there is any significance in respect of the date 1984. It happens to be the date George Orwell referred to as the time of the takeover of all things in the Utopian state of which he wrote. I say to the minister that we must establish in concrete legislative terms a zoning policy, a multi-purpose park policy and a recreational park policy that will meet the obvious growing needs the demand for which has never been met. Because it has never been met and because of the long delay we now face a situation in which emergency legislation is necessary.

Turning again to the north which is an area in which the wilderness values I believe would be most beneficial to all the people of Canada, I might point out that there are only some 50,000 people still in the three and a half million square miles which constitute the Yukon Territory and the Northwest Territories. I would hope that a wildlife sanctuary and a migratory water fowl sanctuary might be provided because the demand, as I believe the minister will agree, is even greater for this type of conservation activity than it is at this stage for the large national parks which are established under the legislation. It is not difficult to establish the huge areas which are marked in the legislation subject to the approval of the native people about which we have been made very conscious these days especially since the James Bay decision of yesterday which will require consultation with the native people even though it is now after the fact.

● (1430)

We also need wildlife and wild bird sanctuaries. The Wood Buffalo National Park fits largely into this category because it is there that the large herd of wood buffalo is preserved for posterity and also where the whooping crane, a species that came during the decade of the 1950's near to extinction, with only 23 birds remaining, finds a breeding ground. During the early 1960's public interest in the whooping crane became phenomenal, one of the major conservation issues. Eggs were flown south to hatching grounds in the southern United States where the birds winter, and still, as far as we can determine, the population of this beautiful white bird has not reached more than 42 in its natural habitat. Were it not for the Wood Buffalo National Park, the species would be even more threatened as it makes that hazardous flight of 3,000 or 4,000 miles across the happy hunting ground of the Prairies and still manages to survive. This is the sort of thing that is needed in greater abundance in the northern regions of Canada.

To bring my remarks to a conclusion, I want to refer to the necessity of co-ordinated intergovernmental action in order to accomplish what must be accomplished urgently in the parks policy and in all these other conservation matters to which I have referred briefly this afternoon. In 1962 the Resources for Tomorrow Conference took place in the city of Montreal. In the light of what is happening today with the crisis in energy and so forth, even the title of that conference is prophetic today. Some 1,000 concerned Canadians met in the Queen Elizabeth Hotel in Montreal to bring their collective wisdom to bear on the problem of the threatened renewable resources, and since that time the renewable resource area has become a matter of prime concern to governments at all levels. But I remember in 1962 it was rather an "in" joke to laugh at a government that was occupied with the conservation of water resources—such a colourless subject when Canada had an abundance of water. In fact, I believe that the phrase used by one of the pundits of that day was that we had water running out of our ears.

It is only eleven years later, but we are all aware now that we are faced with problems of wisely managing our renewable resources. When I say "managing" I do not mean to put a lid on it. We had a positive attitude toward renewable resources. It was managing in such a way that they would be constantly renewable, and we are still far from achieving this high ideal.

Out of that conference, a Resource Ministers Council emerged which was to meet regularly to co-ordinate provincial and federal policy because of the problems of divided jurisdiction. That council did not receive the backing of the governments that have been in office from 1963 to 1968 and from 1968 until the present time, with the result that it has fallen into disuse and is now completely abandoned, so I understand. It might rise from the ashes under a new heading because there is a tendency of the government to re-issue old policies and put their own particular stamp upon them.

I will close with the admonition of the hon. member for Rocky Mountain (Mr. Clark). If we are going to meet the demands and the challenges in the park area in the renewable resource area, it can only be achieved by continuous consultation, not token consultation. There was an attempt to decentralize the administration of the parks in 1962/63 and regional offices were established across Canada. Recently, two additional offices—originally there were three offices—have been established, one in Winnipeg and another in Quebec city. But the establishment of regional offices will serve no useful purpose unless there is a decentralization of authority, unless there is some local autonomy in this area. If the regional offices that have been established, and this has been the pattern over the past ten years, are merely a vehicle through

which the people in the areas concerned and the provincial authorities have to approach the summit in Ottawa, it complicates the process of consultation rather than facilitates it, and this has been the pattern that has developed.

I would urge the minister to give some real autonomy to these regional offices and to let them consult with the people who are concerned. Theirs is a positive concern, not a selfish or negative concern. The message now is accepted by all serious minded Canadians that we have to manage our renewable resources wisely, and if the message has not come through loud and clear to this point, the trials and tribulations through which we are passing at present because of the government's failure to come to grips with the resource policy will bring the message home to every Canadian loud and clear. This legislation is going to the committee and I hope that we have a thoroughgoing discussion on the broader issues. This is a housekeeping bill when we should be having a major breakthrough in parks policy after these long years of delay. I am hoping that after we are through with the bill in the committee some amendments will be adopted which will help to put some teeth into the legislation, particularly in the consultative process. Unless we bring all the people of Canada together in support of a comprehensive resource policy we will not get anything more than we have here this afternoon, namely the formal legislative approval, to discussions, negotiations, and actions that have been under way for at least 15 years. Governments which wish to cope successfully with the challenge must move much more quickly than that.

Mr. Paul E. McRae (Fort William): Mr. Speaker, my remarks today will be of very short duration. First I would like to pay tribute to the hon. member for Battle River (Mr. Kuntz) whose tragic death we mourn today. I would like to pay tribute to him especially because he was very active in the northern affairs committee, was very concerned about national park matters, and played a real role this summer when we visited many of the national parks. We certainly mourn his passing.

I would like to divide my remarks about the parks into two sections, and as I said they will be short. The first has to do with the role of the Indian people in the parks. I am concerned especially about the Pukaskwa National Park, which is not mentioned in this bill. It is a park about which negotiations are going on right now, and is located on the north shore of Lake Superior.

● (1440)

There is the problem that arises when we take the rules under which we operate our parks and apply them to an area where our native people have been living for tens of thousands of years. We have records in that area showing that native people have been there for 10,000 to 15,000 years. Perhaps it is improper for me to say that a people are part of the environment, but in discussing Indian people we have to look at them really as people who are part of the environment. They know their environment, they understand it, and they live in it.

To say we are creating a park to preserve the environment, and then remove the Indians from that park, not allowing them to hunt or fish in it, is ridiculous. The native Indian people of Canada still feel strongly about their environment, and when we understand that then we can see the ridiculousness of the situation. There is a growing movement among native peoples to look back, to meet with their elders, to talk to the wise people and to the medicine people. More and more the young people are getting together with the medicine people and are studying their way of looking at the environment. Traditionally when an Indian killed a deer he did so for one reason, and that was for food. He also honoured the deer when he killed it. We have to learn about their attitude to the environment. One of my good friends, an ecologist, a top man in his field, says that the original ecologist is the Indian.

I am not satisfied when I hear our national parks people talking about making a deal with Indians so that in some way we can recompense them for taking away their freedom to hunt and live in the parks. That is not adequate. We have to be very concerned about the Indian people in a park like Pukaskwa—and I know there are others across the country—where they are part of the environment, and whose traditional life should not be disturbed but encouraged. They have a role to play in that park in terms of continuing to live in the manner in which they have for thousands and thousands of years.

The other point I wish to make concerns something quite different, namely, the communities of Banff and Jasper. They are two anomalies in our parks, but nevertheless they exist, have existed for many years, and will continue to exist as communities. There is no doubt about that. There is no question of their disappearing. They are very viable communities, but communities which are in a great deal of trouble. I think the most characteristic thought you get when you visit Banff concerns crowding. It is tremendously crowded. Far too many people are living in a small space. It lacks planning and cohesion. There is a great need for more space, and I think the extra space should be provided not at Banff itself but around Canmore. Jasper is not so crowded, but it, too, lacks planning. It does not know where it is going.

Both communities have one central problem to which we as parliamentarians must direct ourselves. All citizens of this country, no matter where they live, should have the right to govern their own affairs within their own community. A community cannot exist if its citizens do not have the right to make their own rules to govern themselves. This is something that is lacking in both these communities. One of the citizens of Jasper said to me that he has only one vote, and that that vote is for the federal representative, the hon. member for Rocky Mountain (Mr. Clark). This is not to say that he is not doing a good job. I think he is doing a fine job for those communities, but the fact remains that the citizens of those communities have only one vote. They do not have a provincial vote or a municipal vote. In effect, they have no mayor and no provincial member. They have a federal member of parliament and that is it. They are denied other representation because they live in a national park. The point I wish to make is that both these communities must be given some kind of status within the parks, and be given it soon before lack of planning destroys these communities and the respective parks completely.

One other point I would like to mention about Jasper is that it is a railroad centre. A great deal of thought should be undertaken before any move is made to remove the railroad and railroaders from Jasper. I would be very concerned if any efforts were made to remove this turn around point without first having the utmost consultation with the people involved, with the railroad unions, and with the railroads. It is something that should be examined carefully. Having visited Jasper many times I see no reason why the railroad should not stay there and, as I say, before any steps are taken to remove the railroad considerable examination and consultation should be undertaken.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I am going to make only a brief intervention in this debate on the bill to amend the National Parks Act. I do so for two reasons. One is that I am genuinely interested in national parks and in their importance to our national life. The second is that the Prince Edward Island National Park lies mostly within my constituency, and I am especially interested in it. The Prince Edward Island Park is one of our smallest national parks, embracing only something like 150,000 square miles, yet over one million people visit it in the course of a year, which represents an extremely high use for this small area of land. Although this is very commendable, it also creates special problems.

In his speech introducing second reading stage the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mr. Marchand (Kamloops-Cariboo)) said, as recorded at page 7494 of *Hansard:*

> The second important purpose of the bill is to allow future additions to existing national parks to be achieved by proclamation, thus avoiding the necessity of having to introduce new legislation for each such change. The other clauses amending the National Parks Act are basically administrative and updating.

To me this is an important procedure on which we are embarking because we are removing from Parliament control over changes in park boundaries. Changes can now be made as an administrative function, eliminating the role of the member of parliament as a representative of the area affected. Although I am in favour of this because it is necessary from the point of view of efficiency, it places upon the administrators a special responsibility to be extremely sensitive to the desires and will of the people affected by the changes they make. Local relationships are extremely important in matters like this. My caution applies with special force to the Prince Edward Island National Park because it is located in a relatively high density population area. Our greatest resource in Prince Edward Island is land, but this resource is limited so we must make sure that we use every bit of it to the best advantage. When these extra powers are put in the hands of the park administrators they have, therefore, a special responsibility to make sure that their actions meet with the approval of the local people.

● (1450)

In one sense, as the previous speaker pointed out, a national park is a local residence and everything that takes place there affects the local environment and the people who have been living there for generations perhaps. I would urge that the minister impress upon his officials the importance of maintaining rapport and an excellent relationship with the people who live in the area of the park and who would be affected by any changes. While I have a great respect for experts, Mr. Speaker, I have a deeper respect for the innate knowledge of the local people. I believe there is a duty on the park administration to ensure that what looks fine on paper in some high rise office in Ottawa, makes sense when it is applied in a local area thousands of miles away. The parks administrators should make it a practice to take local people into their confidence, and to seek the advice not only of provincial governments but also of local governments and the individuals and associations concerned.

A case in point is the Prince Edward Island National Park. I am not in a position to judge the validity of the criticism or anything else, but apparently the park administration decided—and perhaps for good reason—that the very famous Green Gables golf course should be reconstituted and redesigned. They propose to subtract some land from the course, then buy other land to replace what has been removed. Hundreds of people were shocked and amazed at this action. There are two possibilities here: one is that the action was sensible and the other is that it was really necessary; but if such is the case it has not been properly explained to the people. I hope this is not being done just because of an administrative whim; perhaps they should have left it the way it was even if it were not so neat from an administrative point of view.

Another example might be given concerning that same national park which involved the intense use of land and the local facilities. The Stanhope school stands cheek by jowl with the national park. Two or three other local schools were added to it. Control over private property in the immediate area was lost, perhaps due to lack of suitable zoning by the provincial government, and so there is a great increase in the number of children but there is no proper playground for them. A request was made for a little bit of parkland to be used as a playground on a temporary basis. I do not know the outcome of this request, but I am sure the minister will give it sympathetic consideration.

I should like to cover two other points, Mr. Speaker. I agree, of course, with the change in the name of the park to Prince Edward Island Park from Prince Edward Park. In the bill there is an appendix which describes the new boundaries of the park in technical and legal terms in five sections; I would suggest to the minister that maps should be provided when the bill goes to committee in order that the proposed change in the boundaries of the Prince Edward Island National Park may be easily understood. I recognize the necessity for legal description, but it is meaningless to people not thoroughly familiar with the area.

I should like to reiterate how important it is for the park administration to realize that, in one sense, a park is a legal residence; it has to fit into the local community. Any action that the administration takes should be in harmony with the will, the desires and the activities of the area in which the park lives, so to speak.

Some hon. Members: Hear, hear!

● (1500)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, Bill S-4, an Act to amend the National Parks Act, deals among other things with speed limits within national parks as well as the enlargement of some of them, particularly in Newfoundland and Prince Edward Island.

As regards the province of Quebec we deal with Forillon but not with St. Maurice or Témiscamingue Parks.

Mr. Béchard: Is there a Témiscamingue Park?

Mr. Caouette (Témiscamingue): Mr. Speaker, this park is supposed to exist but I will not speak very long about Bill S-4. However, I would like to mention that for a few years now we have been asking the minister to instruct one of his officials to consider the possible establishment of a national park in Témiscamingue. Of course the minister cannot decide about the establishment of such a park without consulting the province. But I believe we are still waiting for provincial studies; we are waiting as well for Quebec authorities to decide to establish a park in Témiscamingue. When some pieces of land likely to be used for this park were proposed, they realized that there were economic rather than political interests that had to be protected at all costs such as forest and mining industries, on which the citizens of the rural Témiscamingue depend.

Of course, they assessed the situation and this is probably why provincial authorities were so slow in proposing a concrete and comprehensive program to the federal government. The bad thing about all this, Mr. Speaker, is that for some years, they have been trying to use Témiscamingue Park as a political trump by saying: the Liberals will give you this park if you vote for them. They say that at both provincial and federal levels, but we are still waiting for the park. And yet, Mr. Speaker—

Mr. Béchard: At the federal level, people did not vote.

Mr. Caouette (Témiscamingue): Yes, they did.

An hon. Member: But not for the right party.

Mr. Caouette (Témiscamingue): Pontiac electors voted Liberal in the federal election.

Mr. Lefebvre: Yes, quite right.

Mr. Béchard: In Pontiac?

Mr. Caouette (Témiscamingue): Yes, in Pontiac, in the federal election. At the provincial level, Témiscamingue is Liberal!

Mr. Speaker, in my constituency, the electors show intelligence only at the federal level, since they vote for the Social Credit Party of Canada.

Mr. Béchard: Not always.

Mr. Caouette (Témiscamingue): Mr. Speaker, I believe a question—

Mr. Béchard: Ask Mr. Tétrault.

Mr. Caouette (Témiscamingue): We could also ask the Liberal candidate in the Rouyn-Noranda constituency, a Mr. Millejour, I believe. Mr. Speaker, it was not because of the voters' convictions that they voted Liberal in those areas and in the hon. member's constituency, but because of their fear of separatism. But this has nothing to do with the national park.

Mr. Speaker, everyone knows that it was fear that decided the vote. Quebec premier Bourassa is the first to admit it. He is troubled by the fact that he has 102 members; I would have preferred him to have 30 fewer members but that will surely occur one of these days!

Mr. Speaker, I have nothing against the Liberals. It is the separatists that I resent; I am honest and I say so in all sincerity.

Mr. Ouellet: The Liberal party?

Mr. Caouette (Témiscamingue): No, I did not bear the Liberals a grudge.

An hon. Member: For whom did you vote?

Mr. Caouette (Témiscamingue): I voted creditist. Of course, I admit that I lost my elections.

Mr. Prud'homme: How did Mr. Wagner vote?

Mr. Caouette (Témiscamingue): I do not know.

Mr. Speaker, coming back to the Témiscamingue national park, I would like to point out to the minister not the area already considered or surveyed, but a specific area extending from Belleterre up to the Domaine in La Vérendrye Park. The Domaine is a rest area. From there to Belleterre is the finest natural site. It would not be necessary to carry out works, it is natural and lovely. There are large lakes, beautiful forests and maple groves. In short, everything is found there. It would merely be necessary to build a proper road and the park would be an entirely natural site.

I wonder then whether the federal government could not co-operate with the provincial government to develop this land strip from Belleterre to the Domaine. We would not have to stop forest operations, a basic industry, we would not be an obstacle to thousands of farmers, and we would own the most beautiful natural park of the world.

Mr. Speaker, I see the previous member for my constituency nodding in approval. He is right. It is not a question of politics, of partisanship, but rather a matter of logic. We have the land and its numerous opportunities, without weakening the local economy, taking anything away from anyone. The northwestern region of Quebec would be provided with one of the most beautiful parks, if not as beautiful as Forillon, certainly more so than Saint-Maurice Park. It would attract tourists who at present will not bother to make a detour by Rouyn or North Bay to get to Témiscamingue, but who would then drive through the Domaine at the heart of Témiscamingue.

Mr. Speaker, I think that the minister should have his officials give special consideration to my suggestion to provide Témiscamingue not with an artificial park, but

with a park that needs only to be acknowledged and developed.

● (1510)

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, you can rest assured that I am quite pleased to participate in the debate on Bill S-4, which we are called to pass on second reading and whose objectives are as follows: first, to include Kejimkujik and Forillon in the national parks system; second, to authorize the Governor in Council to set aside by proclamation lands for eight additional national parks, including St. Maurice, and third, to extend, by proclamation, existing national parks without having to resort to a legislative measure in each case.

The most important aspect of this bill, as regards the province of Quebec, is obviously the establishment of two parks in that province, namely Forillon and St. Maurice.

It is not the first time that I speak about the establishment of a national park in Quebec, more specifically in the Gaspé Péninsula, as I advocated in my maiden speech delivered in this House in 1963.

Mr. Béchard: —and also your colleague from Bonaventure.

Mr. Cyr: In this regard, I say that I have always been seconded by my colleague and friend from Bonaventure-Îles-de-la-Madeleine.

I knew then that such a tremendous project could not be achieved overnight. However, I also knew that if the project were approved in the near future, the citizens living near the park and Gaspé people generally would be very happy to benefit from the many advantages deriving from such a park.

Following that I continued to make representations to the Department of Indian Affairs and Northern Development as well as the secretary for the province of Quebec. That was done only within the framework of the Canada-Quebec agreement for the development of the Lower St. Lawrence and Gaspe area. Section 55 of that agreement provides that Canada would undertake the development of a park in the Forillon Peninsula. The province of Quebec would take it upon itself to purchase the land and hand it over under a lease free of encumbrances to the government of Canada for a period and on terms acceptable to both parties.

As a follow up to that original agreement on May 26, 1968, negotiations took place between the two governments and I would like here to commend the Minister of Indian Affairs and Northern Development (Mr. Chrétien) and pay tribute to the courageous minister as well as the Minister of Transport (Mr. Marchand), formerly in charge of the Department of Regional Economic Expansion, for bringing those negotiations with the province of Quebec to a conclusion.

In the agreement of May 26, 1968, it was agreed that the province would undertake to take the necessary steps before December 31, 1970, to free the lands from all possible encumbrances or acquire their ownership free of encumbrances, inform the government of Canada as the said lands are released or acquired and give free tenure of the said lands to the government of Canada before December 31, 1970.

That is one of the obligations of the province of Quebec under that agreement. On the other hand, the government of Canada makes the commitment that the development and administration of that park will fully reflect the linguistic duality in Canada and more specifically the French characteristic of the province of Quebec and the Gaspe area. On the other hand, Quebec has agreed to have a utilization plan prepared for the pieces of land bordering on the park, while respecting its objective, natural beauty and fine qualities. The lease is for a 99 year term; however, there is a provision in the agreement whereby Quebec may, following a 60 year period, purchase Forillon Park from the Canadian government by reimbursing all capital expenditures which the central administration may have incurred.

Mr. Speaker, in the annex to this agreement appear all the amounts which must be spent during the period from 1970 to 1976-77, that is a total of $8,887,000 for the development of this park by the federal government.

Present and future economic benefits of such a park for the area are indeed numerous. Already, since the development operations of the park began in 1973, it has provided jobs for 175 Gaspesian residents. Last year's budget for Forillon Park totaled $2,500,000 and no change is expected this year. In wages alone $823,000 were paid last year to the park employees in that region. To this amount you can add the capital input of tourists. The park is obviously an incentive and a monetary input for the region directly involved, mainly the Forillon peninsula.

In 1972, the first year of operations, 84,726 visitors were recorded and their number increased to 165,000 in 1973. At the current rate, as someone said several years back at the time of the establishment of the park and as stated by the Minister of Indian Affairs and Northern Development (Mr. Chrétien), Forillon Park should receive over 600,000 visitors.

As early as 1976, Forillon Park will become a genuine wildlife museum extending over 92 square miles.

Through the National Park Act which is aimed at ensuring the perpetual conservation as national inheritance of the regions containing important geographical, geological, biological or historical elements, the Forillon peninsula, by its history and situation, is an intouchable entity of this patrimony. Its 92 square miles and its varied natural elements surrounded by the sea are a splendour which no Canadian can ignore during a Gaspesian trip.

For true nature lovers and for the amateurs of natural sciences and the geologists or botanists, as well as for the historic peculiarity enthousiasts, Forillon Park will become a sort of museum of wilderness which will exhibit in their original surrounding the remains of prehistoric civilizations, the remains of ancient Micmacs camps, a lead mine opened by Superintendant Talon in 1758 and, offshore, ships sank by the Kirke brothers in 1628.

This park also includes Fortune Fort, an underground fort built during World War II to protect the Gaspe Bay against German submarines. This fort was restored last year.

Forillon National Park is also a sanctuary for several species of game animal, sea birds, birds of prey and marine mammals. Common and grey seals have also been observed in the territorial waters of Forillon Park from mid-May to the end of December. Their arrival seems related to a biological factor, the young being born around this period.

Now I should not want to use all my time as I know that several members wish to add their comments. It would take hours to describe the wonders of Forillon Park but, Mr. Speaker, I would like to report to this House for the first time and announce publicly also for the first time in Canada a discovery we made this summer in the park. We found in Forillon Park the white headed eagle called the bald eagle and I quote a report prepared on the subject.

> We observed that bird on June 4 and September 9, 1972. In both cases the weather was clear and it was easy to make a positive identification. In June 1937, Ball (1938) observed one of those eagles at Grande-Grève.

Mr. Speaker, this is to give you an idea of the fauna, birds of prey and game we find in Forillon National Park.

An hon. Member: Name them.

Mr. Cyr: If you want to know their names I have here a whole book on the subject.

An hon. Member: Name them.

An hon. Member: Table the book.

Mr. Cyr: Mr. Speaker, this gives only a small idea of what Forillon Park is and what it will be when we shall have finished the arrangements. I think this park will become a paradise for tourists in Gaspe Peninsula and I invite my colleagues here in this House to spend their next vacation in that beautiful part of Canada: Forillon Park in the Gaspe Peninsula.

[*English*]

Mr. Barnett: Mr. Speaker, I rise on a question of privilege. I may not have interpreted him correctly, but as I understood it the hon. member for Gaspé (Mr. Cyr) seemed to be claiming that the appearance in Forillon Park of the bald eagle was unique. I would like to point out that in Pacific Rim park they are very plentiful.

Mr. Don Blenkarn (Peel South): Mr. Speaker, I commend the government for bringing forward this bill to regulate our national parks. It is about time it was brought forward. These parks have been under consideration for a long time and this is a matter we should deal with in the House of Commons. I bring to the attention of hon. members the fact that a speech made in this House by the minister's parliamentary secretary and printed in *Hansard* was circulated throughout the country. Unfortunately for the people of Canada, the minister felt that should be done. It is that kind of thing which runs the cost of government up and up and up. If a minister makes a speech in the House of Commons, it is not fair if he uses his departmental budget to circulate the speech across the country. Like any member, he has the right to purchase copies of *Hansard,* but it is an abuse of the money set aside to run the department if a minister uses a speech which he or his parliamentary secretary makes in this House as a method of propaganda.

I want to comment on one clause in this bill that bothers me. It has also been included in other bills which have come to this House. I refer to clause 3 which provides a criminal sanction against those who use the park—in a sense a new form of criminal law that activates within national parks and is created by the governor in council making regulations. I would not be so concerned about this except that it is the duty of parliament to make laws, especially laws which affect the rights and freedom of our citizens.

● (1520)

For too long we have allowed government, through some nameless bureaucrat, to produce regulations which somehow get pushed through the Privy Council office and approved by the governor in council. The new statutes thus created penalize people and amount to a new type of criminal law. Ordinary citizens can incur penalties imposed, almost at the whim of someone employed by government, because he has broken laws which have never been debated in this House or considered by the justice committee.

The particular provision which bothers me provides that for breaking these rules—rules which do not even exist so far—a person may be denied access to a park for up to five years. I wish to draw to the attention of the House the fact that major national highways pass through certain of our parks—those at Gaspé and Banff come immediately to mind—and it could easily happen that a person could be denied the right to traverse a park solely because some bureaucrat had made a rule or had been out to get him.

There is, of course, a need for regulation with regard to conduct in national parks. We must get tough with the polluter and the despoiler, the person who hacks the trees and leaves garbage around. But surely these rules governing the use of the parks can be brought by the Minister to the House for final determination, as is the case with any other criminal sanctions which apply throughout the country. As an illustration of what so often happens under the present system, I would refer hon. members to the rule which the National Capital Commission has made imposing a speed limit on the new route to the Ottawa airport. A new expressway has been constructed, yet a speed limit of 40 miles an hour has been imposed, one which is almost totally unenforceable and constitutes nothing more than a speed trap, for no reason whatsoever.

Some hon. Members: Hear, hear!

Mr. Blenkarn: This is the sort of thing that goes on when bureaucrats who are not subject to election make rules and laws. This kind of thing constitutes an abuse of the rights of the people of Canada. I read with interest the statement made by the parliamentary secretary at the opening of the debate. I wish to bring the attention of hon. members to one paragraph of that statement in which the hon. gentleman said:

> This brings us to the immediate and future needs of Canadians living in cities and growing urban centres who want, and need, easy and quick access to recreational land.

Unfortunately, this is all he says on the subject. He simply says he recognizes that Canadians in urban areas need ready access to recreational land. And he says nothing else. I regret that neither the minister nor his parliamentary secretary are here. Perhaps they will read *Hansard*. I should like to bring it to their attention that more than 80 per cent of the people of Canada will shortly be living in urban areas. It is all very well for us to establish national parks to reserve and preserve the national heritage of Canada, but a great many of these parks are totally inaccessible to the vast majority of the population.

While it is necessary for us to preserve the Virginia falls and the ice-caps of Baffin Island, I must say it doesn't do my constituents much good. I suppose this is equally true of those who live in most of the other constituencies represented in this chamber. We must tackle the real problem which the burgeoning urban growth of Canada is presenting. In 1952 a hurricane destroyed the lives and property of a great number of people in metropolitan Toronto. It is an ill wind that does not blow some good for someone. As a result of that hurricane, conservation and flood control measures were financed by the government of Canada. Certain parks were created. If hon. members go to those parks on a fine day in summer, they will find it very difficult to get in. By ten or eleven o'clock in the morning the gates would probably be closed. This is because there is such a pressing demand for parks around our great cities.

I shall be parochial for a while and refer to the great city of Toronto and the golden horseshoe area. We are in a difficult position because our recreational land, our wilderness land is to a large extent to the north in the shield country and it takes at least an hour, possibly two hours, to reach it. Unlike Montreal and Vancouver, there is no open land relatively close to our city. The province of Ontario has recognized this situation and has proposed a parkway belt around Toronto. It has also proposed to create parks of fairly significant size in and around the city. The intention is to freeze development and purchase as much as possible of the Niagara escarpment.

Unfortunately, while Ontario is treated as a wealthy province, when you get right down to it the reason they cannot acquire that parkway belt, the reason they cannot acquire the Niagara escarpment and assemble the recreational resources so urgently needed by those who occupy apartment buildings and townhouses, is that they do not have the dough. Hon. members may ask why this should be so. One of our problems is that the province of Ontario is rich and it pays 50 per cent of the total cost of the national government; and the great bulk of this contribution comes from the golden horseshoe area. I suggest that our contribution to the national revenue exceeds that made by all the industries and businesses in the provinces of Prince Edward Island and New Brunswick.

Mr. Cullen: What do you get back for it?

● (1530)

Mr. Blenkarn: I am glad the hon. member asked that question, because we get back very little in terms of what can be done for the people who create the wealth of this nation. One of the things those who create the wealth need is a place to relax, to get out of the smog and breathe fresh air. Maybe the smog results from our creating wealth, but somewhere along the line we must recognize that the people who work must have a place where they can relax, enjoy themselves and get some fresh air into their lungs. This is an important national interest and it is a matter in which this government should take a keen interest when considering a new parks policy. Not only do we need a new parks policy to reserve and preserve the beautiful and the historic but we need a policy designed for the purpose of providing recreation close to areas where our people work and live. Such a parks policy would cost a great deal of money. Recreational land is at a premium already and is being snapped up by people who build elaborate establishments, put fences around them and hang "No trespassing" signs on the fences. They sometimes even have a big dog and put up signs telling people to beware.

I suggest that farmland is being picked up in this fashion and the price is getting higher and higher. Very soon there will not be enough land left for the purpose of recreation. This is a serious matter and it is imperative that governments begin to consider the problems of people in the cities who want to get away on occasions to hike, ride bicycles, operate snowmobiles, fish or do other things of a recreational nature.

One might suggest that we build another Highway 401 or 400 so that people can drive 150 or 200 miles away from the cities, perhaps up to areas like Témiscamingue, but we have problems such as shortage of fuel and insufficient time. We must build recreational resources close to where people work and live. I urge the government to get together with the province of Ontario to work on this matter. The Niagara escarpment would be a beautiful place to preserve as a national park. Perhaps it could run from the escarpment or from Niagara Falls back through the gorgeous rocky rim to the trees and the bush along the Bruce Peninsula. But this cannot be done without money and without a government which is prepared to come to grips with urban problems.

Members of this House must pay attention to urban problems and the needs of the people living in urban areas. The province of Ontario is attempting to freeze or hold back development, but holding bylaws are of no real value because people build bigger establishments and bigger fences and then we have to expropriate the land at a much higher price. It is imperative that the national government recognize this as a national priority and get together with the province of Ontario or its conservation authority to build national parks close to where people live. This involves areas of high taxes and perhaps great wealth, but these are the areas of central Ontario which have a tremendous need for recreational facilities.

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I am pleased to speak today on Bill S-4 coming from the Senate. I have always spoken in favour of the conservation of our natural resources, the preservation of our environment in its natural state.

As most other members, I had the opportunity to visit several national parks throughout Canada and we from New Brunswick are particularly proud to have Fundy National Park among the national parks as it will soon be

the case of the new Kouchibouguac Park which is the subject matter of this bill.

Mr. Speaker, the previous speaker, the member for Peel South (Mr. Blenkarn) has made, in my opinion, a quite valid criticism of the provincial government which does not seem to have any logical policy for the development of its parks. It undoubtedly shows a division between the federal and provincial wings of that party and I hope that the Tory members of Ontario will succeed in reconciling their views on the matter.

Mr. Speaker, the member for Peel South has also mentioned that the hard-working Minister of Indian Affairs and Northern Development (Mr. Chrétien) and his parliamentary secretary had distributed throughout Canada a great many copies of the excellent speech which the parliamentary secretary delivered in this House on November 2.

● (1540)

I find that there again it is perhaps a matter of petty and parochial politics. If we stop to consider, for instance, that the parliamentary secretary to the minister was the first Indian elected to the House of Commons, that the minister has honoured him by asking him to pilot this bill in the House, it does seem to me that it is hardly the right time for an hon. member issued from the first citizens of this country to start playing party politics.

Nevertheless, the speech to which I listened two weeks ago was one of the best I ever heard and I recommend its wide distribution across the country.

Mr. Speaker, the bill before us gives us the opportunity to speak in favour of our own area, our parish, if I may say so.

Of course, I support the bill and I feel bound to say at the outset that there is no problem here. As the parliamentary secretary put it, it is a milestone but an important one in the development of a national parks system throughout the country in the framework of a consistent national policy.

In Madawaska, people wonder whether a national park should be developed. They have been wondering about it for many years now. I might outline to my colleagues the geographical context that I am referring to. Madawaska was one of the first areas of New Brunswick to be settled. I shall not dwell on the circumstances which led Acadians, and later on Canadians from Quebec, to settle in that area. Anyway, the St. John River flows through this area and some 250 miles downstream into the Bay of Fundy.

Two major streams flow into the St. John River; on the one side, in the state of Maine, there is the Allagash River, which the Americans have tried to preserve in its natural environment, and on the other side, rolling down from the province of Quebec, there is the Saint-François River. As there are many rivers with that same name in Quebec, I wish to specify that I am referring here to the one which forms, here and there, along the border between Canada and the United States, a chain of lakes in a natural environment that is most picturesque and virtually inaccessible, except by way of a rough country road that we have been trying to improve lately.

Mr. Speaker, that area formed, in the early days of the settlement, an extremely large unit, not a political unit but a community of interests, on account of the background of its inhabitants, who were Acadians, and therefore French-speaking. Later on people from Boston, Connecticut and other areas, following the American wars also settled in the area.

Now, in 1842, the Madawaska area was brutally divided into two parts, by the Ashburton-Webster treaty, negotiated by Lord Ashburton from England and Daniel Webster, of notorious renown for some reasons in the United States. The Madawaska community was thus divided into two parts and that division still exists and one should not be surprised for instance to find out that the vast northern section of the state of Maine is mostly inhabited by French-speaking people. I point out that Madawaska is also, of course, of French origin.

However we warmly welcome all people who come to visit us, or live with us regardless of their ethnic origin. This is the attitude that prompted us from time to time, through a gesture that has nothing to do with folklore but comes from a longstanding tradition, to proclaim the existence of the Republic of Madawaska.

Today, Mr. Speaker, I want to ask the minister, as I have already done in writing a few years ago, to consider the advisability of developing an international park in this area enclosed by three borders, that of New Brunswick, that of Quebec and that of the United States. We have international parks in Canada that are more or less important according to their origins.

But as for us, the people from Madawaska, who have been historically denied some of our rights, who have lost a large part of a territory that we were traditionally claiming, we would readily accept a gesture of reconciliation on the part of the Canadian and the American authorities as well as the government of the province of Quebec, namely the establishment of an international park in the River Saint-François area.

Mr. Speaker, as time is running fast, I will put an end to my remarks. I simply wish to give the minister the friendly warning that I intend to submit this proposal in the future, whether in this House, in committee or in private, because the minister has much sympathy for me and for all representations from the Republic of Madawaska. Therefore, I will only ask today, perhaps for the first time in this House, that an international park, a tri-border park, be established in our beautiful part of the country.

[*English*]

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I should like to make a few brief remarks in respect of Bill S-4 which is before us. As a rookie in this House I find it rather strange that the bill should come from what I often hear referred to as the other place. Be that as it may, there are several points I should like to make.

First, I am very happy to see a bill before this House which gives us an opportunity to discuss the question of parks. If I had my way, the whole of the Northwest Territories would be a park and all the people here would be invited to visit us once in a while. I have found from my travels throughout Canada that many white people also like the idea of parks. They have to struggle in a

concrete jungle for nine or ten months of the year, or more, and enjoy spending a few weeks in the hill country living something like the Indian people.

There are two particular points I should like to mention. I hope hon. members will bear them in mind when this bill is studied further and comes to a vote. One involves clause 10 which refers to agreement being reached with the province concerned that the lands to be set aside are suitable for a national park. Clause 11 provides:

> The governor in council may, after the consultation with the Council of the Yukon Territory or the Council of the Northwest Territories, as the case may be, by proclamation, set aside as a national park of Canada, under a name designated therein—

I am a little concerned about the words "after consultation" because of previous experience in respect of consultation in the Northwest Territories. The consultation, to say the least, has been very poor. There is a danger inherent in this clause, as I see it, which could cause some worry especially to the native people of the Northwest Territories who at present are preparing a position to place before the government to the effect that there may not be any land to claim if the parks are set up by proclamation. That is one point I wish to make which I should like hon. members to bear in mind, that is, that the question of land settlement has not been settled in the Northwest Territories.

There are also questions in respect of the hunting and fishing rights of the people in the Northwest Territories. These rights must be protected. I do not believe the National Parks Act at present protects the hunting and fishing rights of the native people of the Northwest Territories. This must be borne in mind when one discusses the idea of national parks for both the Yukon Territory and the Northwest Territories.

In order to point out the importance of hunting and fishing to the people of the north, I should like to refer to one or two statements made to me not too long ago. A chief from the area of Fort Franklin was quite concerned about hunting and fishing rights being eroded as a result of legislation in other parts of the country. He said that the white man has his bank, and that when things get tough he can go to the bank, write a cheque and receive the money necessary to buy groceries in order to keep going until things are better. The chief said that he did not have a bank in this sense, but that his bank is Great Slave Lake or Great Bear Lake where there are plenty of fish. He said that when things get tough and he needs a food supply for his family and his dog team, it is there. That is his bank and he would like to have it protected.

Another matter concerns the employment of native people in the parks across the country. I do not know how good the record is, but I would point out the experience of two chiefs from the Northwest Territories who visited our national parks four or five years ago. After visiting some of the parks they returned to the territories and said that the people of the south desperately needed parks because their lands were being used for other purposes; therefore land should be set aside for their recreation and that of future generations. They said they did not see any Indian people employed in the parks. They did not even see any who were visitors to the parks. They said that the only Indians they saw near a park were two outside the park who had to pay to enter it. That did not leave a very good impression.

I should also like to refer to a comment made by the hon. member for Peel South (Mr. Blenkarn) who suggested that it would cost a great deal of money to acquire land and operate parks in Canada. I would mention the fact that before the coming of the white man this whole country was a park and my people ran them on total unemployment. We might examine this question with a view to reinstating that idea. The Indian people, being some of the great socialists of this country are, I believe, also some of the greatest park keepers this country has ever known.

● (1550)

Briefly, those are some of the points I wanted to make and I hope hon. members will bear them in mind when this bill goes to committee and comes up for a vote.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I assure the minister that our party wishes to see this bill go to committee soon, so I will keep a watchful eye on the clock.

Some hon. Members: Hear, hear!

Mr. Schellenberger: I wish to echo the words of hon. members who spoke before me, specifically the hon. member for Rocky Mountain (Mr. Clark), the hon. member for Brandon-Souris (Mr. Dinsdale), and the hon. member for Northwest Territories (Mr. Firth). I realize that wide-open spaces are very nice and I wish I could be there, living as I do so close to Edmonton, but this raises a point on which I wish to comment.

There is a small provincial park a couple of miles from my home. It is 15 miles from Edmonton. Almost any day of the week when you go past that park during the summer, you find an overabundance of trailers and people in it. Therefore, I think there is a great need for the federal government to find a way of financing small recreational-type parks within easy reach of people living in the cities.

A number of problems are tackled in the bill before us, such as the consideration of new park boundaries, the addition or deletion of the boundaries of parks and the administration of the parks. Because this bill outlines such housekeeping activities in parks as the collection of fines and traffic control, it opens up the whole question of self-government of the townsites in the national parks.

Although there is no national park within my riding, I am aware of the necessity for control of the internal administration of townsites by the people who live in them. Surely it is one of the principles of democracy that people living in a town should have jurisdiction and control over the traffic in that town, the repair and upkeep of its streets, the disposal of sewage and the proper development of the town. Surely people in townsites such as Jasper, Banff and Waterton have the right to self-government. However, I should like to caution the minister on one point before he grants self-government to these townsites, and that is that there should be full consultation with the inhabitants.

I might add to what was said by the hon. member for Northwest Territories that in many cases the government does not seem to have the word "consultation" in its

dictionary. However, I have confidence in the Minister of Indian Affairs and Northern Development (Mr. Chrétien) because his answers appear to be straightforward and I believe he will engage in full consultation with the towns if he has in mind giving them self-government in the future. I would add that he might consider increasing grants, which the hon. member for Rocky Mountain has described as being pitiful, in lieu of taxes. I hope that in the future these townsites will receive the $33,000 which they seem to think should be coming to them.

Coming as I do from a small town in the riding of Wetaskiwin, I know that people are trying to escape the urban sprawl and migrate to smaller communities so that they can enjoy country life, what they call the good life. I think it is necessary for the minister to consider people who have residences within the townsites, who do not live there the year round but only come to them for the scenery or for skiing once or twice a year. Because of the great shortage of housing in the townsites of Banff and Jasper—I am aware of this because I was a member of the committee which went to those townsites and heard the people voice this problem—the minister said that he would provide trailers as a temporary measure to alleviate the problem. I understand, however, that he has had a change of heart. I hope that people who have lived in these areas for generations will be allowed to build houses there.

A point that was brought to my attention and which I believe should be mentioned is that there are no old-age homes within the townsites of Jasper and Banff. I may be wrong, and if so I stand to be corrected. However, I think it is totally wrong that people who have lived all their lives in these areas should have to go to Edmonton or other cities in their old age. I would like the minister to take this matter into consideration and provide the necessary facilities.

It is close to four o'clock, Mr. Speaker, and I will conclude now.

Mr. Howard: Mr. Speaker, there seems to be a presumption on the part of some hon. members, especially the hon. member for Wetaskiwin (Mr. Schellenberger), that so long as he has an opportunity to say what he wants, no one else has anything to add to the debate. There are a few remarks which I would like to make, and I think other hon. members also have a few comments to make on the bill. I should like to speak about the situation in my own province where there are delightful areas for the establishment of national parks for the preservation of nature and of the beauty of that province, especially in its northern portions. Before I embark upon extolling the beauties of the northern part of British Columbia to members of the House, I wonder whether I might leave that to another day when the bill comes up again for debate.

[*Translation*]

Mr. Gaston Isabelle (Hull): Mr. Speaker, may I ask the unanimous consent of the House to revert to motions in order to table a committee report?

Some hon. Members: Agreed.

[*English*]

Mr. Deputy Speaker: Is this agreeable to hon. members?

Communiqué of Canadian and European Parliaments

Mr. Chrétien: I rise on a point of order, Mr. Speaker. Perhaps we could pass this resolution first and then meet the request of the hon. member, because I understand the debate on second reading of the bill is concluded.

Mr. Deputy Speaker: I gather the hon. member for Skeena (Mr. Howard) was asking whether the debate could be adjourned and said that he wished to speak another day. Because there are only 15 or 20 seconds left, I think that is a request that we might meet, as we do usually.

Is it the pleasure of the House to adopt the suggestion of the hon. member for Hull (Mr. Isabelle) that we revert to routine proceedings so that he may present his report?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

Seventh report of Standing Committee on Health, Welfare and Social Affairs—Mr. Isabelle.

GOVERNMENT ORDERS

[*English*]

EXTERNAL AFFAIRS

JOINT COMMUNIQUÉ ISSUED BY REPRESENTATIVES OF CANADIAN AND EUROPEAN PARLIAMENTS

The House proceeded to the consideration of the subject matter of the joint communique issued November 1, 1973, following the meeting in Ottawa between delegations of the European and Canadian parliaments, pursuant to the order made Wednesday, November 14, 1973.

Mr. Deputy Speaker: Perhaps it is a somewhat unusual procedure, but for once in our lives we do not have a motion which someone moves and someone else seconds. I now call on the hon. member for Labelle (Mr. Dupras).

Mr. Maurice Dupras (Labelle): Mr. Speaker, before I begin my remarks I should like to express my appreciation for the way in which my motion was received by the House last Wednesday. It required the unanimous consent of members of the House for this debate to take place on the joint communique issued by the members of the Standing Committee on External Affairs and National Defence and the European parliament. It was granted, and I appreciate that very much.

My main purpose in bringing this matter before the House is to focus the attention of hon. members on an aspect of Canada's foreign relations which it seems to me has not been considered seriously enough. I am referring

to Canadian relations with the European Economic Community, the EEC of the EC as it is now called. As many hon. members are aware, a delegation from the European parliament was in Ottawa from October 31 to November 1 of this year. This was the first formal contact between the parliament of Canada and the European parliament, a fact which is rather surprising when one considers that the Treaty of Rome creating the original six-member EEC was signed as long ago as 1957.

● (1600)

It is appropriate that I mention how this first formal contact came about and how the two committees became involved. When the committee on foreign affairs of the other place undertook an examination earlier this year of Canada's relations with the European Community, they visited the Community headquarters in Brussels for several days and had an informal meeting with a delegation of the European parliament chaired by Mr. Peter Michael-Kirk, a British MP and chairman of the Conservative group in the European parliament. Subsequently, in their report the committee of the other place recommended some form of interparliamentary link with the Community parliamentarians. With the approval of both Speakers a letter was sent to the president of the European parliament, signed by the chairmen of both Canadian parliamentary committees dealing with external relations, inviting a delegation to visit Ottawa this fall.

I mentioned that it is perhaps surprising that no formal contact had been made between the two parliaments. It surprises me because the European Community is such a major force in the world today. Canada cannot afford to ignore it even if it wished to do so. Even before its enlargement from six to nine member states earlier this year, the European Community had become the world's largest trading entity. Its imports exceed by a significant amount those of the United States. Canada, as a major trading nation itself, must seek in every possible way to intensify its relations with this new economic giant in Europe.

As those hon. members who participated in the discussions of November 1 will agree, it was a stimulating and informative encounter. Led by Mr. Pierre-Bernard Cousté, a vice-president of the European parliament, the delegation was made up of members of all the nine nation states of the community except Ireland and Belgium. However, despite the fact that the various nationalities of the delegates were easily distinguishable, it was clear that this delegation had come to Canada not as representatives of their own countries but as members of a cohesive European parliamentary group with a remarkably homogeneous outlook on the matters under discussion.

[*Translation*]

Before dealing with the subject matter of the communiqué, Mr. Speaker, I should like to express on behalf of the Committee on External Affairs and National Defence our deep appreciation to you and your colleague for your co-operation and support that made that visit a success. The committee members were very satisfied with all the arrangements to which your staff co-operated so willingly.

[Mr. Dupras.]

Following the joint meetings of November 1 last, both delegations prepared and approved a release in which they recognized that the links between Canada and the Community could be improved and intensified. Both delegations agreed that periodic meetings should be organized between the European parliament and the Parliament of Canada. Regular contacts would help promote a better understanding and overcome disagreements.

I agree with that statement, Mr. Speaker, but I would go even further. I would like the matter of a regular interparliamentary link rather than periodic meetings to be examined thoroughly. I believe further parliamentary exchanges between both groups would be beneficial and would draw the attention of the European Economic Community on certain Canadian interests, particularly in the area of trade and economy. Indeed, I strongly urge Canada to take the initiative of establishing an interparliamentary link without delay. The report of the Senate Foreign Affairs Committee on Canadian Relations with the European Community stated, and I quote:

> Delay could result in the build-up by the Community of a network of parliamentary links with third countries' parliaments, leaving the members of the European Parliament with far less inclination or time to consider such links with Canada.

That is the risk involved and pointed out by the Senate committee.

The second point of the statement I wish to discuss especially, Mr. Speaker, concerns the following recommendation:

> "that the establishment in Ottawa of an Economic Community delegation, together with an information office, should be considered as a priority by the European Community."

There is no doubt that very few people in Canada are aware of the existence of the European Economic Community and of the part it plays in the changes taking place in Europe. We undoubtedly need a positive information program to explain the Community to Canadians.

This delegation of the European Economic Community in Canada would serve as a link both ways, not only making Canada more aware of the Community and understand it better, but also keeping Brussels informed of Canada's particular interests and points of views.

Mr. Speaker, when thinking of Europe, Canadians are still inclined to recall the old traditional and bilateral relations, namely the relations which we had with France, Belgium, Great Britain and other European countries. From now on, we must learn to imagine new relations, Canadian relations with the European Economic Community. On the other hand, many Europeans have a tendency to consider Canada as an integral part of the North American entity, assuming that they could have with us more or less the same relations that they have with the United States.

Mr. Speaker, to clear up any misunderstanding and dispel any wrong interpretation on both sides, it might be appropriate to hold regular interparliamentary meetings and have a delegation of the Community in Ottawa.

Perhaps it would be interesting and useful to remind hon. members of some facts about the European Parliament. It is often mistaken for the Constituent Assembly of

the Council of Europe with which the Canadian Parliament has already had numerous exchanges.

Although the two groups meet in Strasbourg and are formed of Europeans, they have very few points in common. The Council of Europe, made up of 17 member states, is only an advisory body and is mainly concerned with human rights and co-ordination of national regulations and legislation, mostly in the social and cultural fields.

The European Parliament comprises representatives of the national parliaments of the nine member states of the European Economic Community, that is Belgium, Denmark, France, the Federal Republic of Germany, Italy, Ireland, Luxembourg, the Netherlands and the United Kingdom.

There are nominally 198 members, although the British Labour Party has until now refused to appoint representatives. That number would increase when the Labour Party decides to send its own delegates. Even though the powers of the European Parliament have so far been of an advisory nature, this organization follows closely the progress of the Community through oral and written questions sent to the Commission, that is the bureaucracy, and to the Council of Ministers. Its powers are increasing and by 1975, it will have acquired budgetary control over administration and information.

In the European Parliament, the debates are conducted in the six languages of the Community members: Danish, Dutch, English, French, German and Italian.

It is interesting to note that members of the European Parliament do not sit by nationality but by party or ideological affiliation. The present parliament is made up of five main groups and a number of non-affiliated members. These main groups are the Christian Democrats, the Socialists, the Liberals and allied members, the Conservatives and the European Democratic Unionists.

The European Parliament meets once a year, mostly in Strasburg, but often in Luxemburg where the secretariat is located. The parliament includes 12 standing committees which meet mostly in Brussels, capital of the European Community.

If one compares the future importance of both groups, that is the European Parliament and the Advisory Assembly of the European Council, I believe it is fair to say that the European Parliament will probably gain in importance. When the Community will have integrated its trade business and can begin integrating its economic and monetary objectives, some form of political integration will most certainly follow.

At the present time, one can only surmise the impact of a political union of Europe on the European Parliament, but it will surely bring about eventually a substantial increase in parliamentary powers and control. Mr. Speaker, I think that this organization will become one of the most important parliaments of the future, and it is in the interest of Canada to establish close relationships with it.

For this reason, Mr. Speaker, I must congratulate the External Affairs Committee of the Senate on taking the initiative, in the spring of 1973, of making known its intention of meeting with delegates of the European Parliament and of visiting Brussels last March to start discussions with representatives of the various member countries of the European Community. Mr. Speaker, I am glad that the motion I moved on Wednesday was received with so much enthusiasm. I know that several members of the opposition have made known their intention of participating in this debate on the joint statement made public by the delegates of the European Parliament and by those of the Committee on External Affairs and National Defence and of the Senate Committee.

For their good work, Mr. Speaker, I want to express to them once more all my gratitude and appreciation.

• (1610)

[*English*]

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to congratulate the hon. member for Labelle (Mr. Dupras) for his initiative and the informative and interesting remarks which he has just concluded. I think it is all to the good in this chamber from time to time to take the opportunity to deal with the kind of matters which parliamentary groups have been discussing. If I may say so, I think the other place long ago set a good example on this sort of thing. I commend the hon. member for his initiative and I support completely, thoroughly and most sincerely, the suggestions he has put forward and which are contained in the communiqué.

One cannot overemphasize the importance of our contacts with and broadening our knowledge of what might be called the new Europe—a new Europe exemplified in the parliament of Europe which the hon. member has so succinctly and so well described. Some of us, although not very old, remember when Europe was a divided Europe with contact points. Now we have developed a Europe which is much more than just a place where other great powers divide and perhaps confront each other explosively. We have seen the era of ostpolotik. I wish the Berlin wall had come down, but in many ways I think it is crumbling and that is to the good. I am very pleased that our country has an ambassador accredited to Brussels. This is a suggestion that I used to make during the past three years. I think on another level this typifies the significance of contact.

It is interesting that in a world of celerity and sophistication in communication, so often we are not really communicating very well. In Canada in the last weeks many people have suddenly awakened to the fact that there is such a world as the Arab world—but it has been there for a long, long time. The new Europe is there, with a tremendous impact and tremendous possibilities. I would like to see us developing the kind of parliamentary arrangements that we have had so long and so successfully with the United States. That is a most excellent group. I hope as parliamentarians we will be in the forefront of developing ties, regularizing contacts and meetings, not with the nation states of Europe—with most of them Canada is not unfamiliar—but with the new Community. This is not a Community which is only economic, but it is a political one in the broadest sense of that expression. So I look forward to the parliamentary exchanges and to our finding more and more opportunities for dialogue with the Community.

While this is a good thing, Mr. Speaker, it is also imperative. I remember not long ago someone appearing before the Standing Committee on External Affairs and National Defence and saying that perhaps a bigger danger than being taken over economically was being left out when it comes to trade. This statement was made by Mr. Fowler, a prominent member of the Liberal Party who made a thoughtful presentation to the committee. It would be unfortunate in the great world of economic and political giants if we were to find that we had been left out. So it is incumbent upon us to see that this does not happen not only in hard economic terms but in people-to-people contacts.

I am not quite becalmed despite the many assurances that all is going to be well in terms of trade. I do not think we know yet that there will not be ramifications and repercussions that could quite possibly be painful. One thing we do know however—that contacts, associations and friendships should all be stored for the mutual benefit of this country and the community of Europe.

Mr. Speaker, I know that some of my illustrious colleagues also wish to address themselves to this matter, so I simply conclude by quoting from the remarks of the Secretary of State for External Affairs (Mr. Sharp) delivered by the eloquent voice of his parliamentary secretary during the visit of the European parliamentarians. He said:

> In this context the suggestion of a Canada/European community declaration is attractive. But the determining factor will be substance—not form. Canada is seeking opportunities to develop a dynamic, meaningful and distinctive long term relationship with the European Community. If it is clear that such a declaration can contribute to this objective we will be ready to participate in its elaboration.
>
> With or without a declaration the future evolution of the community's transAtlantic relationship will be of critical interest to Canada. I am confident that common interests and common sense will prevail.

I end as I began, Mr. Speaker, by expressing great pleasure in a debate which was so well launched by my hon. friend.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I shall try to emulate the admirable brevity of the last speaker. I, too, would like to commend the hon. member for Labelle (Mr. Dupras) for his contribution to the debate and his statement about the European Economic Community and Canada's relationships with it. In this party we recognize the value of this interparliamentary encounter. I was one of the delegates who met with the delegation from the European parliament. I agree very much with what I think was one of the key statements in the communiqué, which was that regular contact would help to promote better understanding and overcome disagreements. The communiqué provided that this event, which had happened for the first time in history, would be followed by periodic meetings and regular contacts at a later date.

I am reminded, in this connection, that for I think 11 years now representatives of this House and of the Senate have been meeting annually either in Washington or in Ottawa with representatives of the Senate and the House of Representatives of the United States of America. Over the years I think we have come to know each other better. We are very close to the United States, in any event. It seems to me that there is, if not an equal need at least a clear need for the parliamentarians of Europe, particularly of the nine countries which form the Community, to meet their Canadian counterparts so that we can understand each other's problems and in dealing with each other, as we are bound to do, learn to appreciate each other's problems.

● (1620)

We must recognize the new realities. The European Economic Community is one of the new realities of the world. It is a trading partnership. It is a new political creation, not necessarily like any we have known before. I think, the hon. member for Labelle told us that the Community has a commission which is composed of experts, or what we call permanent members. It has a council of ministers who negotiate, particularly on trading matters, for their particular countries, and it has a European parliament in which all the nine member countries are represented by members designated from the various parties. They meet, I think, about 100 days in the year. It is a truly functioning organization and is likely to grow and change.

We in Canada must recognize the great importance of this Economic Community. I will put a few figures on record. They may be well known to some. They illustrate that for our own prosperity and well-being, we must deal with the Community. The enlarged community has a population in excess of that of the United States, our largest trading partner. The Community's population is 250 million, the people mostly having attained a very high level of civilization and development. The population of the United States is 207 million. The Community has a gross production rate in excess of $700 billion a year. Since the British entry it has become Canada's second largest trading partner. In 1972 the nine member countries bought $2.5 billion of Canadian exports, or 45 per cent of all our exported goods not going to the United States.

In 1972 the Community sold us $2.2 billion worth of goods. The amount of goods imported by the Community is significantly more than the total amount of goods imported by the United States. In 1971 the Community imported over $10 billion worth of finished goods from outside countries. Canada's share was only 1 per cent of this finished product market. The implication for employment in these figures is tremendous. Last year, 1972, Canada lost its traditional balance of trade surplus with the Six and had a trade deficit. So without going into further figures, it is easy to see that the terms of access of Canadian goods and Canadian products into the Economic Community are of the greatest importance.

I think the hon. member for Labelle has already mentioned that there is a great need for having the European Community delegations come to Ottawa so that they may know what is going on here. It is important for Canadians to be made aware of the new Europe. Significantly, the conference which we had was hardly mentioned in the press. I think *Le Devoir* was one of the few newspapers in Canada which thought it worth while noticing the conference. The *Globe and Mail* of my home town, which calls itself Canada's national newspaper and which used to be one of our best newspapers—I use the past tense deliberately as it no longer covers international affairs as well as it did—said nothing about this unique event. It said nothing about the representatives of the European Community

being in this country, although I am informed the newspaper was fully notified of the event. How can Canadians learn to adjust to the realities of the new Europe if events such as this go unnoticed, unattended and unassessed?

Some hon. Members: Hear, hear!

Mr. Brewin: It is also important for Europeans to distinguish between Canada and the United States. We share the same continent, much of the same culture, and we enjoy a very close and intimate relationship with the United States. For these reasons Europeans sometimes think they need not consider Canada as a separate entity from the United States. They assume that Canadian concerns are similar to those of the United States and that the Economic Community's policies with regard to the United States can apply to Canada as well.

I think it is very much in Canada's interests to mark the differences between ourselves and the United States. The European delegation which came here acknowledged in the joint statement that European Community policies must recognize distinctions and differences between the interests of Canada and those of the United States. The United States and the European Community are already preparing a declaration regarding the principles of their relationships with each other. I think we need a similar statement which would apply to Canada.

The European Community is primarily a trading or economic bloc and as such is of very great importance. I want to mention another factor. No one can foresee exactly what it will grow into. There is every likelihood that it will grow into a more closely knit political organization. The Community now takes part in GATT negotiations on behalf of its nine member nations. This fact in itself shows that the Community is of very great importance. In addition, as I understand it the members of the Economic Community have now said that in the discussions with the United States about a new Atlantic charter they will work together. It is of the utmost importance to consider that although this trading partnership perhaps will not grow into a single state in the foreseeable future, it will grow into a more closely knit political entity with great power and influence in the world and it will act as a counterbalance, if you will, to the two superpowers of the United States and the U.S.S.R.

It behooves us, considering the position we are in, to maintain the closest contact with the European Economic Community, to have the fullest knowledge of it and to show the greatest sympathy for it. That should not be difficult because our links in any event are very close, not only with mother countries such as France and Great Britain but with other countries as well. Many people in Canada come from countries of the European Economic Community. There are very few parts of the world with which we maintain closer historic links.

I close by saying once more that I am glad of the initiative which enabled those of us who were present at the conference to testify to its importance. I express the wish that it will prove to be merely the start of close and growing co-operation between our respective countries.

Mr. Deputy Speaker: Order, please. Before the Chair recognizes the hon. member for Roberval (Mr. Gauthier), the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. De Bané) and the hon. member for Esquimalt-Saanich (Mr. Munro), in that order, as well as other hon. members, let me say that I have checked with the officers at the table and understand that the document previously alluded to has not been printed anywhere in any form which would make it readily available to the public. The hon. member for Greenwood (Mr. Brewin) also spoke about this difficulty.

In order to make that four-page communiqué more meaningful to those who may wish to refer to this debate, I wonder if it is the will of the House to print the document referred to as an appendix to *Hansard*. It would be inserted at the conclusion of this debate.

Some hon. Members: Agreed.

Mr. Dupras: I so move, Mr. Speaker.

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is so ordered.

[*Editor's note: For text of communiqué referred to above, see appendix.*]

● (1630)

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, as the previous speakers, I also wish to commend the hon. member for Labelle (Mr. Dupras) for the motion he has put before the House, which enables us to learn more about the work of the European Parliament and Canada's relations with the European Economic Community. All of us have followed the development of this community and I think the recent meeting is an historic event in a new direction. I feel Canada has shown maturity.

Until now, we used to evolve within a closed circuit with Great Britain and the United States as major partners, and many entertained great fears when Great Britain expressed the wish to join the Common Market.

So as to define the current situation I think we can do no better than look back to see wherefrom those two groups had the idea of meeting today. I was going through the journal *International Perspectives* when I came across an article by Maurice Torelli which reads as follows:

Canada's reaction to Britain's entry into the European Economic Community reveals the basic ambiguity of the Canadian attitude towards the latter; on the one hand, Europe represents the colonial past, the "Land of Sin" as Jefferson put it, whereas, on the other hand, the EEC, which is the largest trade bloc in a world in which an economy of conglomerates is becoming the rule rather than the exception, is acting more and more as a powerful attractive force. Futurologists à la Herman Kahn speak of the vitality of certain "winning" groups such as Europe or Japan, and of the decline of certain "losing" groups, such as the United States or the U.S.S.R., whose aging administrative structures are beginning to constitute a threat to economic growth. As far as its relationship with these large conglomerates is concerned, Canada, a country that certainly would never have been invented by an economist, is more or less associated with each of them, but the process of becoming a satellite, although it is at a very advanced stage, is not yet complete. This process may be stopped provided Canada adopts a policy consistent with the objectives of national independence and a general increase in prosperity set forth in 1970. In other words, Canada needs a policy of diversification that would make it possible to control the domination of its economy resulting direct-

ly from the very magnitude of its relations with the United States and to find the new markets the structure of its economy requires.

Up to the present, however, Canada, unlike the United States, has not taken Europe seriously; nevertheless, three factors militate in favour of a change of attitude. On the one hand, the end of the war in Vietnam seems for the moment to have checked the observed shift in the economic axis of the developed world Japan exerts a considerable attractive force, but Europe remains clearly the principal economic partner of the United States. On the other hand, Britain's entry into the Common Market puts Canada in a situation similar to that which prevailed after 1846, when Britain abandoned Imperial mercantile protectionism in favour of a system of free exchange, thereby rendering European markets accessible. Because it eliminated the tariff-free importation of Canadian wheat into Britain, the repeal of the Corn Laws in 1846 was considered in certain Canadian quarters to be a "betrayal" and forced Canada to re-evaluate its general orientation.

● (1640)

This re-evaluation led first of all to the conclusion, in the 1850s, of the Reciprocity Treaty between Canada and the United States, which set up a sort of common market between the two countries for a whole range of products, and then, after the failure of the treaty, to Confederation in 1867. Confederation was the expression of Canada's will for a legal definition of its independence and led to a policy of economic nationalism and to the construction of Canadian transcontinental railways. Canada had decided to find its own identity without either Europe or the United States.

Today, with Britain's entry into the EEC, Canada feels somewhat as though it were the victim of a second British "betrayal"; the end of modern-day preferential treatment by Britain will certainly create difficulties for certain Canadian industries that will be in an unfavourable competitive position on the British market in comparison with the other EEC member states. Canada can opt for a *rapprochement* with the United States, as it did in 1846, or once again revert to economic nationalism. There is, however, a third solution; it consists in creating closer ties with Europe, the legal terms of which are yet to be defined but whose economic justification may be stated precisely: the third factor that makes Europe particularly interesting for Canada is the complementary nature of the two economies.

Mr. Speaker, I wanted to quote part of this article because I think it is partly the prelude of this very recent meeting which has corroborated the ideas of this article's author.

I have here the joint declaration issued at the conclusion of the meeting between the European and Canadian parliamentary delegations. May I quote some parts of it:

Both delegations admitted that there were numerous ways of improving relations between Canada and Europe. For their part, European delegates admitted that EEC policies should take into account distinct interests of Canada and the United States.

I think, Mr. Speaker, that this is one of the most important points of the present statement which says that, at last, the European Community distinguishes us from the American block, makes a distinction between Canada and the United States, between the Canadian and the American economy and between Canadian and American commerce. I think it is a victory for our representatives here in Canada that they have indicated this approach and have had the European Community make this distinction.

We read further:

Aware, on one hand, of their common interests and ideas and on the other hand, of possible disagreement between Canada and the Community both delegations agreed that periodical meetings should be organized—

—by both Parliaments. And still, this is another argument, it is understood that if we want to remain friends

[Mr. Gauthier (Roberval).]

and to keep up this friendship, there must necessarily be a place of meeting. Then, we spoke of an information office in Canada and of a similar office at the EEC. Such an office is absolutely necessary to be able to discuss all points daily, at each meeting in order to follow the progress of commerce, industry and politics.

Mr. Speaker, we then read:

The extent to which present GATT negotiations will succeed in further liberalizing international trade in industrial and farming products, as well as defining a good behaviour code has been judged of significant importance both for Canada and for the Community.

Mr. Speaker, all the new transactions concerning the western grain, for instance, were conducted mostly on the European market, as Great Britain was the major importer of Quebec cheese. I believe this will open new horizons and broaden for Canada the access to European markets, those of Great Britain as well as of France and other member countries of this community. And if this is good for Europe, I believe it is even better for Canada, because, once more, it shows maturity in opening the door to other markets while breaking away from previous ones, mostly American, without neglecting them for all that.

I believe it is time more than ever before for Canada, as an independent country, to trade with other nations and take its place on the international markets.

Mr. Pierre de Bané (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, we can say that the constructive dialogue promised by the Nine at their Paris summit in October 1972 is well under way. Owing to various circumstances involving the gorvernment, Ottawa has hosted earlier in November large groups of European visitors representing European institutions and the information media the influence of which on the development of our relationship with Europe could not be overestimated.

Whether they were members of the European Economic Council like Sir Christopher Soames, Vice-president and Commissioner for External Affairs of the Council, coming for further discussions with Canadian ministers and officials, or representatives of the European Parliament coming to meet their Canadian counterparts, or representatives of famous newspapers from Western Europe coming to participate to the conference on Canada and the European Community organized by the ICAI with the co-operation of the Department of External Affairs and the European Economic Council, the government was very pleased to welcome them because their visit gave to Europeans and Canadians an exceptional opportunity to discuss the extension and deepening of relationships between Canada and member countries of the European Community. Those discussions should not be short-lived. It is desirable that the dialogue with the European Community be on a permanent basis and with good will that such exchanges of views be frequent and profitable.

It is with the greatest interest that we read the joint statement issued at the meeting between European Parliament delegation and the Canadian Parliament delegation on November 1. The government is encouraged in his own efforts by the positive tone that both parliamentary delegations gave to their discussions on the various items on the orders of the day.

The government particularly noticed the recommendation made to draft a statement on the various principles that are to govern the relations between Canada and the European Community. We must be aware that the continuing concern of the government is to ensure that the distinctive Canadian entity in North America, and its own interests and yearnings should be recognized as such by the international community as a whole, and particularly by our European partners, because of the leading part that they are bound to play in the policy of diversification in our external affairs. This means that the matter of a distinct declaration between Canada and the European Economic Community is presently undergoing a thorough examination within the government. Besides, it was already mentioned in a preliminary way with the member countries of the Community. We insist on the fact that in this matter as in others, the material is the most important. What we want is that the relations between Canada and the Community should from now on develop in concrete and dynamic co-operation. If a policy statement could contribute to the achievement of this objective, the government would certainly welcome it.

● (1650)

The joint communiqué suggests that the European Economic Community ought to give top priority to the establishment in Ottawa of a Community delegation, including an information office. This could not agree more with the views of the government. There cannot be any real communication unless it is bilateral. A European Economic Community mission in Ottawa would be the useful if not essential counterpart of our own permanent delegation to the Community in Brussels. It is certainly not for us to decide which priority should be given by the Community to the establishment of such a mission, but we can only wish that it be top priority.

The government will welcome the full support given by both European and Canadian delegates to freer trade. In fact, it has often stated its policy with regard to freer international trade and it would like it to be even more extensive. It is because we are convinced that such a liberalization would benefit all members of the international community members that we are pleased to see the European Economic Community take such a positive position with regard to a still greater liberalization.

It must be noted that the delegates have acknowledged the common interest that Europeans and Canadians have in cooperating so that Canadian raw materials may be further processed before being exported. This is a major concern of the government. Even if Canada is regarded as an important raw materials supplier, the Canadian people's interests require that these products be further processed before being exported. We would favour for this purpose the development of joint projects with the cooperation of European companies.

Obviously, this question bears a direct relation to that of foreign investment in Canada. The foreign investment review bill established a number of concepts in this regard. It is to be hoped that Europeans may continue to invest in Canada with tangible benefits for the Canadian economy.

Communiqué of Canadian and European Parliaments

In this time of fast development on both sides of the Atlantic, it is important to remember, even if it is a truism, that as important as it is, the economic side of our relations with the EEC is not the only one to be considered, nor even the one that matters most. On this point, it is pleasant for us, but also greatly significant, that the European delegation has expressed its satisfaction over the constructive role played by Canada as concerns the CSCE. That part of the statement clearly shows that Canada is pursuing vital objectives in Europe, and it recognizes that the security of Canada cannot be separated from that of Europe and that bonds of all kinds, made through our history, origins and common ideals, encompass and surpass our respective policies for the greater prosperity of all concerned.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I also wish to join with the previous speakers in congratulating the hon. member for Labelle (Mr. Dupras) who introduced the motion which is now before us.

[*English*]

That was at your initiative, Mr. Speaker, having so graciously suggested that we table the communiqué of this meeting. With your permission I should like to enlarge the debate slightly, taking this as a point of departure. I should like to formulate a plea which has both historical and parliamentary overtones. What I want to see is a regular record of the meetings which parliamentarians attend, whether they be here or overseas. The latest example of such a meeting has just closed its formal gathering with a luncheon today. I am not suggesting that we try to put on the record of *Hansard* all the proceedings, but at least the agenda of the matters that were covered.

I should like to go back a bit in history and indicate just what is the degree of record we have of these various gatherings. I went back as far as 1959 because I had a direct interest in the initial proceedings of the Canada-U.S. interparliamentary group. At that time we managed to have tabled the record of the first meeting of the Canada-U.S. interparliamentary group. That followed through sequentially year after year until about 1966. For some reason not clear from the record, we did not manage to carry on. There was a break in 1966, and then in 1970 the Clerk of the House laid upon the table copies of the report of the thirteenth meeting of the Canada-U.S. interparliamentary group. I submit that is not good enough. Some of us in this House were chosen as delegates to this international gathering. We cannot all be there, but when we come back from such meetings we should be able to at least table the record here so that those who were not privileged to attend the meetings would know what we were doing. The Canadian public should know also.

I have been extremely fortunate in the short time I have been a member of this parliament to have attended no less than four of these meetings. One was in Bonn, before this session first convened, of the North Atlantic assembly. Unfortunately, the hon. member for Laprairie (Mr. Watson) is not here; I was going to refer to something of interest to him. I also attended in July a meeting of the international parliamentary group in Washington. This was a very important one for me because the main problem discussed was the movement of tankers through the Strait of Juan de Fuca. I was also a Canadian member at

the meeting of l'association internationale des parlementaires de langue française. I also participated at the meeting of the Canadian Parliamentary Association with the European Economic Community. Today we have, thanks to the initiative of my colleague the hon. member for Laprairie and our Speaker, the record of that meeting. We do not have the record of these other meetings in *Hansard*, but other places provide a partial record of the meeting in Washington.

I do not have much time left, but my plea this afternoon is merely to obtain the approval of the Chair and of this House to the suggestion that when meetings of this sort take place, someone who attends ought to table the report in this House, whether for debate or simply for the record, so it shall be known and there shall be a complete sequence in this House of the text of other gatherings in this country or abroad.

I hope, for example, that within the next week or so we shall have the means of tabling, just as a matter of routine, the proceedings or the agenda of the meetings we have just been attending here in this building, attended by the legislators of our provinces. There was an exchange of ideas to our mutual benefit, and that is a great thing. But more than being to our mutual intellectual benefit, it was to our mutual political benefit in the context that we were able to meet with our fellow parliamentarians and legislators across the country and discuss questions of importance to us.

I regret, as I said, that the hon. member for Laprairie is not here as this is one of the strange anomalies of tabling various reports. He was charged at the North Atlantic assembly with preparing a report on the fisheries of the North Atlantic. He did so and tabled it at the fisheries committee. It is there among parliamentary records, but it should be on *Hansard*. It is my plea that before too long we shall be able to proceed in this way in the normal course of events, so there will be a record of all these meetings on our record.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I would not by any stretch of the imagination want to take up very much time, except I have an idea—which is perhaps a bit dangerous—that if we really mean what we say in this most interesting hour of debate, and I really think we do, one way it might be accomplished is for us as a parliament, if the government cannot do it, to persuade the Prime Minister (Mr. Trudeau), on an urgent basis—I am very serious—to visit first of all Brussels to ensure that the Canadian public and this parliament understands the importance of the link between the old Europe, which has sort of been reincarnated in the European Community, with Canada and also to visit other European countries. I have been here as long as the Prime Minister and I must say I did not think it would be so hard to get the right hon. gentleman to travel. I hope that if he or his advisers have time to read the remarks which have been made in the last hour there will be an understanding of the serious urgency of having the Prime Minister of Canada visit Brussels.

My own leader made such a visit in 1970, well before an ambassador was nominated for the special post of ambassador to the Community. I think in all the travel plans the Prime Minister has, none can be so urgent as a visit first to Brussels and, hopefully, to other countries of the Community. If invitations are wanted, of course they can be easily obtained. I hope this whole idea will go forward quickly.

Mr. Deputy Speaker: I sense that the House has met the objective raised by the hon. Member for Labelle (Mr. Dupras) in presenting his motion on Wednesday, November 14. Accordingly, the hour for private members' business has expired. It being five o'clock, this House stands adjourned until Monday next at 2 p.m.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

APPENDIX

JOINT COMMUNIQUÉ OF THE MEETING BETWEEN THE DELEGATION OF THE EUROPEAN PARLIAMENT AND THE DELEGATION OF THE CANADIAN PARLIAMENT IN OTTAWA, NOVEMBER 1, 1973

A delegation from the European Community's Parliament today held the first formal meeting with members of the Canadian Senate Committee on Foreign Affairs, and the House of Commons Committee on External Affairs and National Defence.

The two delegations recognized that much could be done to improve Canada-Community relations. The Canadian delegation welcomed the specific mention of Canada in the Paris summit meeting communiqué as a country with which the Community should maintain "a constructive dialogue". For their part, the European delegates acknowledged that EC policies must recognize the distinction between the interests of Canada and the United States. To this end all delegates agreed that a separate EC-Canada dialogue should be maintained. Taking note of the proposed US-EC declaration, the delegations further recommended that a separate declaration of principles be drawn up for Canada-EC relations.

Conscious on the one hand of the common interests and perceptions they share and, on the other, of the areas of potential disagreement that could arise between Canada and the Community both delegations agreed that periodic meetings should be organized between the European Parliament and the Parliament of Canada. Regular contact would help to promote better understanding and overcome disagreements.

The necessity for an EC institutional channel in Canada capable of two-way communication was recognized by the Parliamentarians of both sides. It was agreed that the establishment in Ottawa of an EC Delegation including an Information Office should be given the very highest priority by the Community.

In respect to general EC-Canada trade relations, Canadian members stressed the commitment which Canada felt to a truly multilateral trading system and their apprehension over the possibility of the major trading groupings becoming inward-looking. Such a development would run counter to the efforts of both Canada and the Community to diversify their economic and other relations. The success of the current GATT negotiations in further liberalizing international trade in industrial and agricultural products and in reaching agreement on trade conduct was considered to be of great importance both to Canada and to the Community. The delegates of the European Parliament stressed that both their own policy and also the overriding necessities of the Community's economy made trade liberalization a major priority for them. The whole recent history of the Community, and also the very high degree of trade liberalization which the Community had already achieved was evidence of this policy.

The European delegates expressed their appreciation of the constructive role Canada is playing in the Conference on Security and Co-operation in Europe.

The two delegations recognized that although Canada was an oil-exporting as well as an oil-importing nation, it confronted many of the same problems the Community faced. The delegates concluded that methods for co-operation exploration and development of oil sources in the North Atlantic and Eastern Arctic and the Alberta tarsands could be profitably examined. The two delegations recognized the great importance of co-operation in the field of scientific research and technology. The European parliamentarians underlined their interest in the results obtained in Canada in the field of nuclear reactors.

In addition, it was agreed that co-operation between member states of the Community and Canada in the upgrading of industrial raw materials could be mutually advantageous. Canada, a major supplier of primary products to the Community, was interested in joint ventures with European companies to develop further processing of its industrial raw materials before export. For their part, some member states of the Community were interested to ensure future supplies through such joint undertakings.

The Community is Canada's largest export market for agricultural products (35%). Canadian export sales to the European Community itself as well as to third markets are affected by the CAP system of support prices—e.g. for barley. British entry has meant that the impact of the CAP is being felt even more deeply. However, the Canadian parliamentarians recognized the important social and political significance of the Community's agricultural policy.

In discussing foreign investment in Europe and Canada, the two sides agreed that there were increasingly interesting investment possibilities between the member states of the Community and Canada in both directions. The delegates expressed the hope that such reciprocal investment projects would increase, whilst recognizing that the question of multinational corporations would inevitably have to be examined.

The European and Canadian parliamentarians, while recognizing the significance of their respective aid policies, agreed on the need to take more energetic action in implementing their responsibilities to developing countries.

THE PARTICIPANTS AT THE MEETING BETWEEN THE EUROPEAN AND CANADIAN PARLIAMENTARIANS IN OTTAWA, NOVEMBER 1, 1973

Participants from the European Parliament: Mr. Pierre-Bernard Cousté, Chairman, Mr. Joseph Wohlfart, Mr. Jan Baas, Mr. Renato Ballardini, Mr. Ludwig Fellermaier, Mr. Roger Houdet, Mr. Hans Edgar Jahn, Mr. Peter Michael Kirk, Mr. Erwin Lange, Mr. Silvio Leonardi, Mr. Christian de la Malène, Mr. Willem J. Schuijt, Mr. Gerd. Springorum, Mr. Knud Thomsen, Mr. F. Vals, Mr. Mario Vetrone.

Participants from the Senate: Senator John B. Aird, Co-Chairman and Senators Donald Cameron, C. W. Carter, John J. Connolly, Jacques Flynn, Allister Grosart, Paul C. Lafond, Keith Laird, Renaude Lapointe, A. A. Macnaughton, Charles McElman and George C. van Roggen.

Participants from the House of Commons: Mr. Georges-C. Lachance, Co-Chairman and Messrs. Andrew Brewin, Chas. Caccia, Eymard Corbin, Alexandre Cyr, Maurice Dupras, R. Gordon L. Fairweather, Rosaire Gendron, John Harney, Leonard Hopkins, William Knowles, Hon. Marcel Lambert, Gérard Laprise, David MacDonald, Miss Flora MacDonald, Mrs. Albanie Morin, Messrs. Donald W. Munro, F. Oberle, Alex Patterson, Irénée Pelletier, Doug Rowland, Reg Stackhouse, Sinclair Stevens and Jacques-L. Trudel.

HOUSE OF COMMONS

Monday, November 19, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC ACCOUNTS

First report of Standing Committee on Public Accounts—Mr. Hales.

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

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FISHERIES

FLEET DEVELOPMENT POLICY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgency. The fishing fleet development policy announced last week by the Minister of Fisheries imposes serious implications on the social and economic life of Canada's east coast fishermen. I therefore move, seconded by the hon. member for St. John's West (Mr. Carter):

That the matter be referred immediately to the Standing Committee on Fisheries and Forestry and that the committee be empowered to travel from place to place to hold public hearings with the fishermen concerned.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

TRANSPORT

PROVISION OF RAILWAY CARS TO SHIP BRITISH COLUMBIA LUMBER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to rise under Standing Order 43 to seek the permission of the House to move a motion on a matter of urgent and pressing necessity, namely, the continuing shortage of railway cars for the movement of lumber out of British Columbia, compounded by the implication the other day in the statement of the Minister of Justice to the effect that the railways are not competent enough to deal with this matter by themselves. Therefore I should like to move, seconded by the hon. member for Saskatoon-Biggar (Mr. Gleave):

That this House recommends to the government it enter into arrangements forthwith to provide railway cars for the loading and shipment of lumber as it did with respect to providing hopper cars for the loading and shipment of grain.

[*Translation*]

Mr. Speaker: The House has heard the hon. member's motion. Under Standing Order 43, the motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

AIRPORT—CHATHAM, ONTARIO

Question No. 2,128—**Mr. Danforth:**

1. What classification is given to the airport situated at Chatham, Ontario?

2. (a) What government moneys were used to establish or upgrade airports of similar classification in Canada during the years 1969 to 1973 to date (b) in what municipality and province are each of these airports located?

3. (a) Has the government received any request or requests to finance in total, or on a shared cost basis, the upgrading of the Chatham Airport in the years 1969 to 1973 to date (b) on what basis were these requests made?

4. Are there any immediate plans to upgrade the airport at Chatham, Ontario at present or in the near future, by the government and are provisions made in the estimates if such plans exist?

Hon. Jean Marchand (Minister of Transport): 1. Small local community airport.

2. (a) and (b). The present airport classifications were not in effect prior to January 1, 1972. Since that date, the following financial assistance grants to small local community airports have been approved:

Municipality and Province	Amount
Cardston, Alberta	$100,000
Cochrane, Ontario	70,000
Coronation, Alberta	50,000
Drayton Valley, Alberta	50,000
Drumheller, Alberta	85,000
Edmundston, New Brunswick	35,000
Fairview, Alberta	90,000
Golden, British Columbia	63,000
Invermere, British Columbia	10,000
Kincardine, Ontario	38,000
Lacombe, Alberta	65,000
Maniwaki, Quebec	43,000
Maple Creek, Saskatchewan	68,080
Margaree, Nova Scotia	5,640
Mount Pleasant, Prince Edward Island	68,000
McBride, British Columbia	40,000
Nakusp, British Columbia	140,000
Nipawin, Saskatchewan	75,000
Oyen, Alberta	65,000
Revelstoke, British Columbia	20,000
Rosetown, Saskatchewan	7,300
Slave Lake, Alberta	100,000
Spirit River, Alberta	25,000
Squamish, British Columbia	40,000
St. Paul, Alberta	49,500
Taber, Alberta	65,000
Three Hills, Alberta	35,000
Unity, Saskatchewan	33,000
Valemount, British Columbia	10,000
Vegreville, Alberta	100,000
Wetaskiwin, Alberta	68,000
Weyburn, Saskatchewan	27,000
Whitecourt, Alberta	30,000

3. In April 1972, the city of Chatham applied for a financial assistance grant of 100 per cent of the cost, up to a maximum of $100,000, of upgrading the present 3,000 feet turf runway to a 3,000 feet x 75 feet asphalt runway with a paved taxiway.

4. Two millions dollars is provided annually in the estimates for financial assistance grants for the development or improvement of community airports, and is allotted to specific airports as the applications are reviewed and approved. The application by the city of Chatham is under review at this time.

DEPARTMENT OF NATIONAL DEFENCE—SERVICE CONTRACTS

Question No. 2,204—**Mr. Forrestall:**

With respect to Department of National Defence maintenance and service contracts, excluding construction-related contracts (a) how many such contracts have been made (b) at what locations were these made (c) who is the contractor in each case (d) what is the cost of such contracts or sub-contracts held by each contractor (e) what is the type of skill required of workers employed by such contractors or sub-contractors (f) how many workers are employed for each such contract (g) what is the length of each contract?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): (a)Twelve. (b) 1. Canadian Forces Base Ottawa, Ontario. 2. HMC Dockyard Esquimalt, British Columbia. 3. Defence Research Establishment Suffield, Ralston, Alberta. 4. Canadian Forces Base Suffield, Ralston, Alberta. 5. Canadian Forces Base Edmonton, Edmonton, Alberta. 6. Canadian Forces Base Edmonton, Edmonton, Alberta. 7. Defence Research Establishment, Valcartier, Quebec. 8. Canadian Forces Base Gagetown, Oromocto, New Brunswick. 9. Canadian Forces Base Downsview, Downsview, Ontario. 10. Canadian Forces Recruiting & Selection Unit, Vancouver, British Columbia. 11. Canadian Forces Base Halifax, Halifax, Nova Scotia. 12. Canadian Forces Base Halifax at Stadacona, Halifax, Nova Scotia. (c) 1. Modern Building Cleaning, Division of Dustbane Enterprises, Ottawa, Ontario. 2. Western Janitorial Services, Victoria, British Columbia. 3. Holdens Cleaning Service & Floor Maintenance, Medicine Hat, Alberta. 4. Holdens Cleaning Service & Floor Maintenance, Medicine Hat, Alberta. 5. Northgate Janitor Service & Window Cleaning, Edmonton, Alberta. 6. Northgate Janitor Service & Window Cleaning, Edmonton, Alberta. 7. Entreprises Commerciales Morin Enr., Neufchatel, Quebec. 8. Jet Janitor Services Stephenville, Newfoundland. 9. Modern Building Cleaning, Division of Dustbane Enterprises, Toronto, Ontario. 10. French Cleaning & Janitor Service, Vancouver, British Columbia. 11. Modern Building Cleaning, Division of Dustbane Enterprises, Halifax, Nova Scotia. 12. Jet Janitor Services, Stephenville, Newfoundland. (d)1. $172,000; 2. $89,784; 3. $75,000; 4. $20,700; 5. $34,800; 6. $23,200; 7. $62,666; 8. $519,800; 9. $100,782; 10. $4,200; 11. $26,556; 12. $346,560. (e) In all cases the positions are classified as either cleaners light or heavy duty, or labourers. (f) 1. 22 employees; 2. 12 employees; 3. 15 employees; 4. 15 employees; 5. 4 employees; 6. 5 employees; 7. 13 employees; 8. 73 employees; 9. 12 employees; 10. 1 employee; 11. 7 employees; 12. 67 employees. (g) 1. 2 years; 2. 2 years; 3. 1 year; 4. 1 year; 5. 2 years; 6. 2 years; 7. 1 year; 8. 23 months; 9. 18 months; 10. 2 years; 11. 2 years; 12. 2 years.

FITNESS AND AMATEUR SPORT ACT—GRANTS MADE FOR CONSTRUCTION OF ARENAS

Question No. 2,425—**Mr. MacLean:**

1. Have grants been made by the Department of National Health and Welfare toward the cost of construction of arenas in Sherwood and Morell, Prince Edward Island, St. Catharines, Ontario and for a swimming facility in Arichat, Nova Scotia and, if so, in each case (a) what was the amount (b) when were commitments to pay these grants made (c) on what date were the grants actually made?

2. Under what policy of the government were these grants made?

3. On what date was the decision taken to launch such a policy and for what reasons?

4. Have any other grants been made under this policy and, if so (a) to whom (b) to what amount in each case?

5. Has a request for a grant or an inquiry about the possibility of qualifying for a grant been received from the Community Gardens, Kensington, Prince Edward Island or from the Crapaud Rink, Crapaud, Prince Edward Island and, if so, was the request approved and, if not, for what reasons?

6. Have other requests been received from other organizations for grants that have not been approved under this program?

7. Is the policy under which these grants were made still in effect and, if not, on what date was the program terminated and for what reasons?

8. Is it the intention of the government to reinstate this policy at any future date and, if so, on what date?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Grants were made by the Department of National Health and Welfare toward the cost of construction of arenas in Morell, Prince Edward Island for $25,000;

Sherwood, Prince Edward Island for $50,000; St. Catharines, Ontario for $50,000 and a swimming facility in Arichat, Nova Scotia for $50,000. (b) Yes. (c) Cheques were requisitioned on the following dates for these grants: St. Catharines, Ontario, February 5, 1973; Arichat, Nova Scotia, February 6, 1973; Morell, Prince Edward Island, February 13, 1973; Sherwood, Prince Edward Island, February 5, 1973.

2. These grants were made under the authority of the Fitness and Amateur Sport Act.

3. Discretion to make such grants has existed since the inception of the Fitness and Amateur Sport Program and does not require the development of a special policy. The grants were made pursuant to the general objectives of the Act; to "Promote, encourage and develop Fitness and Amateur Sport in Canada".

4. No.

5. A request for a grant was received from the Community Gardens, Kensington, Prince Edward Island. It was not approved. There is no record of a request for a grant or inquiry from the Crapaud Rink, Crapaud, Prince Edward Island.

6. Yes. A number of requests have been received. They have been acknowledged but were not approved.

7 and 8. Grants to finance local facilities are no longer made and there are no plans to reinstate the program. It was terminated at the end of 1972. A re-examination is under way, in co-operation and consultation with provinces, municipalities and universities concerning the establishment of a policy to bring selected facilities across Canada up to international standards. In this review, the department will also be looking into opportunities to develop specialized training centres in conjunction with existing facilities.

OUTSTANDING CHARTERED BANK SMALL BUSINESS LOANS

Question No. 2,747—**Mr. Stevens:**

As of September 18, 1973, or to the nearest date feasible, what were the total outstanding chartered bank small business loans (i.e. under $200,000) where the banks were receiving the minimum rate of ¼ point over prime and, as of that date, what percentage were such total small business loans to total bank business loans and to total bank general loans?

Hon. John N. Turner (Minister of Finance): The most recent statistics on the distribution by size of account of chartered bank loans are for July 31, 1973. On that date the outstanding amount of business loans under authorizations of less than $200,000 was $3,610 million. This was 23 per cent of the outstanding amount of all business loans and 13 per cent of general loans which also include the banks' personal loans. In May 1973 most banks introduced dual lending rate systems under which the rates charged on business loans under authorizations of less than $200,000 are linked to a separate base rate that is lower than the prime rate applicable to larger accounts. In mid-September when prime rates were increased by ¾ per cent to 9 per cent the base rates for smaller accounts were raised by only ¼ per cent to levels three-quarters to one percentage point below the prime loan rate. The actual rate charged to particular borrowers, whether large or small, depends also on the nature of the loan and the credit standing of the borrower.

TORONTO INTERNATIONAL AIRPORT AND MONTREAL DORVAL AIRPORT

Question No. 2,775—**Mr. Stevens:**

1. Since the opening of Terminal 2 at Toronto International Airport, what has been the average number of flights per gate per week, and for the same period, what has been the average number of flights per gate per week at Terminal 1 in Toronto and at Montreal Dorval Airport?

2. What is the average passenger Terminal floor space per gate at Terminal 2 in Toronto compared to the average passenger Terminal floor space per gate at Terminal 1 in Toronto and at Montreal Dorval Airport?

Hon. Jean Marchand (Minister of Transport): 1. Since the opening of Terminal 2 at Toronto International Airport, the average number of flights per week at Terminal 1 have been 1,124 and 1,539 at Terminal 2. In the corresponding period the average number of flights per week at Dorval have been 2,347. There are 24 gates at Terminal 1 and 16 gates at Terminal 2; these are supplemented by off-gate aircraft positions to an extent which ordinarily raises the number of actual gate positions to 32 at Terminal 1 and 22 at Terminal 2. There are 37 gates at Dorval which are only occasionally supplemented by off-gate positions. In this context therefore the average number of flights per gate per week at Terminal 1 (Toronto) equals 35; at Terminal 2 equals 70, and, at Dorval equals 63.

2. The total passenger terminal space at Terminal 1 equals 797,252 square feet; at Terminal 2, 628,231 square feet and at Dorval equals 606,000 square feet. In context of total gates served these figures equate with square feet of passenger terminal per gate as follows: 24,914 square feet at Terminal 1; 28,556 square feet at Terminal 2; 16,380 square feet at Dorval.

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NOTE: It should be noted that Toronto Terminals 1 and 2 combined have accommodated 58 per cent more passengers than Dorval in the same time period; additionally, there is a higher proportion (fluctuating) of passengers involved in trans-oceanic/trans-border traffic at Toronto.

NORTHERN MINERAL EXPLORATION ASSISTANCE PROGRAM

Question No. 2,835—**Mr. Firth:**

1. What were the names of recipients benefitting from the Northern Mineral Exploration Assistance Program (NMEAP) in each of the fiscal years 1972-73 (January 1, 1973 to end) and 1973-74 to date and what were the amounts of money involved in each case?

2. Has the Department completed its comprehensive evaluative study of the program and, if so, what was the date of the report?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. 1972-73 to March 31, 1973:

Company	Amount Paid $
Charta Mines Ltd.	16,489
Five Star Petroleum	16,669
Teslin Explorations Ltd.	10,247
Duke Mining Ltd.	4,631
Dynasty Exploration Ltd.	50,000
Boswell River Mines Ltd.	21,487
Norman H. Ursel	3,689
Cessland-Fort Norman Syndicate	50,000
High Country Minerals	6,150
J. M. Wheelton	419
Darnley Bay Syndicate	24,777
Vestor Explorations	50,000
Claymore Resources	2,949
Silver Spring Mines	12,496

1973-74 to October 22, 1973

Five Star Petroleum	27,727
Savanna Creek Gas & Oil	26,346
Trans Columbia Exploration	1,151
B.C. Yukon Exploration	3,367
Ice Station Resources	33,198
Dynasty Explorations Ltd.	50,000
Silver City Mines Ltd.	8,468

2. An evaluative study of the program has been carried out and is presently under review.

ADJUSTMENT OF STATUS PROGRAM—HALIFAX REGION

Question No. 2,837—**Mr. Forrestall:**

How many immigrants illegally in Canada turned themselves in during the recent "Make this country your country" campaign in the Dartmouth-Halifax region?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): The number of aliens registered under this program in the Dartmouth-Halifax area is 655 made up of 583 registrants and 72 dependants. The program did not differentiate between persons in Canada legally and those in Canada illegally but rather made its benefits available to all who met the criteria.

CANADIAN PENSION COMMISSION APPLICATIONS

Question No. 2,940—**Mr. Marshall:**

1. How many applications have been received by the Canadian Pension Commission since the Pension Act was amended on March 30, 1971 and, of these, how many have been adjudicated?

2. (a) Of the number adjudicated upon, how many were resolved (i) in favour of (ii) against the veteran (b) as of September 31, 1973, how many applications were still on hand?

3. How many claims are being adjudicated each month during 1973?

4. As of the end of September 1973, how many claims were on hand and, of these, how many were (a) over a year old (b) over nine months old (c) over six months old?

5. As of the end of September 1973, how many claims were for World War I veterans?

6. What is the average age of war veterans who served in (a) World War I (b) World War II (c) Korea?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Applications received to end of September, 1973, 24,472; Applications completed, 15,764.

[Mr. Chrétien.]

2. (a)(i) in favour of the veteran, 7,769; (ii) against the veteran 12,492. (b) Applications on hand, 8,708.

NOTE: Many applications cover more than one condition and/or more than one period of service.

3. January, 822; February, 982; March, 827; April, 679; May, 559; June, 706; July, 866; August, 811; September, 1,194.

4. Statistics on outstanding claims are not available for the precise periods indicated in the question, however, following are figures for closely related periods: Total claims on hand, 8,708; (a) one year or older, 2,822; (b) over 10 months old, 2,822 plus 930 equals 3,752; (c) over seven months old, 2,822 plus 930 plus 1,567 equals 5,319.

5. Statistics available on the number of outstanding claims are not broken down by periods of service.

6. The only accurate figures available on the average age of all war veterans are taken from the 1971 census which showed as follows: World War I, 76.7 years. World War II and Korea combined, 51.8 years. The average age of disability pensioners as of September 30, 1973 was: World War I pensioners, 79.77; World War II pensioners, 57.85; Special Force (Korea) pensioners, 47.04.

CRTC—FREE-TIME MINISTERIAL ANNOUNCEMENTS

Question No. 3,021—**Mr. Clark (Rocky Mountain):**

Has the government given any consideration to the application in Canada of rules applied to the BBC and independent television in Great Britain establishing a category of free-time ministerial announcements to which there is a formal right of reply by the Opposition and (a) if so, for what reason is it not now in effect (b) if not, on what date will it be?

Hon. Gérard Pelletier (Minister of Communications): The Canadian Radio Television Commission has no such regulation. The government does not intend to take any action to establish such a procedure in Canada.

CONTROL OF TICKS IN KEJIMKUJIK PARK

Question No. 3,023—**Mr. Crouse:**

1. Has the government made any effort to control the ticks which are a nuisance to Nova Scotians and which constitute a menace to tourists visiting Kejimkujik Park and, if so (a) what process has been applied to control these pests (b) what amount of money has been set aside for this project?

2. Is the government familiar with the progress being made by ZOECON of California in preparing hormonal insecticides to control pests that attack both ornamental plants and food crops and, if so, is it prepared to have this process applied by officials of the Department of Indian Affairs and Northern Development to the Nova Scotia ticks in Kejimkujik Park?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. (a) No chemicals are currently being used by Parks Canada to control ticks in Kejimkujik National Park. Parks Canada by participating in a provincial committee is studying the problem and the park circulates brochures which inform the users of ways to cope with the tick. (b) Not applicable.

2. The juvenile hormone, ZOECON, is not yet registered for use in Canada. The use of this hormonal insecticide will not be permitted in parks until registered with the Department of Agriculture and it is proven that there are no detrimental side effects to the environment.

FARM IMPROVEMENT LOANS—GREY-SIMCOE

Question No. 3,051—**Mr. Mitges:**

1. How many farm improvement loans were distributed in the electoral district of Grey-Simcoe in 1972 and to October 1, 1973?

2. What was the total amount in dollars?

Hon. John N. Turner (Minister of Finance): 1. and 2. The requested data is not maintained by electoral district.

FARM IMPROVEMENT LOANS GRANTED IN ONTARIO

Question No. 3,052—**Mr. Mitges:**

1. How many farm improvement loans were distributed in Ontario in 1972 and to October 1, 1973?

2. What was the total amount in dollars?

Hon. John N. Turner (Minister of Finance): 1 and 2:

	Farm Improvement Loans Distributed in Ontario	
Year	No.	$ (million)
1972	8,705	3,116
*1973 (to October 1)	7,172	2,913

*Preliminary data. All final returns for September not yet recorded.

LOANS TO SMALL BUSINESSES—GREY-SIMCOE

Question No. 3,053—**Mr. Mitges:**

1. How many loans to small businesses were distributed in the electoral district of Grey-Simcoe in 1972 and to October 1, 1973?

2. What was the total amount in dollars?

Hon. John N. Turner (Minister of Finance): 1. and 2. The requested data is not maintained by electoral district.

LOANS GRANTED TO SMALL BUSINESSES IN ONTARIO

Question No. 3,054—**Mr. Mitges:**

1. How many loans to small businesses were distributed in Ontario in 1972 and to October 1, 1973?

2. What was the total amount in dollars?

Hon. John N. Turner (Minister of Finance): 1 and 2:

	Small Business Loans Distributed in Ontario	
Year	No.	$ (million)
1972	596	6.2
*1973 (to October 1)	411	4.2

*Preliminary data. All final returns for September not yet recorded.

Order Paper Questions

PASSENGER TERMINALS IN FREDERICTON, SAINT JOHN, MONCTON, HALIFAX, CHARLOTTETOWN

Question No. 3,059—**Mr. MacLean:**

How large are the floor areas of each of the passenger terminals and what is the passenger load in each case for the last period for which figures are available for each of the following airports (a) Fredericton (b) Saint John (c) Moncton (d) Halifax (e) Charlottetown?

Hon. Jean Marchand (Minister of Transport): The floor areas of each of the passenger terminals at the following airports are: Fredericton, 7,343 square feet; Saint John, 6,610 square feet; Moncton, 8,468 square feet; Halifax, 147,234 square feet; Charlottetown, 4,900 square feet. The passenger load for the last period for which figures are available for each of the above listed airports reads as follows:

	Period—1/1/72 to 31/12/72 Passengers		
Airports	Enplaned	Deplaned	Total
Fredericton	71,755	66,563	138,318
Saint John, New Brunswick	72,136	72,453	144,589
Moncton	83,479	85,674	169,153
Halifax	427,033	422,695	849,728
Charlottetown	52,306	50,013	102,319

CANADA-USSR FISHERIES AGREEMENT

Question No. 3,098—**Mr. Crouse:**

Has the government or government officials signed an agreement with the USSR that would allow the use of Tasu Inlet as an operational base for Soviet vessels and, if so, what was the basis for the said agreement and what are the particulars relating to the scope of the operation of Soviet vessels in this Inlet?

Hon. Mitchell Sharp (Secretary of State for External Affairs): On January 22, 1971, an agreement was concluded with the USSR on co-operation in fisheries in the north-eastern Pacific Ocean off the coast of Canada. The agreement came into force on February 19, 1971, for a two year period and was extended with amendments in February 1973 for a further two year period. Article VII of the agreement states: "The Government of Canada will permit fishing vessels of the Union of Soviet Socialist Republics and their service vessels to conduct loading and unloading operations in Tasu Sound and in the territorial sea of Canada off the west coast of Moresby Island between 52 degrees 23 minutes north latitude and 52 degrees 56 minutes north latitude. Such vessels will be permitted to enter Tasu Sound through an entrance corridor of Canadian internal waters extending two miles to the south and two miles to the north of the centre line of the entrance to Tasu Sound. To ensure safe navigation each fishing or service vessel of the Union of Soviet Socialist Republics must notify the Canadian Director of Fisheries, Pacific Region, through the radio stations at Victoria, Tofino or Bull Harbour, preferably twelve hours but in no case less than two hours in advance of its expected time of arrival at the entrance to Tasu Sound." The basis for this agreement is described in its preamble, which may be summarized as recognizing the mutual interest of both countries in co-operating on fisheries in the area, and in conducting operations on a scientific basis with due regard to conser-

vation. In particular, through this agreement the government of Canada secured the removal of Soviet trawlers from the Big Bank area on the high seas off the coast of Vancouver Island where there had been conflicts with the operations of Canadian fisherman. The agreement has operated to the satisfaction of both countries, as evidenced by its recent renewal.

LIST OF ELECTORS—SPECIAL VOTING RULES

Question No. 3,115—**Mr. Forrestall:**

1. For what reason were the numbers of electors on the voting lists for the last federal election not given for those Canadians voting under Special Voting Rules for any federal constituency except Gander-Twillingate in Newfoundland?

2. What were the numbers of electors on the lists who were eligible to vote under the Special Voting Rules in the last federal election for each riding other than Gander-Twillingate which alone appeared in the report of the Chief Electoral Officer on page 799?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. As the lists of Canadian Forces and Public Service electors, prepared pursuant to the provisions of paragraph 37(5)(c) of the Special Voting Rules (Schedule II to the Canada Elections Act), do not include dependant electors, the lists give in fact only a close approximation of the number of electors who are eligible to vote under the Special Voting Rules in a particular electoral district. For that reason it has never been considered advisable to include that information in the report which the Chief Electoral Officer is required to publish pursuant to subsection 58(9) of the Canada Elections Act. However, as under an amendment made to the act in 1970, copies of the lists applicable to each electoral district were forwarded by the Chief Electoral Officer to the appropriate returning officer who had to make them available for inspection during the period of the general election by the candidates officially nominated in that electoral district, pursuant to subsection 28(1) of the act, a number of returning officers, including the returning officer for Gander-Twillingate, did add up the number of names on their lists and included the figure so obtained in their Recapitulation Sheets which served as the basis for the preparation of the statistical report published pursuant to subsection 58(9) of the act. Through an oversight, the figure respecting Gander-Twillingate was included in the report of the Chief Electoral Officer.

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NOTE: The predecessor to the Special Voting Rules, the Canadian Forces Voting Rules (superseded on April 12 , 1971), did not provide for the preparation of lists of Canadian Forces electors by electoral district.

2. Since returning officers were not required to report in their Recapitulation Sheets information respecting the number of Canadian Forces and Public Service electors appearing on the Special Voting Rules lists, and as the lists themselves were destroyed shortly after they were returned by the returning officers because by statute they are not open for inspection outside the period of an election, information is available in respect of only the following electoral districts, where the returning officers reported that information in their Recapitulation Sheets: Abitibi, 191; Ahuntsic, 117; Brandon-Souris, 282; Bruce, 146; Champlain, 225; Compton, 249; Duvernay, 120; Esquimalt-Saanich, 1,675; Fort William, 150; Halton, 140; Hamilton Mountain, 175; High Park-Humber Valley, 121; Joliette, 162; Kamouraska, 221; Kootenay West, 189; Lambton-Kent, 173; Lincoln, 174; Mackenzie, 153; Manicouagan, 106; Northwest Territories, 38; Outremont, 99; Peace River, 163; Port Arthur, 171; Provencher, 181; Qu'Appelle-Moose Mountain, 269; Red Deer, 265; Rivière-du-Loup-Témiscouata, 257; Roberval, 152; Rosedale, 157; Saint John-Lancaster, 713; Saskatchewan-Humboldt, 234; Sault Ste. Marie, 184; Sherbrooke, 299; Skeena, 118; St. Paul's, 112; Stormont-Dundas, 250; Surrey-White Rock, 285; Timmins, 197; Yorkton-Melville, 262; Yukon, 95.

[Mr. Sharp.]

WEDDING GIFT FOR HRH PRINCESS ANNE

Question No. 3,126—**Mr. O'Sullivan:**

Did the government purchase a wedding gift for HRH Princess Anne and, if so (a) what was the gift (b) what was its cost, including transportation (c) by whom was it chosen and what criteria were used in its selection?

Hon. James Hugh Faulkner (Secretary of State): The government of Canada, on behalf of the Canadian people, offered a tapestry by the internationally-renowned Canadian artist, Mariette Rousseau-Vermette, to Her Royal Highness the Princess Anne on the occasion of her wedding to Captain Mark Phillips. In keeping with the occasion and the person to whom the gift was destined, a body of officials and experts considered the selection on its originality, uniqueness, Canadian-ness and artistic value. Protocol demands that discretion be observed in connection with monetary value in matters of this particular nature.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

*RENOVATION OF CONFEDERATION BUILDING

Question No. 2,585—**Mr. Coates:**

1. What has been the total estimated cost of renovating the Confederation Building for offices of Members of Parliament and how was the contract in question awarded and, if tenders were called, what were the names of the firms that submitted tenders and was the successful tenderer the lowest bidder?

2. How many offices were created in the renovation and, of these, how many are being used by Members of Parliament and how many by staff?

3. What is the breakdown in the size of offices and suites provided to Members of Parliament?

4. Was the furnishing of the offices a part of the general contract or were such furnishings provided in a different manner under a separate contract and, if so (a) by what firm or firms (b) were tenders called in every instance and, if so, in each instance (i) by what department (ii) was the lowest bidder awarded the contract (iii) what was the amount of the contract and if there were any exceptions to the low bidder receiving the contract, what are the full details with regard to the calling of tenders, the firms submitting bids and the reason the low bidder did not receive the tender?

5. How were plans conceived for the (a) renovation (b) redecoration of the Confederation Building and, in each case, were outside consultants involved and, if so (i) what outside consultants (ii) what are the estimated fees that will be paid to said outside consultants (iii) what were the names of the firms and how were they selected?

6. (a) How were the furnishings secured for the offices in the Confederation Building and what was the cost and what firm or firms supplied the furniture and, in every instance, were tenders called and did the lowest bidder receive the contract and, if not, for what reason (b) what were the names of the firms who secured those contracts with all details in relation to the subject?

7. How many special facilities have been provided for Members of Parliament in the Confederation Building (a) what are they (b) how were they established (c) how many people will be involved in the servicing of these special facilities (d) what will be the estimated cost in salary and wages for the staff in question?

8. What individuals will be allowed to use the facilities of the cafeteria, the lounge, the barber shop, the sauna and the recreation room in the Confederation Building?

9. (a) How many mini-buses are provided for travel between the Confederation Building and the Parliament Buildings (b) what was the cost of each mini-bus (c) how many people are involved in the operation of this service (d) what will be the estimated total cost in salaries and wages for the operation of this service?

Return tabled.

APPLICATIONS UNDER CANADA MANPOWER MOBILITY PROGRAM

Question No. 2,980—**Mr. Leggatt:**

1. What was the number of applications received under the Canada Manpower Mobility Programme for (a) Exploratory Grants (b) Trainee Travel Grants (c) Relocations Grants in each fiscal year 1972-73 (June 1, 1972 to end) and 1973-74 to date, by province?

2. In each fiscal year and by province, how many applications for each type of grant were (a) rejected (b) accepted?

3. In each fiscal year and by province, how many recipients of Exploratory Grants found employment in the area of job opportunity explored?

4. In each fiscal year and by province, how many recipients of Trainee Travel Grants found employment in the trade for which they were trained under the travel grant?

5. In each fiscal year, how many recipients of Relocation Grants subsequently registered at Canada Manpower Centres as unemployed?

6. In each fiscal year and by province, what was the total operating cost of the Programme?

Return tabled.

TOTAL GOVERNMENT EXPENDITURE UNDER ARDA

Question No. 3,015—**Mr. Wise:**

1. What were the total government expenditures under ARDA in each year 1969, 1970, 1971 and 1972?

2. What provinces received money under ARDA and what was the total amount received by each province for each of these years?

3. For what purpose or projects were ARDA funds utilized for each province for each of these years?

Return tabled.

● (1410)

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

MEASURES TO OFFSET DECLINE IN REAL DOMESTIC PRODUCT IN THIRD QUARTER

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is directed to the Minister of Finance. Is the minister concerned about the significant decline in real domestic output in the third quarter, and what remedial measures does he plan to implement?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman is talking about the real domestic product. We have not had the third quarter gross figures produced or published yet. They reflect, as I indicated to the House some weeks ago, a certain turndown as a result of the rail strike and other strikes in the third quarter.

MINISTER'S INTENTION RESPECTING IMPLEMENTATION OF ECONOMIC COUNCIL RECOMMENDATIONS—REQUEST FOR REFERENCE OF REPORT TO COMMITTEE

Hon. Paul Hellyer (Trinity): In view of the fact that our real domestic output has begun to decline while our price performance in 1973 has been quite unsatisfactory when compared with six other OECD countries, does the minister intend to implement any or all of the recommendations of the Economic Council? Further, will he agree to refer this report to the Standing Committee on Finance, Trade and Economic Affairs?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I would like to take that suggestion under advisement. I see no reason why not but, Mr. Speaker, the problem of growth at the moment is not a shortage of demand but a shortage of supply in many parts of the country, a shortage of materials and of labour, skilled and unskilled.

Mr. Hellyer: There is, as the minister knows, still a considerable unemployment problem in Canada, which makes it difficult to understand the shortage of supply, but in view of the obvious impact on taxes and inflation of the increasing cost of unemployment insurance benefits, will the minister recommend to his colleagues changes in the act which will make it easier for legitimate claimants for whom the fund was intended and much more difficult for those who abuse the fund as an inexhaustible source for rip-off?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I could not put it any more fully or better than my colleague did some days ago in the House.

POSSIBILITY OF CUT IN GOVERNMENT EXPENDITURES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. In view of the fact government

expenditures during the five years of this administration have risen by over 63 per cent, and in view of the fact the Economic Council report recommends most strongly to the minister that over the next five years government expenditure increases be held to 5 per cent or under per year, can the minister advise the House if he is considering any cut in the gross expenditures of the government?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the percentage of federal expenditures as against the gross national product has remained about constant over that five years, whereas provincial and municipal governments, in terms of their expenditures, have penetrated even farther into the gross national product.

I might point out to the hon. gentleman that he and his colleagues during the last budget debate, when they were arguing about a cash requirement of $2 billion as suggested by the government, said it should be doubled to about $4½ billion. I wonder where their change of mind comes from.

* * *

ENERGY

MEETING BY TANKERS OF STANDARDS SET AT INTERNATIONAL CONFERENCE IN MOVEMENT OF OIL FROM WEST COAST TO EASTERN CANADA

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Minister of the Environment. Inasmuch as the movement of oil by tanker through the Gulf of Georgia and the Strait of Juan de Fuca from west coast ports will pose the threat of serious ecological damage if an oil spill takes place, will the minister assure the House that any oil tankers used to transport oil from a west coast port to any port on the east coast will be required at the very least to meet the standards for oil tankers agreed to at the recently concluded IMCO conference, about which the minister spoke so highly and glowingly?

Hon. Jack Davis (Minister of the Environment): Yes, Mr. Speaker, I would be glad to give the House that assurance. I might also point out that if oil does move from the west coast to the east coast it will be in quantities which are interim only and minute in relation to the vast quantities of oil proposed to be moved from Alaska to the Pacific northwest.

Mr. Howard: That is precisely why I asked the question. I did not want us to have a double standard, one applying to ourselves and another to somebody else.

POSSIBLE MOVEMENT OF OIL BY TANKER FROM WEST COAST TO EASTERN CANADA—PROTECTION OF CONSUMERS AGAINST PRICE GOUGING

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to ask the Minister of Energy, Mines and Resources a supplementary question with respect to this potential movement of oil out of west coast ports. Inquiries have been made by Gulf Oil, Shell and Golden Eagle and apparently steps are being planned by Trans Mountain Pipe Line Company to provide oil for shipment through Panama to the east coast. Will the minister establish a monitoring system to ensure that this mechanism of moving oil will not be used to gouge eastern consumers?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would point out to the hon. gentleman there is a good probability that the price of oil delivered in this way to eastern Canada could be lower than the price they would have to pay for offshore supplies.

Mr. Howard: Mr. Speaker, are we to conclude that the minister will abandon his idea of establishing the domestic price next year based upon the importation of oil into the Montreal area?

Mr. Macdonald (Rosedale): No, Sir. I would point out that at the moment the price as frozen by the government is lower than it would have been if some of the opponents of the freeze had had their way.

* * *

[*Translation*]

INDIAN AFFAIRS

STOPPAGE OF WORK ON JAMES BAY POWER PROJECT FOLLOWING COURT JUDGMENT—FURTHER ASSISTANCE TO INDIANS ON APPEAL HEARING

Mr. René Matte (Champlain): Mr. Speaker, I would like to put a question to the Minister of Indian Affairs and Northern Development.

Did the minister take any steps to check if the works on La Grande River, at James Bay, have really been interrupted?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I did not take any steps but according to the information I received the works have now been stopped. Some people are still there on account of the great distances and the isolated site.

Mr. Matte: Mr. Speaker, I wish to ask a supplementary question.

Has the hon. minister directly offered the Quebec government to act as a mediator in this conflict and, in the event the proceedings reach the Supreme Court, will his department continue to provide financial assistance to the Indians concerned?

Mr. Chrétien: Mr. Speaker, in reply to the second part of the question, I must say that we are still responsible for the Indians in Canada and that we shall continue to help them vindicate their rights. As to the first part of the question, indeed I did offer my services to the Indians and the Quebec government.

[*English*]

ENERGY

INQUIRY AS TO STATEMENT ON GUIDELINES FOR CONSERVATION THIS WINTER

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, my question is also for the Minister of Energy, Mines and Resources. Can the minister confirm that he will be making a statement on conservation measures this week and that there will not be a delay of a week or two as has been rumoured over the weekend?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am meeting with the provincial ministers on Friday of this week.

Mr. Lawrence: That has nothing to do with it.

Mr. Macdonald (Rosedale): It has everything to do with it because I think some of the important measures to be taken are within provincial jurisdiction.

Mr. Lawrence: They have already started.

Mr. Macdonald (Rosedale): I would think it would be desirable to have consultation with the provincial ministers before making an announcement. I would expect, therefore, it would be made a week from today.

Mr. Bell: Since two of the provinces have already gone ahead within their jurisdictions with very commendable conservation measures, and since we all know the minister's record of moving very slowly, will he give an assurance to the House that some leadership will be shown by the government on the very important conservation measures that all other countries that are affected have been taking?

Mr. Macdonald (Rosedale): Mr. Speaker, I point out to the hon. gentleman that the measures that we indicated to the House some two weeks ago are those that the provinces have been following. I am sure the hon. gentleman would prefer that we have consultation with the provinces before acting in this area.

Mr. Bell: Federal jurisdiction!

OIL—SUGGESTED APPOINTMENT OF RESIDENT AMBASSADOR TO SAUDI ARABIA

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I should like to direct a question to the Prime Minister. Having regard to the statements made by the ministers of Arab oil producing countries that the Arab oil embargo will be partially lifted for many countries in the European Economic Community, and having regard to the fact that Canada was not included in the Arab list and that our current representative in Riyadh lives in Beirut, is the Prime Minister giving consideration to naming a resident ambassador to Saudi Arabia provided he can be sure that the classified reports from that mission will be kept confidential?

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

INCREASES IN NATURAL GAS PRICES IN BRITISH COLUMBIA—MINISTER'S POSITION—PRIOR CONSULTATION WITH FEDERAL GOVERNMENT

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the increases in gas prices by Westcoast Transmission, encouraged by the British Columbia Energy Commission, of upward of 80 per cent, in this within the guidelines of the voluntary price freeze suggested by the minister some time ago?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the price freeze related to oil rather than natural gas. I have noticed that the NDP government there has increased the price by 81 per cent, and I leave that for reflection.

Mr. Ritchie: Did the government of British Columbia have any consultations with the minister and the federal government before these increases were made?

● (1420)

Mr. Macdonald (Rosedale): Mr. Speaker, we have had some discussions with that government but I must confess I did not expect an 81 per cent increase.

* * *

EXTERNAL AFFAIRS

STUDENT DEMONSTRATION AGAINST GREEK GOVERNMENT—REQUEST THAT CANADA MAKE REPRESENTATIONS RESPECTING PRESERVATION OF DEMOCRACY

Mr. Andrew Brewin (Greenwood): Mr. Speaker, in the absence of the Secretary of State for External Affairs I wish to direct my question to the Prime Minister. Will the Prime Minister make representations to the Greek government, as a member of NATO and the United Nations, at this time when students are laying down their lives in the struggle for freedom, expressing the deep concern of the people of Canada about the preservation and recovery of democracy in Greece, the ancient home of democracy?

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I take due note of the hon. member's representations.

[*English*]

Mr. Brewin: Again, I wish to address this question to the Prime Minister, but perhaps the parliamentary secretary will give the answer. Would the Prime Minister also make representations urging that student demonstrations in the cause of freedom not be used as an occasion of suppression and denial of human rights?

[*Translation*]

Mr. De Bané: I am also taking note of these representations.

Oral Questions

[*English*]

FISHERIES

PROPOSED LICENSING POLICY FOR EAST COAST FISHERMEN—SOCIAL IMPLICATIONS IN NEWFOUNDLAND

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Minister of Fisheries. In view of the serious restrictions being placed on our fishermen by the proposed licensing policy as outlined in the minister's statement of November 14 and the implications of this new policy for our fishermen, particularly in Newfoundland, is the minister prepared to say if similar restrictions are being imposed by other ICNAF countries on their fishermen?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, no new restrictions are being placed on any of our fisheries. Other countries have limited fleets, but the rule is to subsidize the industry where it shows capability of expansion.

Mr. Carter: Mr. Speaker, I was referring to the minister's statement in which he said that a licensing program would be imposed on the fishermen and fishermen without a licence would not be able to fish. That must mean restriction. Is the minister aware of the social implications of this policy for the province of Newfoundland in that, in addition to placing unfair restrictions on Canada as a coastal state, it would have the effect of destroying a centuries old way of life in Newfoundland?

Mr. Davis: Mr. Speaker, certain segments of the industry can be expanded very considerably to take advantage of quotas which have been negotiated internationally and where we have a prospect of making a very good return on new investment in new vessels.

PROPOSED LICENSING POLICY FOR EAST COAST FISHERMEN—REQUEST FOR REFERENCE TO STANDING COMMITTEE

Mr. James A. McGrath (St. John's East): I have a supplementary question, Mr. Speaker. In view of the serious economic and social implications of the minister's policy statement for the people of Newfoundland, is the minister prepared to have this matter referred to the fisheries committee so that it can serve as a vehicle to hold public hearings before this restrictive policy is implemented?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, certainly the matter can, should and will be referred to the committee. It has already been extensively discussed, however, with the industry, with the fishermen and with the provincial fisheries service and, broadly speaking, they all endorse the policy.

Mr. McGrath: Mr. Speaker, as the policy is to be implemented by the first of the year and as the people of Newfoundland do not fully appreciate yet the very serious implications of the policy, will the minister postpone the implementation date so that the people of Newfoundland will have a chance to realize exactly what is happening to them?

[Mr. De Bané.]

Mr. Davis: Mr. Speaker, the registration of vessels begins on January 1. Some vessels are already registered; others should be. That is all that begins on January 1. So far as the numbers of vessels are concerned and the granting of subsidies in some areas but not in others, this is certainly a matter for further discussion.

EAST COAST—AREAS AND SPECIES INVOLVED IN BAN ON NEW FISHERMEN

Mr. John Lundrigan (Gander-Twillingate): I have a supplementary question, Mr. Speaker. In view of the minister's own words that in certain areas of the continental shelf and with regard to certain species no new entrants will be permitted, no new registrations and no new vessels—I think that spells out the restrictions to which the hon. member was referring—have he and his bureaucrats decided what areas we will not be permitted to fish in terms of new entrants and the species that are on the restricted list?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the species on the restricted list were spelled out in my statement last week. Herring is one example; lobster in the Maritime provinces is another.

Mr. Lundrigan: Mr. Speaker, I want the minister to tell us which areas and which species are involved. He indicated in his statement that only in areas which are considered underexploited will new entrants be permitted. Have the minister and with his officials determined which geographic areas of the great expanse of the northwest Atlantic are underexploited and which areas are overexploited? Can he tell us if other countries have the same restrictions on involvement by their fishermen with regard to specific areas?

Mr. Davis: Mr. Speaker, there are no restrictions envisaged other than with respect to the species mentioned in my statement last week such as lobster and herring.

Mr. Speaker: Order, please. The hon. member for Skeena and the hon. member for Humbert-St. George's-St. Barbe have supplementaries. I will first recognize the hon. member for Skeena.

EFFECTS OF SALMON LICENCE LIMITATION PROGRAM IN BRITISH COLUMBIA—STEPS TO PREVENT SIMILAR RESULTS IN NEWFOUNDLAND

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to address my supplementary to the Minister of Regional Economic Expansion. Has he had an examination made of the salmon licence limitation program in effect for some years now in British Columbia to determine the injury it has caused to the salmon industry there, the fishermen in particular, and the confusion created by it? Following that examination, will the minister take whatever steps he can to prevent a similar visitation upon the people of his own province?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): If that question gets by Your Honour

as being non-argumentative, I will be glad to answer it to the extent I can. I will take it as notice and try to give a more detailed reply later.

Mr. Speaker: Order, please.

EAST COAST—REQUEST FOR EXEMPTION OF INSHORE FISHERMEN FROM NEW POLICY RESTRICTIONS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my supplementary is to the Minister of Fisheries. In view of the fact inshore fishermen are the victims of the over exploitation the minister is endeavouring to stop, will he exempt inshore fishermen from the restrictions he is imposing?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, essentially the inshore fishermen taking groundfish are exempted from the provisions of the statement I made last week.

Mr. Speaker: Order, please. The hon. member for Humber-St. George's-St. Barbe will be recognized for a last supplementary and then the hon. member for Scarborough West who has a supplementary to the previous question.

Mr. Marshall: Will the minister agree and direct that the matter contained in my motion today be referred to the Standing Committee on Fisheries and Forestry so that representatives of all parties may hear the views of Atlantic fishermen before any action is taken?

Mr. Davis: Mr. Speaker, I would be very glad to answer questions on that subject at any time in the committee.

* * *

[*Translation*]

EXTERNAL AFFAIRS

GREECE—SUPPRESSION OF STUDENT DEMONSTRATION—POSITION OF COUNTRY AS NATO MEMBER

Mr. John Harney (Scarborough West): Mr. Speaker, I would like to ask a supplementary to that of the hon. member for Greenwood to the right hon. Prime Minister.

Since the armoured and military equipment used by the Greek government during the weekend to suppress mass demonstrations were supplied through NATO, will the Canadian government raise the issue of the Greek membership within NATO during the NATO defence ministers' meeting in December, in Brussels?

Mr. Pierre De Bané (Parliamentary Secretary to Secretary of State for External Affairs): I do not think so, Mr. Speaker.

ENERGY

SUGGESTED ESTABLISHMENT OF BODY TO INVESTIGATE PRICE INCREASES PROPOSED BY OIL COMPANIES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to ask a question of the hon. Minister of Energy, Mines and Resources.

In view of the fact that whole milk producers must submit milk price increases to a government board and that relevant public notices must be published in newspapers so that consumers may give their opinions, does the minister intend to propose similar measures for oil companies requiring them to proceed in the same way before they can increase their prices?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am sorry, but I did not understand to which product the hon. member referred at the beginning of his question.

Mr. Lambert (Bellechasse): With your permission, Mr. Speaker, since it is an issue of national interest, I will repeat my question.

In view of the fact that whole milk producers must submit milk price increases to a government board and that relevant public notices must be published in newspapers so that consumers may give their opinions, does the minister intend to propose similar measures for oil companies requiring them to proceed in the same way before they can increase their prices?

Mr. Macdonald (Rosedale): Mr. Speaker, I thank the hon. member for having repeated his question, but I can assure him that I will not propose similar measures.

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

Mr. Speaker: This time I hope the minister will hear the supplementary question of the hon. member for Bellechasse.

● (1430)

Mr. Lambert (Bellechasse): Mr. Speaker, given the explicit answer of the minister as well as the ever increasing public concern and since companies are allowed to increase their prices without any warning and without being subjected to any regulation as in other economic sectors, especially the one I referred to, can the minister say whether he intends to propose other measures to protect consumers?

Mr. Macdonald (Rosedale): Mr. Speaker, the problem is as follows: in eastern Canada we depend on off-shore imports for our crude oil supplies. This is why we do not have the same control as for production cost of whole milk.

[*English*]

PURCHASES OF FUEL OIL ON GOVERNMENT ACCOUNT—SUGGESTED TAKING OF OPTIONS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Supply and Services. Can the minister explain his many references in the House to purchases of fuel oil made by the Canadian Commercial Corporation when in fact that corporation has not purchased a gallon of oil to date?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, it is quite simple, the Canadian Commercial Corporation has constantly been mentioned while I referred to the fact that my department had purchased oil. Anyhow, the government has purchased oil through the Minister of Supply and Services.

[*English*]

Mr. Stevens: Would the minister agree that rather than purchasing the oil his department might be better advised if it were simply to take options capable of being exercised or not at a later date?

[*Translation*]

Mr. Goyer: Mr. Speaker, the oil market is very tight right now. It is now important to find as much oil as possible to face the shortage that will occur in eastern Canada. If we could do it under perfect conditions, at prices which are more advantageous than those we are negotiating, we would do so. If we could simply get these options and be satisfied with them, we would. In fact, we made firm purchases and we got a part of this quantity of oil under option. So, we act according to the market possibilities which are extremely difficult.

* * *

[*English*]

COMMUNICATIONS

REPORTED NEGOTIATIONS BETWEEN FILM BOARD AND CANADIAN NATIONAL HOTELS FOR OPERATION OF UNLICENSED PAY TELEVISION—MEETING WITH PROVINCIAL MINISTERS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is addressed to the Minister of Communications. Over a year ago the Canadian Radio-Television Commission issued a public statement that pay television in Canada would be carried on through federally-licensed broadcasting and receiving undertakings. It now appears that the National Film Board is negotiating with Canadian National hotels to have unlicensed pay television run by Columbia Pictures under the name of Trans-World in the hotels. I should like to know whether there has been a complete reversal of policy since a year ago.

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, there was no change in policy. This agency is not under the responsibility of my department and I personally do not know which transactions may have taken place, between the National Film Board and the CN or CP hotels.

[Mr. Macdonald (Rosedale).]

[*English*]

Mr. Nowlan: I appreciate that the minister is not responsible for the Film Board but he is certainly responsible for the CRTC. Would he look into this matter, and can he tell us today the status of the meeting of ministers of communication at the end of this month. Will it be an open meeting? Can observers be present? Has there yet been agreement upon a definite agenda?

[*Translation*]

Mr. Pelletier (Hochelaga): Yes, Mr. Speaker. Within the logic of the decision taken by the provincial ministers of communications to admit members of the media and newspapermen to the conference, it became imperative that observers and parliamentarians be admitted also and thus it will be a completely open conference. As to the second part of the hon. member's question, I will answer the agenda is established with as much accuracy as we could obtain through agreement with the provincial departments. I will not say to the hon. member that I am satisfied with the degree of accuracy we have reached but, apparently, it was the maximum degree of exactness we could reach by consensus with provincial ministers.

* * *

[*English*]

GRAIN

SUGGESTED DELIVERIES BY FARMERS ON MONTHLY BASIS—CLEARING UP OF BACKLOG

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Justice responsible for the Wheat Board. Now that the Wheat Board has committed itself to final payments at a certain level and since deliveries to the terminals are hopelessly behind, has the minister any plans whereby deliveries may be made on a monthly basis so that farmers will at least have an idea as to what they can deliver in the next few months?

Hon. Otto E. Lang (Minister of Justice): The Wheat Board has estimated what the final payments will be. It has not made any commitment as to the final payments, as the hon. member suggests. Delivery opportunities will be offered to farmers as fast as the grain can be moved forward. Farmers now know the extent of guaranteed minimum quota levels for the year on wheat, barley and oats and a cash advance program is available to them in case delivery opportunities do not arise as fast as they would wish.

Mr. Korchinski: Does the minister anticipate that the backlog, which amounts to something in the order of 75 million bushels, will be cleared by January or February? Does he have any deadline at all in mind for catching up?

Mr. Lang: The volumes of grain on hand at the west coast and Thunder Bay are gradually growing. The challenge is to get enough grain, particularly barley and oats, into Thunder Bay and then into eastern positions before the winter, and to find alternatives if this cannot be accomplished. The question of the backlog is, in the end, really a question of the volume of grain we can export this year after three years of exporting more than we have

been producing. We shall do that once more this year but obviously a target of about 800 million bushels may be a reasonable one to achieve.

DATES OF ISSUANCE OF PRICE LISTS FOR FEED GRAINS

Mr. A. P. Gleave (Saskatoon-Biggar): Can the minister tell the House when the next price list for feed grains will be issued if it has not already been issued this weekend? Will the minister ask the Wheat Board to establish dates on which these prices will be regularly stated so that the trade and the farmers may know when to expect them?

Hon. Otto E. Lang (Minister of Justice): I believe the most recent prices will have been announced in Winnipeg a matter of minutes ago following the pattern established several months ago, namely, the announcement of these prices every two weeks on Monday afternoon. This is Monday, and the hon. member may expect another announcement two weeks from now.

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ENERGY

PRICE OF FUEL OIL TO WESTERN FARMERS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I ask a question similar to the one asked by the hon. member for Bellechasse. Since the government is in the position of establishing set prices for farm produce in this area, can he also guarantee farmers that they will not be required to pay more than a set price for fuel oil in western Canada since it is produced there?

Hon. Otto E. Lang (Minister of Justice): In this case the price is not set by the government but on the basis of a policy which the government has determined, namely, that the price should be on the same basis in all parts of the country. The feed grain price is, in fact, set by the farmers according to their choice when they deliver in the off-board market.

* * *

● (1440)

REGIONAL ECONOMIC EXPANSION

REPORTED RESISTANCE OF SENIOR STAFF TO MOVING TO ATLANTIC PROVINCES

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I should like to direct a question to the Minister of Regional Economic Expansion. Would the minister put to rest the suggestion that senior staff in his department are resisting moving to the Atlantic provinces which, if correct, demonstrates serious opposition to the policy of the government and a very ill-informed view of the pleasures of living and working in the Maritimes and Newfoundland?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I am more than pleased to put that to rest. As I have indicated on a couple of previous occasions, there were some minor problems with some people with regard to moving, but I do not think any of this reflects upon the Atlantic provinces in any way. I am happy to say that progress has been made and, indeed, the Assistant Deputy Minister for the Atlantic provinces has already been appointed and his name announced.

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AGRICULTURE

APPLICATION OF MILK SUBSIDY TO PRINCE EDWARD ISLAND

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct my question to the Minister of Agriculture, in whose surreptitious and silent return to this country we rejoice openly. Can the minister indicate when the five cents a quart milk subsidy will be made applicable to Prince Edward Island, and can he reveal the causes for the inordinate delay, for which Premier Campbell blames the federal government?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, all I can report is that negotiations are still going on. It would be unparliamentary for me to say what stage the negotiations have reached at this time.

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LABOUR RELATIONS

PROGRESS TOWARD SETTLEMENT OF HALIFAX AND DARTMOUTH DOCKWORKERS DISPUTE—CONTINGENCY PLAN

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I want to direct a question to the Minister of Labour. I do so with some urgency because of the developing situation in the cities of Halifax and Dartmouth as a result of the port strike. Can the minister report any progress from the mediator he kindly named last week, and at the same time can the minister indicate whether or not he is going ahead with some contingency plan to restore port activity in the event that mediation breaks down?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I think it is extremely unfair to talk in terms of mediation breaking down. I would advise the hon. member that Mr. Gibbons is arriving in Halifax today and meeting with the parties. Perhaps I will be able to give the hon. member more information tomorrow after I receive a report from him later today.

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TAXATION

POSSIBILITY OF REMOVAL OR REDUCTION OF FEDERAL SALES TAX ON CLOTHING AND FOOTWEAR

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Finance. Can the hon. gentleman tell the House whether he has any plans to

remove or to adjust downward the federal sales tax on all clothing and footwear following the move made by the premier of Prince Edward Island who took this course of action recently?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, any plans to that effect would have to be announced, if affirmatively, in a budget. I would recall to the hon. gentleman that this government reduced the sales tax on children's clothing and footwear as long ago as last February, when it eliminated sales tax and tariffs on $1,400 million worth of consumer goods.

Mr. MacKay: Mr. Speaker, I have a brief supplementary. I wonder whether the minister would tell the House if he has any plans to remove or downwardly adjust any tax that the government has imposed in an attempt to give the Canadian consumer a break?

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UNEMPLOYMENT INSURANCE

POSITION OF MINISTER ON CONCLUSION OF ECONOMIC COUNCIL—REQUEST FOR INVESTIGATION OF CERTAIN ALLEGATIONS BY STANDING COMMITTEE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration. Can the minister advise whether he is in agreement with the Economic Council's conclusion that unemployment insurance payments are transfer of welfare payments? In other words, unemployment insurance to the Economic Council of Canada is the same as welfare.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I should like to have an opportunity of examining that report in detail before making a detailed reply, but I doubt very much that I would be in agreement with the terms the hon. member has used.

Mr. Alexander: A supplementary question—

Mr. Speaker: Order, please. The Chair will recognize the hon. member on a supplementary, then the hon. member for Charlevoix, the hon. member for Assiniboia and the hon. member for Madawaska-Victoria.

Mr. Alexander: In light of the fact that the statement I have just made has some truth, in view of the inconsistency of the statements made by the minister and the department with regard to the Unemployment Insurance Commission, and in view of what has been said by the hon. member for Hastings, would the minister now see to it that the whole matter of unemployment insurance is passed to the Standing Committee on Labour, Manpower and Immigration in order that the whole question can be looked into, with a view to having the act revert to a true UIC bill and so the allegations of the hon. member for Hastings can be answered? Unless this is done we have no opportunity of questioning the minister and his departmental officials in depth.

Mr. Andras: Mr. Speaker, the opportunity to discuss questions concerning the Unemployment Insurance Commission will present itself in the normal course of examination of the estimates by the committee. In the meantime I would welcome with a great deal of enthusiasm an opportunity of dealing with the rather curious, out of date and biased comments of the hon. member for Hastings.

Mr. Alexander: A question of privilege, Mr. Speaker—

Mr. Speaker: Order, please. The hon. member for Hamilton West is rising on a question of privilege.

Mr. Alexander: Mr. Speaker, I do not see the hon. member for Hastings here today, but I know he would want me on his behalf to take advantage of this situation to point out to the minister that the hon. member has had no opportunity whatsoever of probing the UIC. In view of the minister's statement in which he called the hon. member's paper, which I think was a very critical analysis, biased, the hon. member should be given every opportunity—

Mr. Speaker: Order, please.

Mr. Alexander: —as should all hon. members, to probe these inconsistencies—

Mr. Speaker: Order, please. Would the hon. member resume his seat. The Chair recognizes the hon. member for Charlevoix.

* * *

[*Translation*]

ENERGY

JUSTIFICATION FOR OIL PRICE INCREASES IN EASTERN CANADA

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I would like to ask a question to the Minister of Energy, Mines and Resources.

Following the answer he has given just now to my colleague that prices in eastern Canada were subject to increases on the international market, can the minister tell if his department did make a study on the price increase in eastern Quebec and if so, has it been really determined whether the increase reflects exactly the international increase in oil prices or if some companies do not take advantage of the opportunity to raise their prices without any valid reasons?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in the light of investigations made up to this day, we think that the companies have followed the policy on this matter but we have to point out that this policy does not apply at the retail level and that it is quite possible that retailers have individually taken advantage of the opportunity to increase their retail price.

Mr. Speaker: Order, please. There are only a few minutes left before the oral question period ends.

[*English*]

The Chair will recognize first the hon. member for Assiniboia.

AGRICULTURE

EXPANSION OF MARKETING AND RESEARCH SERVICE TO CO-OPERATIVES

Mr. Bill Knight (Assiniboia): Mr. Speaker, my question is for the Minister of Agriculture. In view of the fact that the Co-operative Union of Canada, which represents millions of Canadians who belong to the co-operative movement, has asked the minister about the possibility of expanding the marketing and research that is made available to co-operatives to the point where there is at least an assistant deputy minister in charge of operations, would the minister inform the House whether this kind of action has in fact been taken?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have taken a step in that direction by appointing for the first time in the history of the Department of Agriculture people to look after co-ops in regard to research and gathering and providing information on behalf of the government. This operation has just commenced, and what the hon. member asks for may well become fact sooner than he or I think.

Mr. Knight: A supplementary question.

Mr. Speaker: The Chair will recognize the hon. member for a supplementary but again I point out to hon. members that there are only a few minutes left before the end of the question period.

Mr. Knight: Mr. Speaker, I direct my supplementary question to the Prime Minister. In view of the fact that since 1970 there has been a massive increase in the number of upper echelon public servants in Ottawa, would the Prime Minister inform the House whether he would give consideration to moving many of these public servants and establishing a new co-operatives department which would give initiative in terms of tackling this new area of endeavour?

Mr. Speaker: Order, please. That is a representation.

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[*Translation*]

CRIMINAL CODE

ABORTION—POSSIBILITY OF AMENDMENT IN LIGHT OF DECISION IN MORGENTALER CASE

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I have a question for the Minister of Justice.

In view of the well known outcome of the proceedings against Dr. Morgentaler can the Minister of Justice inform the House whether he intends to tighten the provisions of the Criminal Code with respect to abortion?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I would not want to comment on the specific decision itself, which I understand is under appeal, but I can say that I have asked my officials to look at the question whether a reference of this issue is reasonable, and to discuss the question with the provincial authorities in view of the importance of determining the issue as quickly as possible.

● (1450)

Mr. Norval Horner (Battleford-Kindersley): I have a supplementary, Mr. Speaker. In light of the recent court decision it would appear we now have abortion on demand in Canada. Would the minister say whether that is government policy or, if not, is he is prepared to bring in legislation?

Mr. Speaker: The hon. member for Grenville-Carleton.

* * *

INQUIRY OF THE MINISTRY

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is directed to the Prime Minister. In view of the expense involved in renovating, furnishing and heating the old mansion at Meach Lake for last Saturday's cabinet meeting, is it the intention of the government to turn the renovated building into a national historic site and allow it to be used as a summer residence for the leader of the NDP in return for past favours—

Mr. Speaker: Order, please. The Chair thought the hon. member was promoting it as a residence for the hon. member for Grenville-Carleton.

* * *

INDUSTRY

PETROLEUM REFINING—MEASURES TO ASSURE SUPPLIES OF BENZINE AND OTHER PRODUCTS TO PLASTICS MANUFACTURERS

Mr. A. D. Hales (Wellington): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. In view of the extreme shortages being experienced by the petroleum refining industry and in view of the fact that benzine and other related products are very essential to the plastics industry, I should like to ask the minister what steps he proposes to take or has taken to make these products available to the plastic industry in Canada?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we have been in consultation with the users of these products as well as the producers of these products. We are doing everything we can do to ensure that the users get the necessary supplies.

Mr. Hales: Is the minister contemplating putting on export permits or introducing a quota system?

Mr. Gillespie: Mr. Speaker, at the present time no, but this is under continuing review.

[*Translation*]

ENERGY

JAMES BAY HYDROELECTRIC PROJECT—PROTECTION OF RIGHTS OF WORKERS AS WELL AS INDIANS—DISCUSSION WITH QUEBEC

Mr. Jacques-L. Trudel (Montreal-Bourassa): Mr. Speaker, I have a supplementary for the Minister of Indian Affairs and Northern Development.

The minister said earlier in reply to an answer that he was always ready to stand for the interests of the Indians. Since the decision handed down by Mr. Justice Malouf did he contact the premier of the province of Quebec to solve the conflict and vindicate the interests of either the workers or the Indians affected by that decision?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I talked to the premier of Quebec several times during the weekend. I met with his representative this morning. Friday night I met with the Indians and Eskimos in Montreal and we agreed to undertake rapid negotiations so as to meet the legitimate claims of Indians and protect the rights of workers employed in that area.

* * *

[*English*]

GRAIN

APPOINTMENT OF ASSISTANT COMMISSIONER FOR ONTARIO TO CANADA GRAINS COMMISSION—DUTIES, RESPONSIBILITIES AND SALARY

Mr. William C. Frank (Middlesex): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. Recently an assistant commissioner for Ontario was appointed to the Canadian Grains Commission. In view of the fact that the Canadian Grains Act section dealing with licensing elevators in eastern Canada has not been proclaimed to date, can the minister tell the House the specific duties and responsibilities of the Ontario assistant commissioner and whether his salary is on the same level as his four western counterparts?

Mr. Speaker: This question should be placed on the order paper. If there is urgency, it can be considered at the time of adjournment.

* * *

LABOUR CONDITIONS

REQUEST THAT STEPS BE TAKEN TO END DISCRIMINATION AGAINST PERSONS SEEKING JOBS WHO HAVE RECOVERED FROM EPILEPSY

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is for the Minister of Labour. In view of the fact that people who have completely recovered from epilepsy or have the malady entirely under control are still being discriminated against when applying for positions of employment, would the minister take the necessary steps to remove this stigma from all applications for employment and thus end this discriminatory practice which has

played such havoc and hardship in respect of all those concerned?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I would advise the hon. member I have sympathy for the theme he is developing. I wonder whether he would be kind enough to supply me with further particulars so I can investigate.

Mr. Speaker: The Chair will recognize the hon. member for York East and then call orders of the day.

* * *

EXTERNAL AFFAIRS

GOVERNMENT'S REASONS FOR ACCEPTING CHILEAN REFUGEES WISHING TO COME TO CANADA

Mr. Ian Arrol (York East): Mr. Speaker, my question is for the Prime Minister. It concerns refugees from Chile. The Secretary of State for External Affairs spoke in the House last Friday of the willingness of Canada to accept Chilean refugees who wish to come to Canada. In view of the fact it is traditional for Latin-American countries themselves to accept refugees from neighbouring countries, why does the government of Canada feel it necessary to facilitate the entry into this country of these communists?

Mr. Speaker: Order, please. The hon. member will appreciate that a question asked in those terms is argument and is not acceptable. Orders of the day.

Mr. Carter: Mr. Speaker, I rise on a point of order concerning the answers by the Minister of Fisheries to our questions regarding the licensing of fishermen and the effect it will have on Newfoundland fishermen. On November 14 the minister issued a statement which is entitled in *Hansard:* "Statement on Fleet Expansion in Atlantic Coast Industry, Subsidies and Licensing". The minister would have the House believe that these restrictions will not have any implications so far as the average fisherman in Newfoundland is concerned. I should like to quote, if I may, a few excerpts from the minister's statement.

Mr. Speaker: Order, please. I will hear the hon. member but I hope he will indicate what the point of order is or on what he founds his alleged point of order. We should not have a debate. The hon. member, after the question period, seeks the floor for a debate. I would hope the hon. member would guide and assist the Chair on this point.

Mr. Carter: My point of order, Mr. Speaker, is that the minister in his answers has misled the House. In his statement to which I referred a moment ago he said:

> A word with respect to licensing, Mr. Speaker . . New entrants will be encouraged as long as they do not add, unnecessarily, to the over-all pressure on fish . . . all vessels skippers and operators will be licensed . . . all craft, skippers, crews and other operators which have a history in the industry will, automatically, have a right to fish . . . New vessel registrations in the groundfish fishery will be encouraged for underexploited species and areas.

In this statement the minister clearly indicated his department's intention to place restrictions on fishermen,

in Newfoundland particularly, in respect of new entrants into the industry. If that is not restriction, I do not know what the word means.

Mr. Speaker: It may or may not be a restriction, but the hon. member will appreciate again that this is hardly a point of order. It is a point of debate between the member or hon. members and the minister. I suggest to hon. members with respect that we cannot have a debate under the heading of a call to orders of the day. I suggest that, with respect, to the hon. member.

Mr. Lundrigan: I rise on the point of order, Mr. Speaker.

Mr. Speaker: It will have to be a different point of order. I have already made my ruling that this is not a point of order but is debate. I am sure the hon. member will appreciate that.

Mr. Lundrigan: On a point of order, Mr. Speaker, the rules of the House, I would suggest to all hon. members, make it necessary for hon. members to be honest in their questions and answers. In the past two weeks we have had two events happen in Canada. One was that a broadly travelled minister went across the country telling the fishermen of Canada that we would own the resources off our shelf. Subsequently we had a white paper or green paper or blue paper presented to the committee on external affairs indicating Canada's position to be taken at the Law of the Sea Conference. This indicated clearly that Canada would push for management and control of this resource.

Last Thursday the minister brought in a program which he announced in the House wherein he indicated that our fishermen in regard to certain species would have certain restrictions placed on them. Our members have no objection to certain restrictions with regard to lobsters and crabs, but he went further to refer to coastal species and areas of the northwest Atlantic where no new entrants would be encouraged. My colleague from St. John's West has just referred, as he did in questions, to the minister's statement and the minister today sat in his place and indicated that there would be no new restrictions placed on fishermen.

Your Honour, I can quote from four different places in the statement made by the minister last Thursday to indicate very clearly the extent of the restrictions that will be placed not only on every fisherman in the Atlantic region but even in terms of the further development of our smaller communities. We are very concerned about his statement in *Hansard* of Thursday last. It is inadequate.

Mr. Speaker: Order, please. Again I say to the hon. member, as I have to the hon. member for St. John's West, that he is rising on what he calls a point of order. I suggest to him and to all hon. members that this has nothing to do with a point of order. The hon. member is arguing that the statement made by a minister is not correct. That cannot be the subject of a point of order. This is debate. The minister or another member might rise on a point of order and say he thinks the hon. member himself is wrong. Where that would lead in relation to orderly debate in the House I do not know. I really think that this matter should not be pursued by way of a point of order.

• (1500)

Mr. Lundrigan: Mr. Speaker, I should like to complete my point of order. I can quote four different passages in the minister's statement—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Lundrigan: —indicating that he is deliberately misleading the House—

Some hon. Members: Order!

Mr. Speaker: Order, please.

Mr. Lundrigan: —and the people of my province.

Mr. Speaker: Order, please. Will the hon. member resume his seat. The hon. member is charging another hon. member with deliberately misleading the House.

Mr. Lundrigan: What else is he doing?

Mr. Speaker: Would the hon. member kindly give the Chair a chance to express itself. The hon. member has, in other circumstances, used what I thought was language which was not parliamentary. He is again doing the same thing today. I call to his attention that he cannot tell another hon. member that he is deliberately misleading the House, whether that hon. member is a cabinet minister, a frontbencher or a backbencher. This relates to basic proprieties in the House, and I would hope that hon. members would keep that in mind in their debates. It seems to me it should be possible to have debate in the Parliament of Canada without using unparliamentary language and making charges. That is entirely wrong, and I think the hon. member will have to withdraw his remark.

Some hon. Members: Hear, hear!

Mr. Lundrigan: At the time to which you, Sir, referred, I indicated that the minister was telling lies, but out of respect for Your Honour and after a delay of three or four days, and with the knowledge that the matter would be handled by a committee, I backed away from that position even though the fact that I backed away from it was an admission on my part that I was not willing to uphold the truth, which is a very serious situation. The minister goes about the country telling half truths. Today he comes here and say something which is completely contradictory of the facts he placed on the record on Thursday. On Thursday he indicated a program which will have very serious implications for our people, but today he says he did not say that.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Lundrigan: I will not back away an inch.

Mr. Speaker: I would suggest to the hon. member, with great respect, that he can feel very strongly about the matter if he wishes. I know that when we have had difficulties in the past the hon. member has felt very strongly at the time and he had every reason to feel

strongly, just as he has the right at this time in relation to this particular incident to feel very strongly. But that does not justify the hon. member using language and making charges which, by more than 100 years of parliamentary practice, are not accepted by all hon. members and should not be accepted by them.

That is why I suggest to the hon. member that he should again, as he did the last time, in co-operation not with the Chair but with the institution of parliament and with the House of Commons as well as with his colleagues on both sides of the House, accept these restrictions, since we are talking of restrictions, which place limitations on the language we can use. I know that the hon. member feels very strongly about this kind of debate, but it seems to me that in this instance he got carried away a little too far. It would be much easier for the House and certainly for the Chair, as well as for the orderly conduct of business, if the hon. member would indicate that he is prepared to co-operate with the Chair as he has always done in the past.

Mr. Lundrigan: Perhaps it is time in our parliamentary system—and I am no great parliamentary reformer—

An hon. Member: No, you are not.

Mr. Lundrigan: —perhaps we have reached the stage in our parliamentary history, especially since we brought in the new rules a few years ago and especially in view of the restrictions on the question period and the type of answers we are getting these days, to take a serious look at whether these ministers should be allowed, on the one hand, not to answer questions and, on the other hand, to give information which is not in accordance with the facts. Perhaps the minister could clear up the whole mess if he would stand up and admit that the answers he gave to my colleagues were not in accordance with the earlier statement he made. I am more interested in the quality of our performance as members than I am in a silly rule of 100 years ago.

Mr. Speaker: Rules, even though they are 100 years old, are not necessarily silly.

Some hon. Members: Hear, hear!

Mr. Speaker: It is hon. members who elect the Speaker, and there has to be some semblance of order in any kind of public assembly. Members in any assembly get together and choose one of their members, who is elected in the same way as all of them and who represents a number of constituents. That person is selected by the House, by his colleagues and peers, to try to have the rules respected. The Chair does not make the rules.

The hon. member suggests that the rules should be changed. I see nothing wrong with an evolving, moving and progressing institution such as parliament, and it may well be that the rule to which the hon. member takes exception is wrong and should be changed. But as long as it is there I am sure the hon. member himself would expect the Chair to see that this rule is enforced. It relates only to the use of certain words and certain language which when used, I suggest, complicates the proper conduct of our business. This is why I am asking the hon. member to change the wording that he has used. This is not the end of the world. The hon. member has indicated that another member has misled the House, has given wrong information to the House. It is quite possible, according to the rules, to make that kind of charge. It is possible for a member to say of another member that he has given false information to the House, that he is wrong, that he is incorrect, indeed, that he is misleading the House. What is wrong is to charge another hon. member with deliberately misleading the House. This is a moral accusation, and I think that is why it is wrong. I doubt whether this is really what the hon. member wanted to do, and I hope he will find some way of assisting me in this respect.

Mr. Lundrigan: For the last year we have had the same circumstance occurring, and I am very serious about this. In the previous instance, regarding the minister's statement in New Brunswick when I indicated he was guilty of an offence, I backed away from that and I think I was dishonest with myself in doing so. He is guilty almost every day of telling the country half truths, and again today—

Some hon. Members: Order!

Mr. Speaker: Order, please.

Mr. Lundrigan: He must change his attitude.

Mr. Speaker: Order, please. The hon. member says he is not backing away from anything. Does he expect the Chair to back away from the enforcement of rules? It has to be one or the other. I have to ask the hon. member to make it possible for the Speaker to do his work in the House of Commons. It must be one or the other.

Some hon. Members: Hear, hear!

Mr. Speaker: Other rules are respected. As the hon. member knows, I am pleading with him to make it possible for the proceedings of the House to be conducted in an orderly and civilized manner. I think hon. members have the responsibility, and I cannot think of a single member who does not have that responsibility to facilitate the orderly conduct of business. The Chair simply asks an hon. member, instead of accusing another hon. member of deliberately misleading the House, to change only one word to facilitate the task of the House and allow us to go on with our business. It seems to me that that is not asking so much. I take into account the fact that the hon. member feels very strongly about this matter. As he looks around him he sees that members sympathize with his position, and I would hope he would want to have sympathy for the position of the Speaker.

Mr. McGrath: Mr. Speaker, I wonder perhaps if we could allow a little time for this matter to cool off and to give us a chance to examine the record and what the minister did say.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. That is not according to the practice of the House. It is the fact that the words are used, not what was said or what was done, that is relevant at this time. It is simply that a charge is made by a member and that words are used that ought not to be used.

I think it would be difficult, indeed unacceptable, to suggest that the Chair and other hon. members be given an opportunity to look at the record.

• (1510)

Reference has been made to another incident. In that incident there were considerable difficulties in that there was noise in the House. No one knew exactly who said what, and I felt to be fair to hon. members that I should be given an opportunity to look at the record, which in fact made it even more difficult the next day to make a ruling. That is why, in such circumstances, I think there is really nothing to be gained by delaying the difficulty with which we are faced.

Some hon. Members: Withdraw!

Mr. Speaker: I plead with the hon. member in that if he does not withdraw I will have the very unpleasant task of naming him. I have been Speaker of this House for eight years, and I have never had to go to this extreme. I think it really hurts the House of Commons, and hurts our image when we are placed in that position. This is why I think that out of respect for the institution, for the House itself and for all hon. members, individual members have a duty and an obligation to co-operate with the Chair, and make it at least half easy for the Chair to make a ruling.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise only for a moment to express what I believe is the wish of the entire House that the hon. member for Gander-Twillingate (Mr. Lundrigan) respond to your request. I appeal to him that what is at issue is not the difference of opinion between himself and the minister, not the question of what he thinks about the way that minister performs, or his own view of what he said, but the only issue at this moment is the authority of the Chair which speaks for the House.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): The Chair has said that a statement that a minister deliberately sought to mislead the House should be withdrawn. I think the hon. member for Gander-Twillingate will rise higher in our estimation if he will bring this incident to a close by a simple withdrawal.

Mr. Lundrigan: I am not unaware of the interest of the hon. member for Winnipeg North Centre in the good conduct of the House, and I am not unaware of that good conduct myself. But, Your Honour, we have got responsibilities over and above certain things which are not pleasant, and this is not pleasant. We have had occasions here when, with respect to the minister, there were presentations to the House which were misleading. Again, we have seen it today—a clear cut example of it.

I think myself that if we want to improve the quality of the performances of the members of the cabinet we have to make some serious representations through Your Honour to have some of our rules modified. I, personally, from now on, if it takes me the rest of my political career, which might last just one minute, will try to see to it that this minister will hold to some semblance of the truth in any presentation to the House of Commons.

Mr. Speaker: Again the hon. member, in his last words, has not indicated very much that he is prepared to assist the House. I say it is not a question of assisting the Chair but of assisting the House and hon. members, because this is a matter which affects all members. I would again ask him to reflect, to act wisely, and prudently, and kindly, and with charity towards all members and towards the Chair in saying, in admitting or in accepting that he has transgressed the rule in the words he has used, that in fact he did suggest that another member deliberately misled the House. I think if he said simply that the minister or the member has misled the House, that would be most acceptable, and then we could go on to other matters.

Mr. Lundrigan: Your Honour, my House leader has just passed me a note which reminds me of one very unpleasant event in our party today, which perhaps places us in a position of some responsibility. I am going to say now that tomorrow I am going to say the minister has misled the House, and if the minister is prepared tomorrow to stand in his place and correct the record, which will be obvious to him then, having had that 24 hour period, Your Honour will not be forced to make a decision.

Mr. Speaker: I am prepared to make a decision now. It is not tomorrow that I want to make a decision.

Some hon. Members: Hear, hear!

Mr. Speaker: If the hon. member says that he is prepared to say today only that, in his view, a statement made by another member is misleading—if I understand correctly, these are the words which the hon. member would like to use—then I think a ruling should be made today.

Some hon. Members: Withdraw!

Mr. Speaker: I think I have been as helpful as the Chair can be, and I have allowed as much time as possible to make sure I was not acting under pressure, without complete equanimity, and with every possible ounce of charity in my heart. That is why I am again appealing to the hon. member to share the charity that I have to the House. Knowing the particular regard that I have for the hon. member, I would hope that that perhaps might help him to help me.

Mr. Lundrigan: I have already indicated that I am quite willing today to indicate to the House that the minister has made a statement which is misleading, and is not in accordance with the statement he made on Thursday. I am hoping tomorrow he will not enjoy the unfortunate spectacle of having Your Honour placed in a very difficult position. I don't enjoy this any more than Your Honour does. It is not the kind of position that leads to great popularity, political or otherwise, and I hope that tomorrow the minister will stand in his place—

Mr. Speaker: Order, please. Tomorrow will be another problem, another question. What I have suggested to the hon. member is that for today in any event he adopt a certain course. He says he said it. I did not hear that very clearly. If he says now that he is not saying the minister has deliberately misled the House, then certainly I will accept his statement. As I said, tomorrow is another day, and the day after tomorrow is again another day. There

may be other difficulties. Maybe this will all be cleared up in other days. But for today there has to be a clear understanding that the hon. member has withdrawn his statement.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I make one more brief effort. In view of the disclosure of the note from the House leader of the Official Opposition to the hon. member for Gander-Twillingate, I wonder if he, the House leader for the Progressive Conservatives, would join with me and others in requesting the hon. member for Gander-Twillingate to co-operate with the Chair.

Mr. Lundrigan: This is a form of bloody persecution. This is a form of persecution, a form of blackmail and persecution. This member stands in his place! I have already indicated to Your Honour that I am quite willing to stand by the remarks I have made respecting the minister's statement. I have seen members stand in their places—I could point them out in dozens—and make statements along the lines that I made today without nearly all the fuss and cut up in this place today. The hon. member for Winnipeg North Centre (Mr. Knowles), flexing his muscles about his knowledge of parliamentary procedure, is placing other members in a difficult position. I only hope he would keep his nose clean—keep his nose out of this entirely.

I have indicated that I am willing to say that I have made a statement that the minister has made a statement which is misleading the House. I have said that two or three times. I hope that he will come in here tomorrow, stand in his place and correct his statement. If not I will place him in a most embarrassing position.

Mr. Bell: Mr. Speaker, since I have been mentioned as opposition House leader I think I should say, first of all, that we have a different idea of individuality in our party than some other members of the House have, but it is not my intention to raise any partisanship in this debate. I simply feel that there is now a way out to have this matter set over until tomorrow. Three times the hon. member has used the word "mislead" but not the word or phrase "deliberately," which I think is the word that would be bothersome to the Chair. So if there could be an acceptance of only the use of the word "misleading" we have got over the impasse for the time being at least.

● (1520)

Mr. Speaker: The Chair is not here to make complications for hon. members. I have asked the hon. member for Gander-Twillingate (Mr. Lundrigan) to change his remarks. Now, whether he has to the extent that the Chair ought to be satisfied, and whether he has changed it to the extent that the other hon. member of parliament who is involved ought to be satisfied—he has not indicated whether he is or not and that, in itself, does not facilitate the task of the Chair. The hon. member says that he would like the matter left over until tomorrow so he can look at the record. Certainly, the Chair cannot make a ruling on that basis. The hon. member said that, for the moment, what he says is that the minister has misled the House. It may be that the Chair, exercising extreme leniency, would say that that constitutes a withdrawal. I would accept the hon. member's statement only in this way, that I would myself consider it as a withdrawal of the words which he had said and these words are that another member has deliberately misled the House.

[Mr. Speaker.]

He says now that he has said three times what he is saying now, that another member has misled the House. Perhaps I should be prepared to accept these words. I am not sure whether other hon. members standing in my place would not be prepared to do that. The situation is not easy. My responsibility is to ensure that the House will continue to function with equanimity and with some measure of efficiency, so perhaps I should be prepared to accept the hon. member's half-hearted withdrawal. I wonder whether the Chair should be placed in the position where I have to extract the full pound of flesh or whether I should be satisfied with something less than that.

The hon. member cannot agree that he has made the situation easy by his half withdrawal of the offending words. The hon. member having done this, perhaps I should be prepared to see what the hon. member will want to do tomorrow and accept for today the hon. member's half withdrawal.

Orders of the day.

GOVERNMENT ORDERS

[*English*]

FOREIGN INVESTMENT REVIEW BILL

PROVISIONS RESPECTING ACQUISITIONS OF CONTROL OF CANADIAN BUSINESS ENTERPRISES AND ESTABLISHMENT OF NEW BUSINESSES

The House resumed, from Thursday, November 15, consideration of Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs and motions Nos. 2, 3, 4, 5 and 6.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, at ten o'clock on last Thursday night we were discussing the merits of the amendment proposed by the hon. member for Timiskaming (Mr. Peters). I heartily support the amendment for the reasons I detailed at that time.

I should like to point out that, with development and investment which affects the Yukon and the Northwest Territories, it is very important that the residents of the area have a say in what is to be allowed. Natural resources are vested in the provinces and under their provincial control; in the territories, they are under the control of the federal government so that decisions affecting the resources could be made without the people of the territories knowing anything about them. This is a very important matter in the Yukon and that portion of the Northwest Territories that is close to Alaska, because of the development following the discoveries made at Prudhoe Bay.

The Yukon and the Northwest Territories will be affected in years to come by what happens to the oil and gas in Alaska and the Mackenzie delta; presumably it will eventually come south. It has already been decided that an oil pipeline will run from Prudhoe Bay to Valdez, in spite of the discussion about the possibility of a Mackenzie valley pipeline. Should the pipeline through the Mackenzie valley come to pass, the question of Indian rights will be an important consideration. There has already been one very important court decision about the ownership of land in similar circumstances, the ecological effects of development and so on. It is important that the native people in the affected area have an input in all decisions. The United States has already decided upon the Alaskan oil pipeline. Had the alternative of the Mackenzie valley pipeline been decided upon, it would have meant a great deal of drilling and development work as much of the oil lies close to where the pipeline would go.

El Paso Natural Gas hopes to take gas from Prudhoe Bay to Valdez through a pipeline paralleling the Alaskan oil pipeline. In the Yukon and the Northwest Territories there are proven reserves of approximately seven trillion cubic feet, and it is estimated that there is another 100 trillion cubic feet in the Mackenzie valley and the Beaufort sea, while the North Slope has proven gas reserves of 26 trillion cubic feet and estimated reserves of up to 400 trillion cubic feet. This is more than double the potential reserves of the lower 48 states.

Similarly in the Canadian north, our proven and estimated reserves are double the reserves present in the northern frontier areas. Reserves of 7 trillion cubic feet are not enough to support a pipeline down the Mackenzie Valley to Canadian markets, and North Slope gas will be necessary if that pipeline is to be feasible. So it is most important, Mr. Speaker, that the people who live in those areas and who are represented by the territorial councils, should have some say about the possibility of a pipeline. If this is to come about we can estimate the cost at $5 billion. Most of this money will have to come from the great financial institutions to the south, and of course this investment will be reviewed by a board of civil servants based in Ottawa. It is easy to see, Mr. Speaker, that the decisions made could be detrimental to the people in the areas affected and to the development of those areas. I think it is important for those areas to which I have referred to be allowed to decide whether or not there is to be investment in those areas. Certainly, in northern Canada more than in southern Canada, it is likely that foreign investment will be necessary, as in the southern part of the country resources can be more easily developed without foreign participation.

● (1530)

It seems likely that El Paso will be required to move North Slope gas through Alaska. That is perhaps another reason why supporters of the Mackenzie Valley pipeline are not likely to see a pipeline built in the immediate future. It is a fact that many Canadians do not see the advantage of combining North Slope and Delta gas in one system. I say this because many feel that Canadian Delta gas should be left in the ground for some time into the future. I think this position is quite unrealistic. I think the development of the remote delta areas would bring important effects for those who live in the Yukon as well as in the Mackenzie Valley. Such development would lead to increased economic activity, that is, to greater development, more jobs and so on. Unless something like this is done, the development of these other areas may be seriously compromised.

To repeat, I support this amendment. I think it is necessary. I think amendments which give the provinces greater input in the decision-making process ought to be pushed strongly. The same argument applies even more strongly to the territories. They are a long way from Ottawa. The federal government owns the resources in the ground where the development will take place. I hope the government will see fit to accept the amendment at the proper time.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I wish to say a few words about the subamendment proposed by the hon. member for Timiskaming (Mr. Peters) to Motion No. 2, which stands in my name on behalf of my party. I say at the outset, as others have indicated, that the subamendment has merit. I support it wholeheartedly.

As I said earlier when I directed a question to the hon. member proposing the subamendment, it would be useful to have on record the definition of territory and territorial council, as those terms apply to this legislation. The relevant definition is set out in section 3.(1) of the Interpretation Act, which reads:

> Every provision of this Act extends and applies, unless a contrary intention appears, to every enactment, whether enacted before or after the commencement of this Act.

The definition section of the Interpretation Act says:

> 'province' means a province of Canada, and includes the Yukon Territory and the Northwest Territories;

Having said that, I feel that I was perhaps derelict in not talking over that interpretation in the first place with the hon. member for Timiskaming when he introduced his subamendment.

As the hon. member who has just spoken said clearly, the territories need as much protection, as the provinces, if not more. The mineral wealth in provinces is under provincial jurisdiction, whereas the mineral wealth in the territories at present is under the jurisdiction and control of the federal government. The people in the Yukon and Northwest Territories do not have the protection of provincial legislatures. Their governing counsels do not have the vested interest in their resources which provinces have in theirs.

Basically, the hon. member for Timiskaming seems to be showing concern for the rights of the territories vis-à-vis the provinces. He is concerned about the status of the territories as compared with the status of the provinces, in much the same way as we are concerned about the status of the provinces, as compared with the powers and prerogatives of the federal government. It is wrong to suggest, as the minister has by implication, that in this amendment we are discussing the veto power of the provinces, a veto power over decisions made by the Minister of Industry, Trade and Commerce (Mr. Gillespie). I do not think the minister meant to convey that impression so forcefully; certainly, it is not in accordance with the facts.

No one will argue that the bill, as drawn at present, gives the Minister of Industry, Trade and Commerce the ultimate power in deciding whether any foreign investment is of significant benefit for this nation. That is as it should be. Many members are concerned about the minister's curious reluctance to take into account the concerns of the provinces in this area and their very real desire to contribute to the various factors which the minister must consider in arriving at a decision. This is rather strange.

I do not wish to digress from the amendment or the general subject matter of the debate, but it is interesting to note that this government has adopted a somewhat inflexible attitude to what I consider to be a reasonable proposition, which is this. Before the government decides anything about the control of foreign investment, the provinces must be given maximum opportunities for consultation. Let me illustrate.

The United Kingdom, generally regarded as a more centralized state than ours, geographically and otherwise, with longer traditions in considering movements encouraging home rule for its various regions, implicit therein, has been considering some questions. For example, there is a major move to give greater powers to the various regions of the United Kingdom. I refer hon. members of the House to the royal commission studying these questions headed by Lord Kilbrandon. That commission rejected the case for granting complete sovereignty to an independent Scotland and Wales, on grounds that the majority simply did not want it. The U.K. Government is actively studying the problem. It is apparent that there is a move afoot in the United Kingdom to recognize some of the ancient prerogatives as well as current ambitions of territories and regions such as Scotland, Wales and England itself, which all are encompassed by the United Kingdom.

Let me read briefly from a recent news report carried in the Halifax *Chronicle-Herald:*

> The report said dissatisfaction in Scotland is largely based on economic considerations. In Wales discontent is linked with a desire to preserve the Welsh language and culture.
>
> Eleven members signed the report. The other two members produced a minority report calling for a wider interpretation of the commission's term of reference.
>
> Of the 11 who signed the report, a majority favored a plan of devolution which would transfer to directly-elected Scottish and Welsh assemblies powers over local government, town and country planning, education and other services.

That shows that the United Kingdom is prepared to make greater concessions to certain regions than it has heretofore. The Minister of Industry, Trade and Commerce ought to consider that fact on continuing condition terms.

It is obvious that the representations we made to the minister in committee have been considered. However, I do not think we persuaded him to be more flexible in allowing the provinces more input into his decisions. It is clear that the minister is continuing to be completely inflexible in this regard.

We welcome this subamendment moved by the hon. member for Timiskaming. He wishes to include the Northwest Territories and the Yukon in any consultative input which might be granted to the provinces. That the hon. member wishes to extend to the territories this kind of

[Mr. MacKay.]

right indicates that he and his colleagues of the NDP realize that the members of my party are not trying to hamstring the minister or the government in the advancement of legitimate Canadian nationalism. We are simply trying to give those parts of the country which are poorest by virtue of their economic circumstances as much influence as other parts of Canada might have. We want to give the people of those areas a meaningful opportunity to influence the minister.

● (1540)

In the absence of meaningful guidelines to foreign industry, I again plead with the minister to reconsider his attitude and to take note of the fact that apparently some members of the New Democratic Party are changing their minds about the effects of these amendments. They realize these amendments are not necessarily going to impede the efficient administration of this particular bill. Rather, they will simply make it a bit more open in so far as the provinces are concerned, and a bit more courtesy will be shown them with regard to what is happening. The provinces will be provided with information which I am sure they will regard as confidential, and in no way will the basic efforts the minister is attempting to make be impeded.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, in rising to take part in this debate on Bill C-132, I wish to make my position quite clear at the outset. While I am prepared to accept some of the amendments, I am not prepared to accept the bill as it now stands. I consider it to be totally unrealistic and unacceptable to the disadvantaged areas of this country. For that reason, I am not prepared to give it my support.

I have taken that position because I have a very good idea of the importance of foreign capital to certain regions of Canada. In particular, it is important to the province I know best, Newfoundland. I wish to make it perfectly clear also that we do not enjoy being dependent on foreign countries for our investment capital, but what choice have we had since becoming a province of this country in 1949?

Prior to confederation, there were three opposing forces in Newfoundland. One group supported the retention of the commission form of government that was imposed upon us by the British government in 1933. Another group supported a return of responsible government as it existed prior to 1933. The third group supported our becoming a province of Canada. A fourth group emerged some time later and advocated that we enter into economic union with the United States. I shall have more to say about that group later. The outcome of the ensuing referendum that was to decide our future is obvious because we are now the tenth province of Canada. There is very little to be gained or any justification for deliberating on past events or speculating on what could have been. However, there is a lesson to be learned from our past experiences as a province of Canada, and from re-assessing some of the shortcomings of confederation as they relate to our newest province.

In a great many respects, confederation has been very good for our people but, unfortunately, in certain respects it has been a dismal failure. I am afraid the bill we are now debating will add to our problems and further accen-

tuate the shortcomings of confederation as far as Newfoundland is concerned. For almost 25 years, we have been victims of the upper Canadian attitudes as expressed in their unwillingness to invest their capital outside of the golden triangle, or as my colleague, the member for Crowfoot (Mr. Horner) put it, their unwillingness to invest off the 401 highway.

This attitude on the part of the upper Canadian investors is reflected in this and previous governments with perhaps one exception, that is the administration of the right hon. member for Prince Albert (Mr. Diefenbaker). His heart was in the right place. He recognized the problems of the so-called have-not regions of this country. What is more important, he was prepared to do something about it, and would have, had he not trod on the corns of central Canada and posed a threat to their comfortable monopolistic position.

For an example, let us examine the 1973-74 estimates of the Department of Public Works. The total expenditure by that department in the Atlantic area under all headings is $27,776,000. In Newfoundland, it is $7,749,000. The proposed expenditure by the same department for the same period in the provinces of Ontario and Quebec is close to $300 million. This government is spending more money on cafeteria facilities, parking garages and air conditioning improvements in these two provinces than on harbour and wharf facilities in Newfoundland. One has to remember that the economy of Newfoundland depends to a large extent on the fisheries which, of course, depends on the provision of adequate fishing facilities such as breakwaters, wharves and good harbour facilities, all of which are the responsibility of the federal government. While I am not opposed to proper air conditioning, parking or cafeteria facilities for our public servants, I am opposed to their receiving priority consideration when they are secondary needs. I will, however, leave it to Your Honour's personal conclusion as to their relative importance to the well being of this country.

As a further illustration of this attitude, let us take a look at Canadian National, or perhaps I should say the Department of Transport because CN is a creature of the federal government and is answerable to the Minister of Transport (Mr. Marchand). Their misplaced policies are probably the biggest single threat to confederation. While they moan and groan about incurring deficits in maintaining essential services such as rail passenger services in the poorer provinces, they are willing to spend $21 million on a useless tower in Toronto which will provide a variety of services, including a bigger and more sophisticated communications system in an area where there is already accessibility to 10 or 11 TV channels. At the same time, there are thousands of people living in the remote parts of this country, including Newfoundland, where TV, telephone or indeed any means of communication continues to be another unfulfilled dream. Is it any wonder that we view with mistrust and suspicion any attempt on the part of this government to take complete control of our destinies.

Earlier in my speech I referred to the political situation in Newfoundland just prior to confederation. I mentioned the various groups that were vying for power, including a group of people, many of whom have since distinguished themselves in business and Canadian politics. These people advocated that Newfoundland enter into a form of economic union with the United States.

On March 28, 1948, they launched their party and their leader gave a very stirring speech on the Newfoundland radio stations. Let me read into the record, a portion of the speech made in Newfoundland on that date:

> The goal of full employment for Newfoundlanders thus ensuring permanent prosperity for Newfoundland can only be obtained through economic union with the United States. There is no other course that can solve Newfoundland's problems. . . .
>
> In the event of economic union with the United States millions of dollars of American capital will flow into this country to develop our natural resources. Look to our great possession Labrador. Look to its vast timber and mineral wealth. Think what it would mean to this country to have this priceless territory developed. American money can do that, American capital must do that if we are to have a better way of life.

● (1550)

I have put those words on record for a very good and obvious reason. The hon. member for Burin-Burgeo (Mr. Jamieson) was obviously having a great deal of fun when he spoke on this bill last week. The hon. member for Calgary North (Mr. Woolliams) whom he followed in the debate, was, he said, singing "O Canada" to the tune of "God Bless America". In the years preceding Newfoundland's entry into confederation, the hon. minister was so busy extolling the virtues of Uncle Sam and the generosity of U.S. capital that he didn't have time even to learn the tune of "O Canada". The hon. member has proven beyond a doubt his ability to run with the hare and hunt with the hounds, because the words I have just quoted were written by him in 1948 in his role as chief propagandist and co-leader of the movement to have Newfoundland enter into an economic union with the United States. I am sure he has many memories, some of which must be embarrassing, of his involvement in that movement and the slogan he himself coined as its battle cry— "For a brighter tomorrow, vote economic union with the U.S. today".

An hon. Member: Shame!

Mr. Carter: Let us, for a moment, consider how other undeveloped areas thrive as compared to those closer to home. Though I do not wish to downgrade Canada's investment in other countries, I cannot help but think it is ironic that Canada continues to invest hundreds of millions of dollars in underdeveloped countries and, at the same time, justifies withholding assistance from the financially insecure provinces in its own country. International development is an infinitely complex field; it compounds the subtleties of social development and international relations with the difficulties of cross-cultural communication but its potential for good is incalculable. For example, corporations such as CIDA continue to grow steadily. Total funds made available by parliament in 1971-72 rose to $431 million an increase of almost $48 million compared with the preceding year.

Canadian business is a vital partner in the economic and social progress of developing countries. Under CIDA administration services and expertise may be found in more than 80 countries. Grants and long-term loans provided through CIDA offer a source of financing for Canadian goods and services. By helping low-income

countries achieve self-sustaining development, the Corporation assists in the expansion of world trade and increases the prospects for continuing exports of competitive Canadian products. I hate to say it, Mr. Speaker, but sometimes I wish Newfoundland were not part of Canada but, rather, a foreign country. Then, perhaps, we might at long last receive some type of assistance from this government.

From what I have said, Mr. Speaker, it is quite evident that Newfoundland should not have to go begging to foreign countries when we have such a prosperous country closer to home. But it seems that Newfoundland has no other choice than to do just that—to go abroad for assistance. Until I am convinced that the attitude of Canadian investors is changing or that the federal government is willing to pay more than mere lip service to the issue of regional disparity, I am not prepared to support any attempt on the part of the government or the financiers of Upper Canada to cut off our only real source of investment capital.

A lot of mistakes have been made in Newfoundland in recent years, but I contend that these mistakes and the losses arising therefrom are a direct result of the unwillingness of the Canadian government and private investors to recognize our need for assistance in developing our resources and diversifying our economy. As a province we have never pursued a policy of attracting foreign capital per se. Rather, our objective has always been simply to attract to the province sufficient development capital to enable us to attain our economic goals. As Canadians, we would prefer that this development capital be Canadian. Indeed, it has been most disenchanting to find, as Canada's newest province, that sufficient development funds have not been forthcoming from within our own country. Accordingly, as long as this situation continues, we have no choice but to welcome foreign investment under whatever terms and conditions are available. To demonstrate that sufficient development capital has not been forthcoming from Canada, one has only to examine the financing of recent major development projects in Newfoundland.

By now, everyone has heard of the Come-By-Chance oil refinery. The total investment of that refinery was in the area of $160 million, of which the government of Newfoundland contributed $30 million, and foreign investment $130 million. Nowhere do we see Canada putting up any money. Again, the second oil refinery proposed at Come-By-Chance will cost $308 million of which $78,500,000 will come from Newfoundland and $230 million from foreign investment. Again, we see no contribution, loan or grant made by Canada. A third example is the liner board mill in Stephenville. The total investment in this operation came to $160 million, of which $89 million came from outside this country. The province invested $73 million. Consider, in the light of these and similar figures, the role which foreign investment has played in the economic development of our province. One can appreciate our concern at the imposition of any measure which restricts our access to such capital or reduces the likelihood of its continued availability.

One important factor which I feel is often overlooked is that the amount of development capital available in Canada is limited. I am given to understand that two projects alone, the James Bay hydro project—a venture which most of Canada and all of Quebec does not want, but will no doubt get anyway—and the Alaska pipeline project, which stands to benefit the United States, would more than exhaust the supply of domestic capital. When we consider that these are only two of many large developments to be undertaken in Canada in the near future, the obvious question to be asked before a province such as Newfoundland receives any development funds is this: What are the advantages of supplying capital to an area where the financial risk is already high?

This, then, is the shape of the Newfoundland economy. To say the least, it is not a very pleasing picture. However, it should now be clear why it would be difficult for any Newfoundlander to vote for the bill before us. Past experience has taught us that if we are to survive we cannot depend on Canadian investors and that we must, therefore, depend upon outsiders.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I should like to take you even further away from the "Golden Triangle" to the extreme western and northern parts of our country as I make some comments on the bill and on the amendments before us.

As a small businessman and practical politician, I should like to pose this question: Why are we concerned about foreign investment? Why do we encounter a problem in this area? The answer, to my mind, having grown up in the business world and having established several business ventures, is that there simply is not enough capital in Canada to do the things that are necessary if we are to develop our potential and realise the dreams that Canadians cherish. One reason might be that there is no capital in Canada to do these things. The other reason might be that the people who control money in Canada are not willing to invest it in those areas where it does the most good. They have no faith either in the area or in the Canadian population.

● (1600)

It seems to me that the government can play a bigger role by telling banking and financial institutions in Canada that if they want to operate under a federal charter they should provide a service to this country. By this I mean to the whole country, not just to Toronto and Montreal, the "Golden Triangle" and highway 401. I am serious about this, Mr. Speaker. I am bothered by the fact that we have had a bill before us for the last two weeks which provides that some agency will direct foreign investment in Canada. A lot of work has been done by western Canadians to develop a dialogue with the Pacific rim countries, and they have also been expressing their anxieties at resource conferences that have been held. Some of this work, which has been done by sincere and dedicated Canadians, has been paying off in recent years, which might be one of the reasons we are so concerned today about foreign investment in Canada.

The government has realized there is a problem, and it has expressed itself by creating financial institutions like the IDB, the Farm Credit Corporation and so on. I, personally, have established several small business ventures, and on three occasions have gone to the IDB to apply for a loan for ventures in northwestern Canada. I knew that my

ideas were sound, and indeed these ventures have all paid off and are still thriving today. But on each occasion that I applied for a loan I was told, first of all, to go to my chartered bank. I went to my bank, which is the Toronto-Dominion Bank. I do not think it should be called the Toronto-Dominion Bank; it should be the Toronto Bank because it certainly has no meaningful plans for investing its money in the Dominion of Canada. I have gone to other banks and blackmailed them into helping me out with my business ideas, because invariably it takes 8, 10 or 12 months to receive an answer from the IDB.

Here am I, Mr. Speaker, a young, vigorous man who has had only 15 productive years and has no time to waste. I have already stuck out my neck and started what I thought was another really good venture. Having on three occasions applied to the IDB, I was able to tell them after some lapse of time that I had generated enough profit from my ventures that I did not need their money any more. In the last instance, the IDB wanted to sue me for the expense they had undergone in processing my loan, and this 13 months after I had applied. They wanted me to pay their solicitor's costs; they had tried to find out the colour of my grandmother's eyes and God knows what else before they could help me out with a little business venture. This is the sort of thing new development is up against, Mr. Speaker.

It is no wonder that western Canada, mid-Canada and northern Canada are in the state they are today. The Farm Credit Corporations makes loans of up to $100,000 to farmers who want to stay on the land and who want to encourage their children to stay on the land. I have a thick file concerning farmers who have sons who have expressed a willingness to stay on the land. But we do not have any faith in our farming community, their ability to clear the land with the modern means that are available and to do something worth while. This is why we are afraid of foreign investment. Foreigners who have over-developed and over-populated their own country look to Canada with feelings of envy, and also with a certain amount of disgust because of the way we have managed our affairs. Governments in this country—and I mean provincial as well as federal—have no faith in our people, and this is why we have a foreign investment problem.

People from the Pacific rim countries are looking to Canada today to provide some of the commodities, such as energy and lately food, which are in short supply in the world today. They are travelling around northern and western Canada assessing the potentials that exist. Certainly, they can see the potential much better than the federal government, and they are willing to lend us money to develop this potential. All they want in return is a share of the market.

It seems to me that all we need to do is to control the amount of investment that we allow to be put into each individual venture. We should also have some control over where the profits from such ventures are reinvested. Certainly, this would make sense to me. But quite frankly, I do not have faith in this government, because it has not demonstrated to me that if it were given the power of veto any significant benefit from foreign investment would occur. These profits might well be spread along highway 401 again, or used in the "golden triangle", or in the building of more concrete monsters in our large cities, while the government continues to forget that there is a back country on which Canada has to build its future. If the government had not failed to provide access roads to the resources of our vast undeveloped regions, more Canadians would have been interested in developing these resources. I suggest we are over-playing this foreign investment business, just as sometimes we overplay all this business about the ecology and the environment.

This reminds me of the story of the gardener who was visited by his priest. He was very diligently hoeing the potatoes and tending the rhubarb, and the priest, who had not seen the farmer in church for a long time, said to him: "Isn't it wonderful what one can do in co-ordination with the Lord? This wonderful garden is here and you and the Lord did it all". So the farmer said to the priest: "Yes, isn't it wonderful, but you should have seen the mess this bloody place was in when the Lord had to look after it himself"!

In British Columbia there are vast timber resources that are over-mature. Thousands of square miles have been burnt up because there were no access roads to enable us to fight fires started by lightning. The timber is over-mature and will never be any good to anyone. We are harvesting only about 40 per cent of the timber resources of British Columbia; the rest is rotting away simply because Canadians do not have the faith to invest in their own country. Some of my colleagues sometimes ask for controls on lumber exports to the United States. They want tariffs imposed and more stringent controls. I say that is ridiculous. What we need is money to develop our vast timber resources that we are leaving to spoil.

I should like, for the benefit of the minister, to quote a statement made in response to an invitation by the Edmonton *Journal* to political and business leaders throughout Canada. I see the minister is not listening, but I should like to put on the record a statement made by one of his colleagues, which is the reason I refer to it.

Mr. Hellyer: We are also afraid that the minister will not be listening once this bill is passed.

Mr. Oberle: That is right. The statement was made by Izzy Asper in the province of Manitoba. He said:

> Manitoba and other western provinces have lived under a system of economic colonialism to eastern Canada for over 100 years and this cannot be allowed to continue.

Then he went on to say this:

● (1610)

> Eastern Canada is an industrial community and has demanded, and obtained, various policies of economic protection from the federal government, from protective tariffs to restricted foreign investment. These policies are very restrictive to the development of the Western economy which is natural-resource-based and depends on world markets, free trade and large amounts of capital investment, the latter of which is largely foreign in nature due to the reluctance of the Eastern financial centres to actively promote Western investment.

During the Western resource conference, the premiers of the provinces told the Prime Minister (Mr. Trudeau) what they thought. All the premiers of the western provinces are Canadian nationalists. What they have said is: "Do not give us any more of your handouts, any more of your

financial institutions to help development in the west; just leave us alone, let us incorporate and establish some of our own financial institutions so that we can play the role western Canada should play in Canadian unity and Canadian nationalism". But the message has reached deaf ears. There has been no response from this government. Sure, they were told they could own 10 per cent of a bank, but where on earth can one establish that kind of institution with that kind of faith in the future of Canada, particularly the future of our northern territories.

When I speak about the lack of faith we have in our population it reminds me of a little story I should like to tell, although I am straying a little from the subject we are discussing. I know a man named Dan Reagan from Prince George, British Columbia. He came to me with an idea he had. It is not an entirely new idea but he has perfected it to some extent. He says he has invented a new type of energy. Scientists have played with this idea for hundreds of years, but he now has a little generator operating at Prince George, British Columbia, right here in Canada. It sits on a table. I watched it operate. All it takes to light a series of light bulbs at the end of this little generator is a continuous flow of sea water. What he has done is not new. Hydrogen can be extracted from any kind of water. He controls the molecular movement in sea water or any other water. He arrests the energy generated. He advances the movement of the molecules and arrests and harnesses the energy generated by this movement. I was terribly excited about this and said that it was a big deal. I told him I wished to take it to the Minister of Energy, Mines and Resources (Mr. Macdonald) in Ottawa and tell our people here that this was an idea which might become something.

I advised the Minister of Energy, Mines and Resources about this idea. I told him that Dan Reagan is a man of moderate means who has an investment of a lifetime in this little generator. I told the minister I would like to have Dan Reagan travel to Ottawa and bring his generator here. For this purpose I asked the Minister if he would advance $500 to bring Dan Reagan down here so that we could set up the little generator somewhere in his office and he could see for himself how it works. The minister asked me to leave the idea with him and said that he would get back to me on the matter. One of his underlings came back to me and told me they had checked it out with some of their scientists who said it was balderdash and could not be done. It cannot be done because it is not in the books. It cannot be in the books, otherwise we would not be using other types of energy. If the scientists had said it could be done, they would have had to admit to being stupid, otherwise why would they not have done it. So, the minister is not about to give me $500 to bring Dan Reagan to Ottawa.

However, Dan Reagan will soon be on his way to Japan. He will have the patent papers in his brief case. He has the invention registered with the patent office. This cost him $300. This was not federal money or provincial money; it was his own money and the money of a few other idiots like myself who backed him. The federal government was gracious enough to lock his invention in the safe. Today, he has his generator locked up in a little trunk and he will have an all-expenses paid trip to Japan. The Japanese are interested in this invention. They should be, as should many other people. But our government is not interested in it. We have no faith in people.

When we recall other inventors, we realize that in their time they were all considered to be idiots. I know the Japanese and the Americans will come up with another source of energy, and we will take the back seat as we always do. This is an example of the lack of faith in our own country to which I referred, and the lack of faith in our own people. I am very much afraid that those people who have directed the investments of our financial institutions throughout this land over the last 100 years will now again be called upon to tell us where in Canada the need is for investment, and where it will be of the most significant benefit to Canadians. I am very much concerned that the answer will be that it be not in mid-Canada, northern or western Canada but where the financial institutions like to invest their money, that is closest to their front door so they do not have to worry about all the other things which are happening.

Canadian banks have never made a bad loan in Canada in 100 years. When I talk about this I get angry, and I often say if we could sell our Canadian banks to the Americans it would take us less than five years to buy back our country because of the way these banking institutions operate. The money would be made available to Canadians to live their dream and do the things they cannot do because they are hampered by these idiotic policies. The government should say to these institutions that if they wish to operate under federal charter they must make loans available where they are really needed. I hope the minister will realize that we from western Canada are very unhappy, that we must be assured we will have an opportunity to have our say and to demonstrate that investment made in western, mid-and northern Canada would be of significant benefit in respect of the future of our nation. Unless the minister gets this message, I expect there will be all kinds of problems for my colleagues in northern and western Canada.

Some hon. Members: Question.

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

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): The question is on the amendment of the hon. member for Timiskaming (Mr. Peters) to motion No. 2 in the name of the hon. member for Central Nova (Mr. MacKay).

All those in favour of the amendment please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

• (1620)

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

Is the House ready for the question on motion No. 3?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): The question on motion No. 2 will be put after the vote is recorded on the amendment.

All those in favour of the said motion No. 3 will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Pursuant to section 11 of Standing Order 75 the recorded division on the proposed motion No. 3 stands deferred.

Is the House ready for the question on motion No. 4?

Some hon. Members: Question.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Pursuant to section 11 of Standing Order 75 the recorded division on the proposed motion No. 4 stands deferred.

The question is on motion No. 5. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Pursuant to section 11 of Standing Order 75 the recorded division on motion No. 5 stands deferred.

The question is on motion No. 6. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Pursuant to section 11 of Standing Order 75 the recorded division on motion No. 6 stands deferred.

The House will now proceed to the consideration of motions Nos. 7 and 8 which have been grouped together to facilitate debate and which will be voted upon separately. The question is on motion No. 7.

Mr. Nystrom: I rise on a point of order. I notified Mr. Speaker when he was in the Chair that I wished to withdraw motion No. 7.

The Acting Speaker (Mr. Laniel): Does the House give unanimous consent to the withdrawal of motion No. 7?

Some hon. Members: Agreed.

Motion withdrawn.

The Acting Speaker (Mr. Laniel): We will proceed to the consideration of motion No. 8.

Mr. MacKay: Mr. Speaker, as a result of discussions and further reflection, I feel that this particular amendment is redundant to some extent. It is almost the same in substance as amendment No. 6, and I would like to have consent at this time to withdraw it.

The Acting Speaker (Mr. Laniel): Does the House agree to the request of the hon. member for Central Nova (Mr. MacKay) and give unanimous consent to the withdrawal of motion No. 8?

Some hon. Members: Agreed.

Motion withdrawn.

The Acting Speaker (Mr. Laniel): It is suggested that motions Nos. 9 and 10 be grouped for debate. An affirmative vote on motion No. 9 would also dispose of motion No. 10. I will put the question on motion No. 9. Is the House ready for the question?

Mr. Knowles (Winnipeg North Centre): Will the Chair also put the question on motion No. 10?

The Acting Speaker (Mr. Laniel): I shall do so.

The hon. member for Yorkton-Melville (Mr. Nystrom) moves motions Nos. 9 and 10 as follows:

Foreign Investment Review Act

That Bill C-132, An Act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, be amended in subclause 24(1) by striking out "five thousand" in line 14 at page 36 and substituting the following:

"one hundred thousand".

That Bill C-132, An Act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, be amended in subclause 24(2) by striking out "ten thousand dollars or imprisonment for a term not exceeding six months" on lines 25 and 26 at page 36 and substituting the following:

"one hundred thousand dollars or imprisonment for a term not exceeding one year".

Mr. Lorne Nystrom (Yorkton-Melville): Motions Nos. 9 and 10 are basically very simple. Their purpose is just to increase the fines if someone knowingly breaks the law. Motion No. 9, the first motion, is to increase the fine. As the law is now written, a person who is guilty of failing to give notice on a proposed investment is liable to a fine not exceeding $5,000. It seems to me that a fine of such low magnitude is quite an insult, rather a laugh. The motion I am proposing is that the fine be increased to $100,000, which I think is more in keeping with what it should be if someone breaks the law as enacted by Bill C-132. If someone makes an investment and takes over a Canadian corporation without adhering to the regulations as outlined in the bill, and if he is the president of a huge corporation such as General Motors, a fine of only $5,000, in my view, makes a mockery of this law. It seems to me that if we do have a fine of that sort written into the law, we are accepting what amounts to a double standard, one for the rich and one for the poor. Even though it may appear to be a small thing, for some people in our society it makes some parts of the law, and some parts of the activities of this House a laughing matter.

The second amendment I am moving is similar to the first one. For failure to comply with the regulations there is a jail term which does not exceed six months. My amendment is to change the six months to one year. Again I think it makes the penalties a bit more realistic. In some cases six months may not be long enough. I believe it would be much more reflective of the opinion of hon. members if we changed this to one year. Basically, that is the purpose of the motions, to make the fines more realistic, increasing them from a maximum of $5,000 to a maximum of $100,000 and increasing the maximum jail term from six months to one year. I appeal to all hon. members to support them. They are realistic, and will make the bill more realistic. Symbolically it is important, when we talk about justice in our country, that it be seen that justice apply equally to ordinary citizens and to those who have a lot of money.

● (1630)

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I would like to say one or two things with respect to the two amendments before us. I appreciate the concern of the hon. member for Yorkton-Melville (Mr. Nystrom) that there be sufficient sanctions in this bill to ensure compliance with respect to the provisions of the bill as enacted in accordance with the wishes

[The Acting Speaker (Mr. Laniel)]

of the people of Canada, expressed through their representative in parliament. But having said this, I suggest there are built-in sanctions in the bill which, I would argue, have the effect of providing sufficient inducements to compliance.

On the surface the amendments would make the penalties more severe in order to further the intentions of the bill. There would be increased fines for failure to notify the minister of a reviewable transaction. However, the real remedies in the bill are to be found in clauses 19 and 20. I would refer hon. members to those clauses, starting on page 31.

Clause 19 enables the minister to apply for a court order enjoining an investor who has failed to notify concerning a reviewable acquisition, or the setting up of a new business, from taking any particular actions which would prejudice the courts from acting under clause 20. Clause 20 permits the courts, on application from the minister, to make such orders as may be required to render an investment nugatory. This can include the courts ordering the doing of the following things—and these are the particular penalties which I think will ensure compliance with the bill's provisions, and which will have a greater effect than the penalties the hon. member is proposing: First, the revocation or suspension of voting rights attached to the shares of a corporation; second, the disposition by any person of any shares of a corporation acquired by him; and, third, the disposition by suspension of any property acquired by him that is or was used in carrying on a business. Failure to comply with an order from the courts would, in turn, allow the courts to punish for contempt of court.

I submit that these built-in sanctions, as well as those in clause 24(1) and (2) which the hon. member seeks to amend, are sufficient. For these reasons I submit that the amendments are not necessary to toughen the penalties.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): The question is on motion No. 9. All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Pursuant to Standing Order 75(11) the recorded divisions on motions Nos. 9 and 10 stand deferred. The House will now proceed to the consideration of motion No. 11 in the name of the hon. member for Central Nova (Mr. MacKay).

Mr. Elmer M. MacKay (Central Nova) moved:

That Bill C-132, An Act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, be amended in Clause 27 by deleting all the words after the word "offence" in line 20 at page 37.

He said: Mr. Speaker, very briefly this is a housekeeping or draftsmanship type of amendment. Perhaps it is not all that significant. What it proposes to do is take away a redundant sort of situation where if a person, I suggest, clearly contravenes the legislation, the question should not arise as to whether or not a corporation with which he had some prior involvement was or was not prosecuted. As worded, the bill simply adds an unnecessary burden on the prosecution. I do not see the virtue of having this additional wording in there after the second mention of "offence." It seems to me there is really not much point in belabouring what seems to be the obvious. The draftsman, in putting this bill together, added an unnecessary factor. Surely, if a person contravenes this legislation it is not necessary to take into account this additional factor that is tacked on somewhat as an afterthought.

Mr. Gillespie: Mr. Speaker, I would agree with the hon. member that this is a technical question, but the advice that I have received on this technical matter is that there is an important distinction in the paragraph as it is presently worded, and I would just like to review that with hon. members.

● (1640)

The words "whether or not the corporation has been prosecuted or convicted therefor", which are the words which the hon. member would delete in the last sentence of clause 27, are included in order to give notice that the government reserves the right to decide whether it would be worth while to prosecute the corporation for the offence, and that our right of action respecting the corporation is a matter completely separate and apart from our right of action against the officers, directors and agents of such corporation.

Mr. Speaker, I think that those are important distinctions, and I think they are not redundant nor irrelevant to the operation of the bill and this particular section.

The Acting Speaker (Mr. Laniel): Is the House ready for the question on motion No. 11?

Some hon. Members: Question.

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

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed, please say nay.

Some hon. Members: Nay.

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

Motion No. 11 (Mr. MacKay) negatived on division.

Foreign Investment Review Act

The Acting Speaker (Mr. Laniel): The Chair will now proceed to the consideration of motion No. 12, again appearing in the name of the hon. member for Central Nova (Mr. MacKay).

Mr. Elmer M. MacKay (Central Nova) moved:

That Bill C-132, an act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, be amended in clause 30 by striking out the words "as soon as possible" in lines 4 and 5 at page 38 and substituting therefor the following:

"within sixty days".

He said: Mr. Speaker, the effect of this amendment is to indicate that we in our party are not satisfied with the rather imprecise terminology of this particular clause. I do not know for example how one defines "as soon as possible". I do not know how one distinguishes that with any certainty in a court of law and, perhaps more important, I am not sure how one would define it with any certainty in the court of parliament.

I have reason to believe that there is a certain sympathy for this on the other side, and that the minister is prepared to consider inserting some finite time rather than leaving it on the basis of "as soon as possible", thus leaving the phrase open to the interpretation, "when it is convenient" or "when we get around to it we will do something". I do not think that is a very good situation and such a possibility should not be left in the statutes of Canada. I do not think that provision should appear in a piece of legislation which, to some extent, is a landmark in legislation pertaining to the control of foreign investment.

I do not like to take an unreasonable or narrow interpretation of what definite, finite period should be put in there. It has been suggested that because of administrative complexities 60 days is not reasonable and, of course, I have to be guided to a large extent by the experience of the minister and those who have had administrative experience. However, Mr. Speaker, I still feel that there should be some period of time specified that will guarantee that parliament and the people of Canada will get an answer and a course of action.

One of my colleagues intends to speak to this proposition and possibly propose an amendment which will provide for a period of time in excess of that envisaged in motion No. 12. On that basis, I do not feel that I should take up the time of the House, except to reiterate that some finite period of time should be inserted to substitute for this vague term "as soon as possible".

Hon. Paul Hellyer (Trinity): Mr. Speaker, it is my purpose to move an amendment to the amendment in the hope of meeting at least part way the reservations that the government exhibits. I am not, perhaps, as impressed as my colleague with the government contention that it could not meet the 60 day deadline. I suppose that to ask this government to do anything within 60 days is just about hopeless, and I guess this is one reason why this bill gives us much cause for concern.

Unfortunately, a very lax practice has developed over the years on the part of the government. On numerous occasions it has failed to file annual reports within the statutory limits set down by parliament, and it has become

increasingly careless in meeting the deadlines set by parliament. One can only assume that this is a mark of general incompetence and laxness on the part of civil servants and government officials involved, or that it is in some cases a deliberate attempt to withhold from the Canadian people important information until that information is no longer current or newsworthy. For whatever reason, it seems to be unacceptable.

Personally, I am very reluctant to move any change to the 60 day proposal, but in deference to the admitted willingness of the minister and his officials, we are going to attempt a compromise. We hope this will meet with the general approval of the House.

I therefore move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the amendment be amended by striking out the words "within sixty days" and substituting the words "within six months" therefor.

The Acting Speaker (Mr. Laniel): Order, please. I hesitate to accept the amendment to the amendment moved by the hon. member for Trinity (Mr. Hellyer). At first glance, the subamendment is a substantive motion in itself, as it may include a completely new proposal which would need a notice. Unless hon. members want to argue the point to help convince the Chair otherwise, I would have very much difficulty in accepting the amendment in its present form.

Mr. Hellyer: Mr. Speaker, I would certainly argue that it is not substantive in the sense you have suggested. First of all, the government proposes that a report be filed; that is within the context of the bill as presented to the House. My hon. friend suggested an amendment that, rather than give the government open season and allow the government to take all the time it wished for filing a report and making information available to the House and to the country, some specific time limit be applied, this for the obvious reason that the regional wording was far too indefinite and consequently really put no pressure on the government whatsoever in order to get about the necessary work of preparing a report to parliament and to the Canadian people. So, the subamendment is related specifically to the government's original proposal.

● (1650)

It would be difficult to argue that the amendment was substantive, in the normal sense of that word. Consequently, it would be equally difficult to argue that my amendment to the amendment is substantive. It is relevant to this particular clause of the bill being considered, and is relevant in the sense that it offers what the government might consider as a more reasonable period of time in order to prepare and print the documents necessary to be placed before the House. To suggest that substituting six months for 60 days, in a clause which already requires the government to prepare and table at its convenience a report, is substantive would give the word "substantive" a meaning which it does not ordinarily have.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, with respect to the point of procedure, it seems to me that one of the most standard and defensible kinds of amendment is the kind that proposes a change in a quantity already set out in a motion. We already have a motion which says that the time limit for filing a report shall be 60 days. The proposed amendment would extend that to six months. It seems to me that this kind of amendment presents the least difficulty.

Your Honour raised the question of this involving a wholly new idea. I submit that there is already in the bill a provision for the tabling of reports. I draw to your attention that nothing in the governor general's recommendation attached to this bill touches this aspect of the matter at all.

A while ago we had before us another instance where there was a motion to amend the bill by making reference to the provinces. A colleague of mine added to the ten provinces the two territories. That was allowed to be in order. As the House has already accepted as in order the motion on the order paper providing for a 60-day period, it seems to me that changing the time from 60 days to six months is hardly a new idea. So far as the government is concerned, the situation is not new. I hope Your Honour will find the amendment in order.

Mr. MacKay: Mr. Speaker, when one follows the hon. member for Winnipeg North Centre (Mr. Knowles), one is like a banjo player tuning up before a philharmonic orchestra. I wish to refer to something the hon. member said previously in this debate, when he supported the hon. member for Timiskaming (Mr. Peters). At that time he referred to Standing Order 75(8). In my humble opinion, the type of amendment proposed by the hon. member for Trinity (Mr. Hellyer) is supplementary to the amendment standing in my name. With deference, I cannot see where there is a new idea in the amendment. It just extends the idea which had been originally proposed in the amendment.

The Acting Speaker (Mr. Laniel): Order, please. Again, I say to hon. members that I sympathize very much with their opinions. Of course, the amendment moved by the hon. member for Trinity is relevant to the bill and relevant to the motion in front of the House. The weakness of his amendment is this: he seeks to substitute one amendment with a different amendment. The original motion consists of ten lines and the amendment itself is encompassed in the three words on the last line "within sixty days". If the amendment were covering a wider scope of the bill, in which was included an amendment also changing the delays with respect to reporting, then that would amend the motion with an amendment without destroying it. In this case the hon. member for Trinity to my mind is definitely making a completely new proposal to the House.

The House has before it at this time a motion which proposes a delay of 60 days. The hon. member wants, by an amendment, to eliminate that delay and replace it with another. His amendment asks for a six month delay.

I am wondering what is the purpose of having to give notice. In this case the hon. member for Central Nova (Mr. MacKay) went to the trouble of giving the Chair notice. He proposed that the delay be changed. In one simple amendment he proposed a definite figure. I do not think we can interpret the rules with regard to the amending of motions in a way—is the hon. member rising on a point of order?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if you would permit a question, even if it is rhetorical. I wonder if Your Honour is taking cognizance of the fact that the amendment is not proposing a delay in some action but is, rather, simply extending the time within which something can be done. It seems to me that forcing something to be done within a certain time is quite different from permitting more time for that something to be done.

The Acting Speaker (Mr. Laniel): Perhaps I did not make myself clear. My basic point did not have to do with delay. The basic point is that we are, with this amendment, making a substitution for all the basic words of the motion. We are replacing them completely with new words which mean that a longer time will be permitted. I must say that, according to my interpretation of the rules, in particular of the rule of notice which applies to the report stage of the bill, I am sure that, procedurally, this kind of amendment cannot be proposed at this time. For these reasons it is not possible for me to accept the amendment couched in the present wording.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, if I may rise on the same question, I wonder if, instead of changing days to months, we might just change the number of days in the amendment. Let us put in 180 days instead of 60 days, six months merely being the rounded out figure. I propose this for Your Honour's consideration.

Mr. Hellyer: Mr. Speaker, I think that would get us over the difficulty which Your Honour sees. That way we should not change the entire amendment, but merely substitute one number in the amendment with another. I would be quite prepared, in the circumstances, to change my amendment, so that it would read, "That the amendment be amended by striking out the word 60 in the last line and by substituting 180 therefor."

The Acting Speaker (Mr. Laniel): Order, please. I still find it difficult to accept the change. This, of course, would have to be done by unanimous consent. I think, without setting any precedent, that the Chair should have time to look into the matter. There have been occasions where, by consent or at least by agreement an amendment was voted on although it was felt by the Chair it did not really correspond to our practices and procedure. With these restrictions, I am prepared to let the House vote on it. Although I have a strong reservation as to this type of amendment, I will put it to the House. The hon. member for Trinity (Mr. Hellyer) moves:

● (1700)

That the motion be amended by striking out the word "sixty" and substituting the words "one hundred and eighty".

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I wish to comment on the amendment now that it has been ruled in order. Quite frankly, there were discussions among members of various parties with respect to the wording of the clause, particularly the words "as soon as possible".

Hon. members from both sides of the House know I was prepared to accept some substitution of those words because I, too, agreed it would be very useful to have a finite time. In other words, the will of parliament will be better preserved if we insist that the report be submitted within a specific period of time.

I was concerned about the original amendment "within sixty days". Clearly, that is an impracticable objective, laudable as it may be in terms of wanting to get a full report from the new agency or commissioner. In my mind, it is simply a question of what is a practical solution in the sense of a compromise between "as soon as possible" on the one hand, which provides maximum administrative flexibility and, on the other hand, the eagerness on the part of parliamentarians to receive the account of the foreign investment review agency. I do not think there is any magic figure. I think the technique that has been adopted in the past is good. That is to say the legislation respecting the Department of Industry, Trade and Commerce requires that the minister shall, on or before the 31st day of January next following the end of each fiscal year or, if parliament is not then sitting on any of the first five days next thereafter that parliament is sitting, submit to parliament a report showing the operations of the Department of Industry, Trade and Commerce for that fiscal year.

That language is in the bill. My department operates under that legislation as do the Department of Regional Economic Expansion and the Department of Supply and Services. In effect, that particular legislation provides 10 months for the departments to submit their annual reports to parliament. The subamendment to the amendment, which would require that the report be made in 180 days, shortens that period of time from 10 months to six months.

I am prepared to accept it because it provides for a finite period. It may be on the tight side, but that will be the problem of a new agency to organize its affairs to provide a report to parliament. I accept the amendment because we on this side are anxious to have the foreign investment review agency play a very important part in the future development of this country. For that reason, I think it important that this report be placed before parliament as soon as it is administratively possible to do so.

I cannot help but observe that in moving the subamendment, the hon. member is not joined by all members on his side in wishing to have a report placed before parliament on such an urgent basis. From listening to some, it certainly appears they would prefer that this bill not be passed. However, I recognize there are a number of members on the other side who wish to see this act passed and see it work. For that reason, I am prepared to accept the amendment.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, as some members know, I and others were concerned about having a finite time limit on when a report must be submitted to parliament. The original wording in clause 30, as soon as possible, left it wide open. For that reason, I and others in this party wanted a definite time limit.

Like other members, I do not know the magic number. However we are quite prepared to support the subamendment moved by the hon. member for Trinity (Mr. Hellyer) setting a six month time limit on when the minister must report every year on the progress of the legislation.

The Acting Speaker (Mr. Laniel): Is the House ready for the question? The question is on the subamendment (Mr. Hellyer).

Amendment (Mr. Hellyer) agreed to.

Motion No. 12 (Mr. MacKay) agreed to.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Brandon-Souris (Mr. Dinsdale)—Public Service—Alleged waste of money in purchase of art objects displayed outside buildings—Government position; the hon. member for Winnipeg North Centre (Mr. Knowles)—Canadian National Railways—Request that pensions be tied to increases in cost of living; the hon. member for Victoria (Mr. McKinnon)—Fisheries—Sports fishing in waters off Vancouver Island—Request for government assistance.

GOVERNMENT ORDERS

[*English*]

FOREIGN INVESTMENT REVIEW BILL

PROVISIONS RESPECTING ACQUISITIONS OF CONTROL OF CANADIAN BUSINESS ENTERPRISES AND ESTABLISHMENT OF NEW BUSINESSES

The House resumed consideration of Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Lorne Nystrom (Yorkton-Melville) moved:

That Bill C-132, An Act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, be amended in Sub-clause 31(1) by changing the period to a comma on line 15 at page 38 and adding the following:

"such a day to be no later than 60 days after Royal Assent."

● (1710)

He said: Mr. Speaker, this amendment is similar in intent to the amendment we dealt with a few minutes ago in that it attempts to set a time limit. Clause 31 deals with the coming into force of the legislation presently before us. At present, the date is left open to be fixed later by proclamation. I am concerned lest the minister, for one reason or another, should choose not to have part of the act proclaimed for several months or even for several years. Or, should part of the act be proclaimed almost immediately, proclamation of the other part might be delayed for a year or two. I wanted to set a time limit, and my amendment therefore says that the date of proclamation shall be not later than 60 days after Royal Assent.

After consulting with a number of people I realise, now, that 60 days is probably too short a period; is would not give the minister sufficient time in which to draft regulations, hire staff, and so on. So, in a few moments one of my hon. friends will be moving a sub amendment extending that 60 days to six months or so. I think this would allow the minister a reasonable time in which to take all the action necessary.

I think it is important that we in this House should decide when the act is to come into force, not the minister. In my view, this is basic to the democratic process. In this way we can ensure that the act comes into force in the next six months. In the absence of such a provision, a whole series of hypothetical situations—and some might not be hypothetical—could conceivably delay the implementation of this measure. During that period all kinds of take overs and expansion into unrelated areas might take place.

So, I ask all hon. members to look seriously at clause 31 and try to reach some agreement on a definite time limitation in relation to the date on which this measure comes into force. As I said when I spoke briefly on the last amendment, I am not sure as to the precise terms of such a limitation but I strongly believe some date should be fixed so that the business community, those who are classified as non-eligible persons and the public generally, may know where they stand. This is only fair to everyone concerned. It is only democratic, and I trust the proposal I am making expresses the will of the House.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as my hon. friend has indicated, there has been discussion among the parties with respect to the terms of this amendment. As hon. members have just heard, the hon. member for Yorkton-Melville (Mr. Nystrom) has put down an amendment requiring proclamation to be made within 60 days after Royal Assent. At present, the date is left wide open. I understand the minister feels that 60 days is too short a period. We are therefore, prepared to lengthen that period and we hope the alternative suggestion we make will be acceptable to the government and to the other parties in the House. Surely, July 1, 1974, is not an unreasonable date. Assuming that the bill is passed by the end of this month, this would give the government not just 180 days but between six months and seven months to get ready to proclaim the legislation. I therefore move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That Motion No. 13 be amended by deleting therefrom the words "60 days after Royal Assent" and substituting the words "July 1, 1974".

At the moment, the amendment reads: "such a date to be no later than 60 days after Royal Assent". As amended, it would read: "such a date to be no later than July 1, 1974". I trust that this revision, or compromise, will be acceptable to the House.

The Acting Speaker (Mr. Laniel): Order. It is acceptable to the Chair, anyway, from a procedural point of view.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I should like to identify myself with those who desire to see this legislation in operation as soon as possible, and in such a way as to ensure its effectiveness.

Consultation has taken place with respect to the time necessary to bring in the necessary regulations, and recruit the staff required. Account must also be taken of the time required for the passage of the bill through the other place.

Mr. Knowles (Winnipeg North Centre): Don't worry about the other place.

Mr. Gillespie: For that reason, I should like to suggest to the hon. member that rather than July 1, which is a symbolic date, rather an important date, another way might be chosen; it might be possible to get the act proclaimed before the date the hon. member has in mind. I wonder whether "180 days after Royal Assent" might not meet his point while yet providing for the contingencies he has mentioned. I put this by way of a question to the hon. member who has moved the sub-amendment.

Mr. Knowles (Winnipeg North Centre): We may well be talking about precisely the same length of time. If this bill is delayed in the other place, so that it does not get by until some time in December, 180 days would bring us to the middle of June. If that proposition is more acceptable to the minister than the one I proposed I have no objection to asking the House to consent to my motion being changed so as to read:

That Motion No. 13 be amended by deleting therefrom the words "60 days after Royal Assent" and substituting therefor the words "180 days after Royal Assent".

Hon. Paul Hellyer (Trinity): Mr. Speaker, I, personally, believe it is much better to set a definite date for the coming into force of that part of the bill which relates to investment than to leave the date entirely open as is presently the case.

The reasons are obvious. There are too many areas of uncertainty at the present time as far as the business world is concerned. The mere passage of the bill will open up many areas of uncertainty until such time as guidelines have been posted by the minister and test cases have been presented to the agency and the Governor in Council has ruled on them. Uncertainty will exist until a body of law is established that will give business and individuals in Canada some appreciation of exactly what this bill means and how it is going to be interpreted. To have an additional area of uncertainty as to when new investment will be covered by the bill is, I think, just one more grey area that would cause a good deal of concern. I, personally, think it is a good thing to eliminate this uncertainty by proposing a time limit, as is the case in the subamendment now before us.

• (1720)

It is obvious that the 60 days referred to in the original amendment was inadequate. Indeed, the hon. member who moved the amendment realized that himself. Having talked to others, he came to the conclusion that this period was quite impractical from the standpoint of administration. He realizes, as do the rest of us, that 60 days will go by before the minister even begins to put the wheels in motion. Indeed, at the end of 60 days he will be lucky to have his stationery printed and to have a few desks and other office appurtenances in place. So to expect anything more than what is basically pro forma in the first 60 days is unreasonable.

To suggest that we bring into force the second part of the act before the first part has been implemented and before guidelines have been posted would have created, if I may say so, chaos on a scale unknown probably even in the present circumstances, which is saying something, Mr. Speaker. This is why the amendment as originally framed would have had, I think, a chaotic effect. It would have produced a situation that would have been quite unacceptable and which would probably have detracted from the implementation of the bill. Rather than making it possible to move into this area smoothly and firmly, to establish precedents and a body of law which would make it possible for the minister and his officials to work efficiently and effectively to achieve the purposes set out in the bill, a great area of uncertainty would have been created which, as I say, would have prevented us from accomplishing what we want this legislation to accomplish. Therefore, we appreciate the fact that something is going to be proposed of a finite nature, which is comprehensible and understandable, and yet at the same time will give the minister a chance to give the first part of the act a reasonable shakedown cruise before the implementation of part two.

I should like to make this further appeal to the members of the NDP, who have demonstrated their sincerity in this area, to do the same thing with in regard to one of the amendments proposed by the hon. member for Central Nova (Mr. MacKay). These hon. gentlemen represent a party that has three provincial governments in this country. Those provincial governments, as other provincial governments, are concerned about the problem of communications that exists between the federal and provincial governments. And their concern is well founded, Mr. Speaker.

The object of the exercise is to make this bill work in such a way that we can provide alternative investment capital necessary to develop all parts of Canada. In order to do this we must have communications of a sensitive yet instant kind, a kind that has not been forthcoming in this country for quite a while. We will require the kind of communications that are just the opposite of the sort we have had recently—the confrontation type of politics we have experienced between federal and provincial governments, particularly in regard to energy matters.

If the screening agency is to be effective and we are to use the mechanism that is set up to encourage Canadians to invest more fully in their own resource and industrial development, then it is absolutely imperative that from the very outset—not at some subsequent time but at the very outset—the lines of communication between the min-

ister, his agency and the provinces of this country are kept open at all times. In other words, we must establish a hot line between the minister, his agency and each of the ten provinces, and indeed the territories as well. We should remember that they, too, are very directly concerned. Of all the areas of this country, there is probably no area that has more potential for development and is more concerned about obtaining adequate amounts of capital to finance that development than the two territories in the north.

Nevertheless, we do have this haunting fear regarding the lack of a time limit within which the minister must bring in his annual report. It is easy to see that wide latitude should be given. At the same time, unless there is some necessity to do something, the propensity is to find an excuse for not doing it. We now have a situation where the minister must file a report within a certain period of time. He has agreed this is a good provision and that there is pressure on him to comply. However, we also think there should be equal pressure on the minister to notify at once provinces that are affected significantly by any proposed takeover, in the first instance under the first part of the act, and then later on once the whole act has been proclaimed. What greater certainty could there be, Mr. Speaker, than having the minister and his agency required by law to consult the provinces by giving notice the instant they are advised of a particular situation coming within the ambit of the bill? We feel that this requirement is cardinal. We want a good bill, a bill that would be acceptable to all people across this country.

One could not help but be impressed this afternoon by the eloquence of those who spoke about the feeling that exists in the eastern and western regions in this country for some guarantee that the federal government will be sensitive to their real needs. Equally, one could not help but be impressed by the fact that the large amount of investment that has taken place in Newfoundland since Confederation has for the most part been from without Canada. This is not because that province would not have preferred to have Canadian investment and Canadian ownership and control, but when faced with the opportunity, Canadian entrepreneurs and financial institutions were not able to come through, and did not come through, with the necessary investment capital.

● (1730)

Perhaps there is a matter of insight involved in respect of those of us in central Canada who feel very strongly that we must come to grips with this problem, who feel very strongly that too much of our industry is owned outside of Canada, who feel very strongly that the trend in the future and immediately is toward greater participation in the development of our own industries and resources, and who feel very strongly that the moment of decision has come. We must also understand that people in other parts of the country feel equally strongly that their points of view be taken into account.

The Acting Speaker (Mr. Laniel): Order. The minister seeks the floor on a point of order.

Mr. Gillespie: Mr. Speaker, I rise on a point of order because it seems to me the hon. member has wandered off the subject of the amendment before us concerning the length of time for the proclamation of part I of the bill. He seemed to be speaking to amendment No. 14 proposed by his party which would provide a veto power to the provinces over the operation of the act. Perhaps he should reserve his comments until we reach that point.

[Mr. Hellyer.]

Mr. Hellyer: Mr. Speaker, every time the minister speaks he makes me more uneasy. He demonstrates, in his impatience, that lack of sensitivity which is precisely what some of my colleagues fear most. He would seem to believe that all others, including all provinces in the east and the west, should be seen and not heard. It is precisely because we are now coming to grips with the implementation of part II of the bill at a specific time, which is good, which gives a definiteness to the bill which was previously lacking, that it is important once again to revert to the question of how the minister will ensure that the provinces will know what investments will be made, rather than having it left to the haphazard notification methods which might be employed by industry or by the press from time to time. It is a question which is fundamental to the whole bill, but specifically to part II and the date of implementation of the legislation.

I must admit that the more I listen to members of parliament from the Atlantic provinces, from Newfoundland, from Nova Scotia, Prince Edward Island and New Brunswick, and from other provinces as well, not just Alberta but also Saskatchewan which had very real reservations about the channels of communication, and also Manitoba and British Columbia, the more I feel that those of us in central Canada must be more sensitive than we have ever been to their point of view. It is difficult, without listening very closely and very carefully to what is said by the representatives of those parts of our country, to appreciate that they feel very differently in some respects from those of us in the central part of Canada. I think they have stated the case very clearly and very eloquently. All they really ask is that there be provincial participation, not provincial veto by any stretch of the imagination. The minister knows as well as any hon. member that the provincial veto cannot be given without in fact making the bill inoperative.

Mr. Gillespie: Mr. Speaker, may I ask the hon. member a question?

Mr. Hellyer: Certainly.

Mr. Gillespie: I should like to preface my question by reminding the hon. member that the fourteenth amendment, in the name of the hon. member for Palliser (Mr. Schumacher) reads:

> provided always that nothing in this act shall apply in any province until the minister shall have received the consent of that province to such application.

I suggest to the hon. member that there is only one interpretation which could be given to that particular amendment. Would he not agree with me that if that amendment were to carry, it would give any province concerned a veto power?

Mr. Hellyer: Mr. Speaker, I would say—

The Acting Speaker (Mr. Laniel): Order, please. The minister, a few minutes ago, rose on a point of order and

suggested that the hon. member for Trinity (Mr. Hellyer) was speaking to amendment No. 14 which was not before the House at the time. Now he comes along with a question related directly to that amendment. I do not think this can be accepted.

The Chair has endeavoured to be lenient and allowed the hon. member for Trinity to generally speak of consultation in regard to the bill. Perhaps the Chair has given more leeway than it should. I believe the Chair has been lenient in respect of quite a bit of the debate. But a question directly related to an amendment which is not before the House, and concerning which the Speaker has already expressed some doubt, should not be accepted at this time.

Mr. Hellyer: I bow to your ruling, Mr. Speaker. First of all, may I say your generosity is appreciated. I shall be more than happy to answer the minister's question when we reach that stage in our proceedings. I wish to make it very clear that the members of this party do not support provincial veto. The members of this party support provincial participation in the sense that provincial points of view are taken into account before the governor in council makes a decision. What we are really asking is that there be channels of communication which are so fool-proof that we do not find ourselves in the position where a decision has been made before consultation has begun; in other words, so that there is not a sense of confrontation and the inevitable breakdown of good relations which could occur under those circumstances. It is for this reason we would hope the minister and his supporters would reflect on their earlier opposition to giving notice to those provinces significantly affected.

The minister made some rather feeble suggestion that he thought this necessitated informing all the provinces in every case. I do not think that can be substantiated for one moment. The only suggestion was that those provinces which beyond question would be significantly affected must, of necessity, be advised at the outset so they will have the time to consider the matter, the time to make their presentation, the time to have their experts consider the evidence and the time to do the economic and other studies necessary in order to determine whether or not they want to support the particular application. That is what is being asked. Is that unreasonable?

I turn my attention to the members of the NDP, through you Mr. Speaker, and ask them if they do not believe in their hearts that the provinces represented by NDP governments, as well as other provinces, would feel that the very least that could be done in so far as participation is concerned is that the courtesy of instant notification be extended. Is that reasonable? This involves merely the courtesy of being informed of what is going on at the outset, rather than after the decision has been taken or is about to be taken; in other words, when it is a *fait accompli.*

I am pleased to have had this opportunity to say I think these two amendments will greatly strengthen this bill and that the bill was lacking in these two respects in particular. First, there must be an assurance that the provinces will be notified that they are involved and have an opportunity to do their own research, their own studies and their own thinking before being faced with an off-the-cuff decision without adequate time for reflection and study. Second is the determination of a specific date for the implementation of the second half of the legislation so that the absence of definiteness will not permit the evasion of the act and will not leave in limbo that great uncertainty which would otherwise be the case.

• (1740)

In closing, I would urge once again my friends on opposite sides of the House, on the government side and on the NDP side, to consider the advisability of making this an even better bill—I say "a better bill" because there are still some weaknesses in it—by the adoption of these two amendments which in our opinion would strengthen the bill for all concerned.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I address myself to the amendment concerning the limitation on proclamation of the legislation. I am a little confused at the moment as to whether we are talking about 180 days or July 1, and I am grateful that the hon. member for Yorkton-Melville (Mr. Nystrom) should have come forward in this way with a date. I have been looking at the second subclause of this clause and find there is an open-ended time. In my ignorance, I am a little confused and I would be grateful for the comments of other hon. members, and particularly of the minister, as to whether this is an oversight in bringing into effect this legislation as it would affect new businesses in Canada; because the first subclause deals with what we commonly call takeovers, and the third large area of activity which concerns us all is not dealt with in the bill at all, namely, the expansion of existing businesses which are foreign-financed.

However, leaving that third section aside, I am concerned about when that portion of the legislation which relates to new businesses will be brought into effect. The wording has been turned into some sort of gobbledygook which defeats me. I understand it to mean simply that that portion cannot be brought into effect before the one which affects takeovers. But when will it be brought into effect? We know the record of the government in other matters. We were dealing with it in regard to filing reports, and we secured the unanimous consent of the House for an amendment requiring the agency to table a report within 180 days. But in view of the record of this government for putting things off I think that in subclause 2 we should have some assurance that if they are in earnest about this bill, they would be prepared to consent to a specific time limit for the coming into force of this legislation.

I am prepared to concede that this was simply a drafting error; but even this stretches my credulity to some extent because this is not the first bill of this sort that has been brought before us. Surely, with the drafting skills at the command of the government, they should not allow these oversights to occur in legislation that is brought before us. Therefore, I would be very pleased to hear from the minister or from other members of the House as to whether I am misinterpreting this clause. I believe we must have a time limit in clause 31(1) and that the same is required in clause 31(2).

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, the amendment proposed by the hon. member for Yorkton-Melville (Mr. Nystrom) is very interesting. Like the previous one, it proposes to substitute a finite time for a very indefinite state so far as the original legislative attempt is concerned. I think that most hon. members on reflection will feel this is the type of amendment that should be supported and, as the hon. member for Esquimalt-Saanich (Mr. Munro) just said, one wonders at the drafting skill that brings to this House legislation worded in the way it is.

I think the hon. member for Yorkton-Melville has expressed in his amendment a real concern that no doubt has crossed the minds of many hon. members, I suppose mostly opposition members, that this government may be a little less than sincere and frank in its desire to implement the various provisions of this foreign investment review act. No doubt it is a perfectly legitimate action on the part of the government to attempt to get the very maximum political mileage out of this step to finally control foreign investment in Canada, and none of us can argue that they are not entitled to it. However, they have had an opportunity to do this for a long time. They could have taken this step in the last session of parliament, but for one reason or another it was not done. Now, having had the initiative to bring the bill before the House, one would think they would want to see the proposals implemented as soon as possible.

Certainly there is a great deal of room for speculation in this regard. Long before I became a member of the House I can remember reading in various publications about acts that were brought in which were ostensibly for the good of Canada and were to have a considerable impact on our nation, such as for example the Canada Water Act which was brought in with great fanfare. I believe it was discussed for a considerable length of time in this august chamber, and finally passed with unanimous consent. However, in my humble opinion this piece of legislation has not been very efficiently promoted or fostered by this government. There is also the Territorial Sea and Fishing Zones Act which, when it was passed by the House, afforded a great deal of comfort, in theory, at least, to Atlantic Canada.

What I am wondering—and so is, I am sure, the hon. member for Yorkton-Melville; perhaps this is part of the motivation for his amendment, apart from the excellent procedural point of instituting a finite time—is whether he is also of the opinion that this government might very well like to have the name but not the game. I am wondering whether he does not think the government needs to have some guarantee forced upon it so that it would in fact bring in the relevant provisions. I would suggest, again without being too cynical, that the government may be less than happy to act as expeditiously as some members of the opposition would like it to act.

● (1750)

Of course, the minister can make the point, and with some justification, that so far as provincial consultation and notice are concerned, he needs the consent of cabinet and that, even if he so wished, he will not be able to act as some sort of oriental despot who can do what he wishes under this legislation. There are certain political realities with which he must conform.

[Mr. Munro (Esquimalt-Saanich).]

However, I wish to take a brief moment to make a final plea to the minister, as did the hon. member for Trinity (Mr. Hellyer) and the hon. member for Esquimalt-Saanich, and remind him that we have very real concerns in our various parts of Canada, including the territories. We hope that in considering the various ramifications of this type of legislation, the government will realize that we must have some sort of provincial consultation on the one hand and substitution of alternate forms of capitalization on the other. If some sort of attempt is not made by the government to understand this, then I fail to see how this legislation will receive the necessary acceptance and co-operation.

An objection has been made by some of my colleagues that the notice requirements, as defined by the Interpretation Act, would provide too much of an administrative burden for the government in supplying the various provincial administrations with the kind of information it would feel obliged to provide because of the definition of what "notice" may be. This is not entirely a valid argument. Surely there is some scope left to the government, and the minister does not necessarily have to follow in every literal respect the definition of "notice." Surely, with all the staff at his command, the minister would be able to provide the provinces, in some sort of summary form, the type of notice that would not be too bulky on the one hand and on the other hand would be sufficient for the provinces' interests.

There is really nothing more that needs to be said about the amendment put forward by the hon. member for Yorkton-Melville. It is a good type of amendment and should be looked at seriously. Mr. Speaker, since you may require a little time to dispose of argument and perhaps rule on amendment No. 14, I will conclude at this point.

The Acting Speaker (Mr. Laniel): Is the House ready for the question on motion No. 13 and on the amendment thereto?

Some hon. Members: Question.

Amendment (Mr. Knowles, Winnipeg North Centre) agreed to.

Motion No. 13 (Mr. Nystrom), as amended, agreed to.

The Acting Speaker (Mr. Laniel): Order. At the opening of consideration of the report stage of Bill C-132 Mr. Speaker indicated that he had some reservations as to the acceptability of motion No. 14. Of course, there was no debate at that time, but it is suggested that motion No. 14 is defective in that it is a substantive proposal rather than an amendment. In effect, it purports to give a province or provinces the authority to determine if and when a statute of Canada shall have force and effect. In other words, it proposes an alteration or change in the legislative procedure.

Hon. members may refer to May's eighteenth edition at page 510, paragraphs 10 and 11, which read as follows:

Amendments to a bill proposing that an address or a resolution of one House of Parliament should effect the repeal of the bill, or that the provisions of a bill should be subject to a referendum,

have been ruled out of order as proposing changes in legislative procedure which would be contrary to constitutional practice.

An amendment is irrelevant and cannot be admitted if it seeks to delay the coming into force of a bill relating to England only, until a similar bill should have been passed for Scotland.

Having put these thoughts in the minds of hon. members, perhaps I may call it six o'clock and later welcome comments from hon. members, unless they indicate satisfaction with the suggested ruling.

Mr. Foster: Mr. Speaker, I believe that your ruling would find the favour of most hon. members of the House.

The Acting Speaker (Mr. Laniel): Order, please. It is my understanding that hon. members do not wish to question the doubts of the Chair as to the acceptability of motion No. 14. This being the case, the Chair rules that the motion cannot be accepted at this time.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, since we have reached the end of the report stage amendments, perhaps I might be permitted, in the absence of other House leaders—I am sorry, one of them is reaching his seat now—to indicate that there is agreement that the deferred votes take place tomorrow afternoon after the question period.

Mr. Foster: Mr. Speaker, we on this side are agreeable, on the understanding that we continue on with third reading following the divisions.

Mr. Bell: Mr. Speaker, we agreed to this also. It does not suit everybody in our party but it seems to be the best time to have the divisions, and it is the time we generally thought last week we would have these votes. So in order to continue with third reading tomorrow, we agree to the votes taking place right after the question period.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, we give our support to what the hon. member for Winnipeg North Centre (Mr. Knowles) just said. We gave our support as early as last Friday.

[*English*]

The Acting Speaker (Mr. Laniel): Is it agreed that the deferred votes and recorded divisions on the various motions that have been considered at the report stage be postponed until tomorrow afternoon after the question period, and that it be so ordered?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, it has been suggested to me by one of my omniscient colleagues that perhaps the House might like to know what we shall be dealing with at eight o'clock.

Mr. Foster: At eight o'clock we will be continuing with government order 56, Bill S-4 amending the National Parks Act.

Mr. Bell: Mr. Speaker, we agreed to this. We appreciate the government telling us it was coming up, and we think it would be nice if it would bring the NDP into some of these consultations.

Mr. Knowles (Winnipeg North Centre): Who do you think suggested it?

The Acting Speaker (Mr. Laniel): Order, please. It being six o'clock, I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

NATIONAL PARKS ACT

AMENDMENT DELINEATING GOVERNMENT'S POWER IN DISPOSING OF PUBLIC LANDS

The House resumed from Friday, November 16, consideration of the motion of Mr. Chrétien that Bill S-4, to amend the National Parks Act, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

Mr. Frank Howard (Skeena): Mr. Speaker, I feel particularly pleased and honoured this evening to see so many cabinet ministers in the House, particularly the Minister of Indian Affairs and Northern Development (Mr. Chrétien) who is the sponsor of this bill. It is an unusual sight at this time of the day.

This is an important piece of legislation, Mr. Speaker, not so much for what it contains, because it contains very little, but for what it does not contain in providing for the process and the mechanism by which national parks are established. It also affords members an opportunity to extol the virtues of their own areas and the beauties there and to explain why there should be national parks in areas where they do not exist at the moment.

In my initial remarks I want to point out that northern British Columbia does not contain any national parks at the moment, and therefore if I were to relate this bill just to the interests of my own area it would not really matter whether it passed or not. It would have no bearing on whether a national park is established in that area. That will come about as a result of discussions between the provincial government and the federal government and the assignment of lands and all the other matters that enter into an agreement to establish a national park.

On Friday, the hon. member for Gaspé (Mr. Cyr) spoke about Forillon national park. What he said had merit but I want to depart from that position. He invited all hon. members and others to take a holiday and visit Forillon to enjoy the beauties of that park when it becomes developed. I disagree with the concept that a national park has to be developed before it can be enjoyed and appreciated. I think we have gone overboard on this concept of development and I apply this to provincial parks as well. We have tended to commercialize them, make them attractive to the mobile tourist who comes along with his trailer, portable television and all the accoutrements of home to visit these parks. I am one of those who wants to see them maintained and preserved in their natural state. I think

the concept of parks should be that of preservation of wilderness areas and nature, rather than an encroachment upon nature and the development of blacktop roads, hot dog stands and commercial ventures and all the other highly organized accompaniments of today's concept of national parks.

Take, for example, the Queen Charlotte Islands, particularly the west coast facing upon the expanse of the Pacific Ocean. It is difficult to get to that area because there are no roads. One has to get there by boat or aircraft . Commercial aircraft do not fly there, so it becomes a charter venture which is not really that expensive when flying from some of the communities on the Queen Charlottes themselves. The west coast is an indescribable structure. It was the home of a number of Indian communities in pre-European days. It was an area in hibernation, so to speak, in which one could gain some concept of the spiritual nature of nature itself. The mere sight of that expanse of water, its movement and its surging, and the cliffs and trees and the sea life, with the wildlife of the area, is something to be remembered and preserved and conserved. I can think of no better way of doing it than by establishing a national park for that purpose.

● (2010)

Just north of Terrace where I live there are some lava beds, the result of an outflow of lava from a volcano that erupted something like 400 years ago. That lava flow is reflected in the stories and history of the Nishga Indians who live along the Nass River. They tell of the plight of their forefathers three or four centuries ago when the volcano erupted, spewed lava and drove people from villages to other sites. Just north, a few hundred miles away I believe, is the only active volcano in Canada. It is not active at this time, the eruptions taking place on a cyclical pattern which ends every 300 years or thereabouts.

I know that scientists of the federal Department of Energy, Mines and Resources are near Mount Edzizq, studying the lava flows in the Grand Canyon of the Stikine River. Several volcanoes have erupted in the region. There are a number of volcanic cones in the area. The top of this mountain area is glaciated. Areas like this should be preserved and dedicated in future as non-developed national parks. Their preservation as national parks is something that ought to be considered.

Also, we should consider our ocean spaces as national parks. A couple of years ago, as recorded in *Hansard* on October 19, 1971, the Minister of the Environment (Mr. Davis) spoke about what was loosely or generally referred to as an underwater or marine park in the Gulf of Georgia. Technically, it should be known as Georgia Strait; those of us who live in the area always refer to it as the Gulf of Georgia, although it is not a gulf. There is a reference in *Hansard* to the Minister of the Environment referring to studies and discussions taking place with the government of British Columbia about the park. Apparently, within a few weeks of October 19 there was to be a formal understanding with the province in that connection. We have heard nothing further since then.

There are a number of areas on the west coast and east coast, bordering on the ocean that should be preserved and set aside as conservation areas. In those areas people

[Mr. Howard.]

should be able to see the beauties of undersea life. In this connection I have heard it said that national parks and other parks are valuable from the point of view of tourism and tourists. I know there is a tendency for people to extol the economic benefits that come to an area in which there is a park. They say that economic benefits come from tourists who visit those areas. A great deal of that so-called benefit is mythical. It does not come about.

Near where I live the world's largest steelhead salmon was caught in the Kispiox River, a river that is frequented by tourists. A few years ago a young lad of 18 spent four or five hours catching this fish. In the end he pulled out of the water a 92-pound spring salmon—a fantastically big fish. Let me point out that the Skeena River is one of the most important salmon spawning rivers in Canada, as is the Nass River and the whole northern area. These rivers attract tourists who come to camp and fish. Many come with self-contained campers. They bring their own gas, often in 45-gallon drums because it is cheaper that way than buying it locally. They bring their own larders stocked with food. They do not even purchase a fishing licence, very likely having bought it as soon as they crossed the border, if they are American, or in another town if they come from Canada. They leave behind relatively little in an economic sense. They leave their garbage and their litter—we provide facilities for that. The concept that tourism brings economic benefits to an area is just not true when viewed over-all.

An unfortunate situation has arisen in some of our parks, regrettably, because both federal and provincial governments have not been sure who had legislative or constitutional authority in the area. I am referring to situations in which people, primarily from the United States—I am not knocking United States citizens for this—have come with camper units and, as well, with a small canning factory. They have spent their time, say, on the Kispiox River or elsewhere and have engaged in sports fishing, which comes under the jurisdiction of the provincial government. They catch fish and can them in these mobile canning units. They clean the fish right there and then, and bottle or can them right there and then and take them back home. They catch salmon and other species of fish, sometimes for commercial purposes.

We must prevent this happening. I do not consider that where this sort of thing takes place the activity is of any great value to the area. We want to put our objection on record and say that when we are talking of developing or establishing national parks we should not do it with that concept in mind. Such activity is not necessary for people who go to a park to enjoy it.

I have some objections to the bill, Mr. Speaker. One of my objections is companion to the objection raised by the hon. member for Northwest Territories (Mr. Firth) the other day. It has to do with the relationship between the federal government and the provinces and the federal government and the two territories. Under the bill, parks can be established or expanded in a province when there is agreement with the province. When it comes to the Yukon and Northwest Territories, no such agreement is necessary. The territorial councils are not considered even as being competent to make those decisions.

The Yukon and Northwest Territories are treated paternalistically in the bill. I know how much the Minister of Indian Affairs and Northern Development detests the word "paternalism". He drags it out every time he is in a corner. The bill is paternalistic inasmuch as the section of the bill dealing with the relationships with the Yukon Territory and the Northwest Territories speaks not of agreement but of consultation. We know, from the history of this government, what it means by consultation. It does not consult for discovering what others want, or for the purpose of getting advice about something with respect to which the federal government may change its mind. With this government, consultation is merely something for providing a technical avenue by which things can be discussed so that the federal government can go ahead and do what it planned in the first place.

● (2020)

A couple of days ago I looked up the word "consult" in the dictionary. Perhaps the most appropriate definition that can be applied to this government is the reference that says "to consult your pillow"—in other words, to sleep on the matter or think about it in your dreams. That is the type of consultation that is involved.

Some parts of this bill have merit. Although they will have some value for simple questions, they will denigrate the position of the Yukon and Northwest Territories Councils with regard to groups to be consulted but not to reach agreement. As far as I am concerned, the bill should fail on those grounds if none other. Surely, in this enlightened day and age, with all the respect we have for levels of government and democracy, we should write into this piece of legislation with respect to the Yukon and, the Northwest Territories that the formation of parks should become a matter of agreement between the federal government and territorial governments. I hope when we get to the committee stage the appropriate amendment will be written in.

I want to talk about a gross failing in the bill. This has apparently been endorsed by the Conservative Party. At no time during the second reading debate on this bill has one iota of interest been exhibited on the subject matter of aboriginal rights of the native people of this country. The other day, in the province of Quebec, there was a Superior Court decision involving the James Bay project. The Minister of Indian Affairs and Northern Development took 275 per cent of the credit for that decision. I see the hon. member for Kamloops-Cariboo (Mr. Marchand) nodding his head and saying yes, he should. It is a shame that the hon. member is not raising the point I am going to raise with regard to this particular piece of legislation, because this carries with it a denial by the minister with regard to his concern for aboriginal rights.

If the minister and the government had that degree of concern totally and fully about respect for aboriginal rights, they would have included in this bill a clause repealing section 6 (3) of the National Parks Act. That is to be retained in the legislation; there is no thought of removing it. It is paternalistic and offensive. It should be offensive to the hon. member for Kamloops-Cariboo. The section reads:

The governor in council may authorize the minister—

That is the Minister of Indian Affairs and Northern Development.

—to purchase—

That carries with it the concept of a mutual agreement.

—expropriate—

That means to steal.

—or otherwise acquire any lands or interests therein, including the lands of Indians—

The minister and other members of the government say how beautiful it is that they can stand up and say they respect the fundamental right of the Indian people with regard to the land they occupy, and want to carry it forward in the statute law of this nation. I know how much the hon. member for Kamloops-Cariboo wants to ask questions. I know how much he is in need of information. If he would do it in a formal way when I conclude my remarks, I will do my best to respond to him. To carry forward the government's right to expropriation of Indian lands flies completely in the face of the question of aboriginal rights. I would rather not see the bill proceeded with until we had dealt with this matter.

Mr. Marchand (Kamloops-Cariboo): Ask the NDP in the province.

Mr. Howard: There goes the chatterbox from Kamloops-Cariboo. If he were the type of member he should be, and stood up and fought for the rights of the Indian people, I would pay attention to him. However, he has not done that. He has not done anything. He is an apologist for a weak, insipid government on the question of aboriginal rights.

I want to deal with another section of the National Parks Act. It concerns the relationship of Indian people and Indian lands. If the minister does not expropriate Indian lands, that is, take them without consent or agreement, but acquires them by lease under another section or regulation, the minister is permitted to levy taxes against those lands even though they were not expropriated. The act contains that provision. One thing the Indian people have held dear to them as a slim recognition of aboriginal rights is freedom from taxation on the reserve except taxation that the band council may levy. The minister wants to retain the authority to expropriate those lands and levy taxes for various purposes against them. If the taxes are not paid, the minister or the government can proceed to sell the land for unpaid taxes.

If the Indian people want to stand up for their fundamental right and say that the Indian Act states their land shall not be taxed, the minister can say it shall be taxed because the National Parks Act gives him that authority. That is regardless of what the Bill of Rights may or may not say. There was an indication of that a few days ago when the Supreme Court reached the stupid decision that the Bill of Rights had no validity whatsoever in any matter. If an Indian stands up for his right and does not pay taxes, the minister can seize and sell the land for non-payment of taxes.

There is another provision in the act. All of this can flow from section 6(3) of the act which is to be retained. If the Indian people want to exercise their fundamental basic right to fish or hunt for food, the minister can say they are

in violation of a provision of the act because the regulations prohibit that, even though that is characteristic of the whole history of concern about aboriginal rights. It is easily understood; everyone has heard about it. There have been a great number of cases on this. If an Indian exercised his aboriginal right to catch fish, the minister could seek a conviction. The person would be liable to a fine of up to $500 and up to six months in jail if convicted.

If an Indian person decides to exercise his aboriginal right to fish and to hunt, which Indian people have done from time to time, this is their inherited right, something that was not taken away from them by treaty. If this is so, any park warden or any constable can without warrant or other legal process enter and search any building, structure, boat, vehicle, etc. In other words, mere suspicion on the part of a park warden could carry with it the authority to break into people's homes at any time of the day or night, within the park or outside the park, with respect to timber, minerals, hay, birds, fish, mammals—the latter being part of the way of life of the Indian people. And these powers are to be continued in the act.

● (2030)

As far as I can see, there is no provision in this bill which affects this right which the minister wishes to keep, namely, the right to expropriate Indian lands, to levy taxes against those lands and to sell them in the event the taxes are not paid, even though taxes may have been withheld on grounds of principle. All this, together with provisions for laying charges, imposing terms of imprisonment up to six months, and so on, is carried forward in the legislation as constituting authority which the minister wishes to keep. In my view this is contrary to what we should be doing in this House.

I have no great objection to what is contained in this bill, though I do have doubts about some aspects and I disagree with the position accorded to the Councils of the Yukon and the Northwest Territories inasmuch as they are not allowed any measure of real participation in making decisions about national parks. However, I do take strong and serious objection to the provisions which are allowed to remain in the act. For the life of me, I cannot understand why the minister should wish to retain those provisions, especially since he has been consistent, in the last few months anyway, in his statements about aboriginal rights.

All I can conclude is that the Prime Minister (Mr. Trudeau) has more to say in these matters than the Minister of Indian Affairs and Northern Development. We all recall the position taken by the Prime Minister in September, 1969, when he said in Vancouver that as far as he was concerned the Indian people did not have any Indian rights; the government rejected that concept. The same view was expressed on a number of occasions, and it was only changed when the Supreme Court of Canada rendered its decision in the Nishga case. Then the Prime Minister said, "Well, we did not think you had any aboriginal rights, but maybe you have some legal rights, whatever they are." He did not seek to clarify what those rights might be.

So either the provision giving the minister the right to take Indian lands, and the imposition of taxes and all the invasion of property which goes therewith is retained in the act as a result of an oversight on the part of the minister—and I cannot take this possibility very seriously—or it is retained in the act because basically the government has no regard for aboriginal rights. Oh, ministers will pay homage to those rights when they are won by somebody else in a court, but when it comes to action, to doing something about them seriously, the answer is, no Sir. What other reasons could there be for retaining in this day and age a provision which says that a cabinet minister has the right to expropriate Indian lands?

Let us talk about the Northwest Territories. Here there are no surrendered lands; all the land belongs, in an historical sense, to the Indian people. Yet all the government is prepared to do is to consult with the Council of the Northwest Territories, without regard to the people native to the area, without regard to their historic claims, without regard to the fact that the whole of the Northwest Territories in an historic sense comes within the domain of the people native to that area. This is also the case in my own part of British Columbia. Yet here again is an area in which the minister wishes to retain the right to expropriate Indian lands. And with respect to those areas in which he is the sole commander-in-chief he does not even want to enter into an agreement with the elected council of the territory but simply to engage in consultation.

I also object to the manner in which the bill reached us. My views about the Senate and its facility or opportunity to deal with matters of a public nature are well known. I think that a great many senators do not represent people; they represent money, banks, oil companies and the rapacious capitalists in this nation. They represent the interests of the multinational corporations as opposed to the interests of the Canadian public. Today we are considering a piece of legislation which I believe ought not to have originated in the Senate because it deals with the fundamental interests of human beings. Perhaps we should make a start in this parliament on a bill denying the Senate the right to look at legislation which fundamentally affects the rights of human beings.

At one time the Senate did have a function to perform. It used to pass on divorce cases from Quebec and Newfoundland. Quite appropriate, I thought. But parliament took that function away. The Senate used to deal with private bills to establish corporations, insurance companies, and so on. Those bills used to originate in the Senate, quite properly, I thought, because the Senate represents those interests. However, as a result of a series of objections by some of us in this chamber, that authority too was removed from the Senate. Now such incorporations or changes take place by the letters patent process.

● (2040)

The Senate only had two opportunities to do anything worth while. One was to deal with divorce and the other was the incorporation of insurance and finance companies. They were removed. What has probably occurred is that the Senate, realizing how useless it was becoming, recognizing what has always been the fact, has implored the government to give it something to do. Therefore the minister went to his old friend, Paul Martin, and said, "Senator Paul, I have a bill that is designed to keep intact

in my hands the right to take away Indian lands, and I want to keep that right. If I bring the bill into the House early in the session"—and I point out that it was introduced in the Senate on March 27 of this year—"those guys in the Commons and those intransigent people in the Indian affairs and northern development committee will tear me to shreds. So how about you, an old friend of the people, introducing the bill in the Senate? In that way it will proceed through and no one will even know it is there. The public will pay no attention to it, there will be no press about it, and it will sneak through. Then we will bring it into the Commons in the last days before the Christmas recess when people are interested in other important matters, slip it through and no one will know the difference. Plus the fact that it will look like you guys over there are doing something".

After all, Mr. Speaker, this is Bill S-4, and bills are dealt with in the order they are introduced. Bill S-1 was the traditional, respectful piece of legislation which was not designed to go anywhere but just maintains tradition. What Bills S-2 and S-3 are, I have no idea.

Mr. Barnett: They must have got as far as S-6 by now.

Mr. Howard: My hon. friend from Comox-Alberni (Mr. Barnett) says that they must be up to Bill S-6 by now. But I do have this objection to a group of people in the Senate who do not represent any constituents or any particular areas, a group that is not concerned about the public good to any marked degree and who have no responsibility to anybody, introducing a bill of this type. Even if they goof, which is standard practice, even if the Senate is at fault and makes an error, there is no way the general public can cast their ballot and say "Out you go".

Mr. Rodriguez: There would be if they voted for us.

Mr. Howard: Indirectly the public could do this, since we are the only party that stands on all fours for abolition of the Senate.

Mr. Speaker: Order. I have listened with interest to the hon. member for quite a while, wondering whether he was speaking about the bill before the House or, rather, about the other place. The hon. member seems to me to be digressing considerably from the principle of the bill to launch an attack on the other place, something the rules do not allow him to do. One thing that the rules do require, however, is that an hon. member limit his comments to the bill before the House, which I gather has to do with Indian affairs and northern development, being an act to amend the National Parks Act. I hope that the hon. member will deal with parks rather than with the other place.

Mr. Howard: Indeed, Mr. Speaker, I would have thought that use of the word "park" in its verbal sense might appropriately apply to the other place. In any event, what I am seeking to do is to establish the groundwork for showing that honourable senators in the other place, as it is euphemistically called, have no concern for the rights of the Indian people, and the same may be said of the minister, because they did not concern themselves with the effect and purpose of this particular bill.

I sorely wish that members of the Conservative Party, who on many occasions have raised in a theoretical sense the question of the aboriginal rights of the Indian people, would give this piece of legislation and the act that it seeks to amend that degree of study and examination that would require members of the Conservative Party to say that they, too, object to this bill.

Mr. Speaker: Order. I have to interrupt the hon. member, not because he is speaking about the other place this time but because his time has expired. He may obtain the unanimous consent of the House to continue and I am prepared to inquire whether that consent will be forthcoming.

Some hon. Members: No.

Mr. Speaker: There are dissenters.

Mr. Knowles (Winnipeg North Centre): In this place or in the other place?

Mr. Speaker: Not necessarily from the other place; there are dissenters from this place. Therefore, the hon. member has been displaced.

Mr. Howard: Mr. Speaker, may I rise on a point of order to point out that I did not request any additional time and did not want any.

● (2050)

[*Translation*]

Mr. Maurice Dupras (Labelle): Mr. Speaker, my first intention in rising and taking part in this debate was not to defend the Senate against the attacks that have just been directed at it. But I find myself compelled, for the second time in two days, to pay tribute to some efforts that were made by the other place.

I had the opportunity last Friday to take part in the debate on the joint declaration that had been issued after the visit of the European Parliament that had been arranged by the joint Senate committee and tonight I rise in a debate which deals with a bill coming from the other place.

However, this is not my only interest in this bill, as you will probably see in my remarks. The constituency I represent is very suitable for the establishment of a park. Besides, after I was elected, in 1970, I stood as champion of the establishment of such a park in the northern part of my constituency. And at that time, Mr. Speaker, the province of Quebec had just agreed, after hesitating for years, to admit the principle of the establishment of a park in the Gaspé Peninsula, and another one in the St. Maurice Valley.

My other interest is to take the defence—though he is very clever to defend himself—of the minister responsible for Indian affairs, because I had the opportunity, during the La Macaza title transfer on January 10, with the Parliamentary Secretary to the Minister who was with me, to find out, to really understand the minister's popularity among the Indian people of this country.

Mr. Speaker, most of the Indian leaders of the province of Quebec whom I saw during the ceremony have praised

the minister on several occasions. Unfortunately, he was recovering from that unfortunate illness which kept him away from the House for several months. On that occasion, the Quebec Indian chiefs repeated over and over again how much he was appreciated, how the Indians recognized his efforts, his eagerness and his steadfastness to improve their living conditions, act as their spokesman and the champion of their interests throughout the country.

Mr. Speaker, we saw his first reaction when he learned the judgment of the court on the James Bay issues. He immediately upheld the interests of the Indians and I think that the native people are grateful and have not missed, on various occasions and not only when I was in La Macaza, to show their attachment and their admiration for everything he has done for them.

As I was saying, Mr. Speaker, right after my election to this House, most municipalities in my riding made representations to me seeking from this government with the agreement of the province of Quebec the establishment of a national park in the northern part of my riding, that is in the uninhabited area situated north of Chute-Saint-Phillipe and Val-Viger, east of Mont-Laurier, stretching towards Abitibi in the north-west for about a hundred miles. This conforms well with the character of people of this area and those situated a little further to the south because for years the riding I represent distinguished itself by the way it welcomes tourists, making tourism its industry.

There is a long-established tradition and the people of that are conscious of having a special vocation for that industry. The people in my riding, in that area at least, could very well guarantee the success of such a project, enabling the more than two million people in Greater Montreal to get closer to nature, to the mountains we find in my riding, to the magnificent lakes and rivers and also take advantage of that greenery that is found almost everywhere in the constituency, and all the more as the building of the Sainte-Scholastique or Mirabel airport, whether we want it or not, will mean a very important increase in population during the next decade.

That move is already being felt months after months. The real estate agents in that part of my constituency, in the lower Laurentians talk again and again about the interest generated by the building of the airport.

There is no doubt, Mr. Speaker, that the establishment of new provincial parks, especially in that central part of the province of Quebec, is a must. The development of Forillon National Park was excellent news in 1968 or 1969 and I could say that the development of St. Maurice Park is excellent news for the people of the province of Quebec, for it will be as beautiful as Forillon Park, but it is not as readily accessible to the Greater Montreal area as a park in the northern part of my constituency would be.

I estimate it would take beween seven and nine hours to travel from Montreal to Forillon, while the area I refer to, which is north of Montreal, could be reached within two hours. Access to that oasis could thus be made much easier and much more regular.

When Forillon Park was being created, Mr. Speaker, following long—I should say too long—negotiations with

Quebec authorities, it was a result of pressures exercised by the people of the province who were asking for the establishment of national parks which could rival in beauty with those in the western provinces. They had been asking for these parks for years.

Finally, the provincial government of the time became sensible and gave in to the pressures or requests from the people of Quebec. However, we are still in the red considering the number of national parks which are found in Alberta, for instance, or in other western provinces, compared with the number that we have now in Quebec.

If you except the Plains of Abraham which, in my view, are much more a park of a special nature than a national park, I would say that both parks, St. Maurice and Forillon, will not meet the demand and requirements of the Quebec people.

It is true that today the number of national parks has nearly doubled compared with what it was ten years ago, thanks to the initiative and tenacity of the minister responsible. Not so long ago, he said that by the year 2,000, Canada should have at least 60 parks.

Who will profit from the facilities offered in these parks, Mr. Speaker? First, the population of Canada, and then the tourists who come to visit us each year from Europe or the United States. For several decades, people in North America, in Canada and the United States have gone to Europe, to the lands of their ancestors.

Now the European economy is allowing people from Europe to come to North America and visit this new land which has attracted so many of their sons. One finds, of course, a great many cousins in North America, both French-speaking and English-speaking, and of other ethnic origins represented in this country as well.

● (2100)

Since the European economy reached our level you can rest assured that Europeans with the easy means of communication available today will also want to enjoy our beautiful national parks, our beautiful rivers and lakes.

Surely those people will enjoy them as well as Canadians from all parts of this country who will soon enjoy a 38 hour week and undoubtedly a 36, 34 or 32 hour week would mean a work week consisting of barely four days of eight hours each.

All people, especially workers, do not have the means to buy a lot on the shore of a lake and enjoy the beauty of nature that can be found in the Laurentians. It will be pressingly urgent to set up facilities so they can drive their habitat with them, whether it be a trailer-tent, or ordinary tent, a trailer or a motor home and enjoy, as those well off, the beauty of nature and the pure air the Laurentians and a national park can offer them.

Of course, Mr. Speaker, before the province of Quebec catches up with some provinces in this country in terms of the number of parks several years will have gone by. However, I come back charging with the will of the representatives of city councils in my riding who in 1971 and early in 1972 asked that a park be set up in the northern part of my riding. Economically speaking, Mr. Speaker, it has become excessively difficult to interest industry in the private sector in coming down to that part of the province

of Quebec which, under certain aspects, is still underdevelopped.

In my opinion it could be illegal to shift tertiary industry to this area when we think of the damages which the presence of heavy industries could cause to the environment. Because of the aptitude already shown by the population, because also of the sites and the facilities available, the establishment of a park in that part of the province would surely be welcome and would help create employment, thus ensuring the financial security of the people in that sector of my constituency.

Just the same I would like, before ending my remarks, Mr. Speaker, to deal with a few clauses of the bill, particularly with the one conferring to federal authorities the power to regulate or to apply traffic regulations on these lands, to enforce regulations and laws. Moreover, Bill S-4 will enable the Canadian government to amalgamate or to add to existing national parks lands which our country already owns.

Clause 9 of the bill specifies the boundaries and description of Forillon National Park. From the description of this park, in the Gaspé area in the eastern part of the province, it can be seen that this very beautiful park the equal of those established in western Canada, covers an area of 60,000 acres or 92,805 square miles.

We welcome such measures. The Quebec population is delighted at the decision of provincial authorities to yield to popular demands for the establishment of national parks. However, I am convinced that the population is not satisfied yet. During a campaign I started in 1971-72 for the creation of a park in my constituency, municipal councils were unanimous in calling for the creation of a new park at the northern end of the constituency of Labelle.

Mr. Speaker, I take this opportunity to repeat to the minister that popular interest for this project is very much alive in my constituency.

[*English*]

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I rise to speak on this measure because I think that in referring the bill to the committee for study we will have an opportunity to examine in some detail the policy of this government toward the national parks and the national park system. One of the reasons I am particularly interested in this subject is the fact that although the government seems to have evolved a national parks policy, I submit that on the face of it the parks policy cannot work to the same degree in all national parks.

If I may, I would like to use as a prime example the national park in my own riding. The reason I use this park as an example is that although it is a famous park, it is probably the smallest national park in Canada. I have listened with a great deal of interest to hon. members who preceded me speaking of national parks of hundreds of thousands of acres and thousands of square miles in area. The park of which I speak, the Point Pelee national park, could be placed in one of the lakes of one of the Canadian national parks. Its area is less than that of the townsites found in the Canadian national parks.

Why is there concern about the policy? One should know something of the history of the Point Pelee national park to understand why there is a great deal of concern about the policy of this government with regard to national parks. That park is particularly noteworthy because it comprises the most southern part of this country, with the exception of Pelee Island lying in Lake Erie. Point Pelee national park is located as far south along the longtitude running through the city of New York and the parallel from New York to the northern part of the state of California. When you are standing in that particular park you are south of one-third of the population of the United States.

Because of this location, the forest, the fauna and the ecology of the park are unique in Canada. There are trees and plants to be found there that are not found in other parts of Canada, and there are birds there that are not to be found in any other part of Canada. It is the migration point of many of the birds in their migratory flight from the southern hemisphere to the north. Where else would you find butterfly trees? For those who are not familiar with butterfly trees, let me explain that these are trees which in the fall of the year are almost covered in their entirety with Monarch butterflies which rest there before migrating south across Lake Erie. Hundreds of tourists travel to that particular area to see this unique display.

This park has not always been a national park. It is comprised of some farmland, marshland and wooded land. The farmers there grew various crops, first grain crops and then specialized crops such as asparagus. There were apple orchards, and because of the particular nature of the point where the flow of the east and west part of Lake Erie come together with a vicious undertow, it was necessary in the early days to establish a lifeguard station. The lifeguards performed yeoman service, saving many lives. Even today it is necessary to patrol the beaches, which are unique for their very fine sand and are a great attraction to tourists, because they can be very dangerous owing to the undertow where the two bodies of water flow together.

The policy of this government with regard to the park went awry because the local citizens, municipal and township councils there were not taken into confidence by the government and had no idea what the government was attempting to do with the park. They just found that suddenly the normal use of the park was curtailed, and they were somewhat mystified as to what the government was proposing to do.

No doubt the government's policy in trying to preserve that park in its natural state was an admirable one. However, it must not be forgotten that throughout the years the park had evolved together with the community. Camps for boys and girls had been set up on an alternate basis. There were picnic grounds for family picnics and church picnics. This was part of the community. The park was an attraction for thousands and thousands of tourists, and as a result a tourist industry was developed all along the approaches to the park. Restaurants cropped up and cottages were built. The park became part of the community. Because it was a focal point for tourists, the area attracted hundreds of thousands of dollars each year for the people of the community.

Now, all of a sudden, because of the national parks policy, this is changed. The number of cars going into the park was curtailed, the parking areas were reduced, no

new leases were granted to householders and no new camps were established in the park. The roadways were curtailed to traffic, and traffic was stopped at the main gate in the main part of the park. A train was introduced to take people through the park. Bird walks were established and so were trails through the park.

This is all very fine, but it changed the whole complexion of the park. Right beside the park there was an extensive marsh. An additional problem was created because all of a sudden hunters were told they could no longer hunt ducks in that marsh. This might appear to be commendable, but let me point out that the ban disrupted the community because in the original deed of that area hunters were granted the right to hunt in the park. The hunters did not go to the park for the sake of shooting only. Throughout the years hunters have carefully taken in thousands of bushels of grain to feed to the ducks. When hunting they were careful to make sure that a sufficient number of birds was left to ensure the continuation of the species. They were careful enough to see that the flocks did not grow so large as to become a nuisance to the surrounding farmlands. That was one problem caused by the marsh.

● (2110)

A second problem caused by this extensive marsh was that it was adjacent to diked farmland and more than once water broke through from the marsh and inundated the farmland. There was constant questioning about who should maintain the dikes, the farmers, the provincial government or the federal government, and always the answer came back that it was the federal government's responsibility because this was a national park. The national policy did not allow for sufficient consultation between those who actually knew the park and the administrators in Ottawa, hundreds of miles away. In fact, we would have had more chaos had it not been for the park administrators sent to the area. Fortunately, they had an understanding of what the government wanted to do, as well as a real appreciation of the feelings of the people of the area.

One bone of contention between the administration and the local people was a child's camp in that park. It was established under an estate legacy. A board of administrators was set up and took children from all the surrounding communities on a rotational basis. Groups of girls and boys were carefully supervised during their time at the camp. They walked forest trails, saw the beauty of nature and swam in the lakes. Most were city children who would not have an opportunity to go to other camps. But the national parks policy changed all that. The administration closed down the camp, and had it not been for the intervention of local citizens who were very wrought up about the matter, and finally the acquiescence of the minister himself, that park would have been closed to the children.

It is all very well to keep parks in their natural state for future generations, but surely the people and children of today have some rights. They must have some place to go. Reason must prevail. We should not shut out everybody in order to make plans for tomorrow. This is why I am interested in this bill, and it is why I hope when it goes to committee we will have an opportunity to inquire into the government's plans for the various national parks. Policies for national parks which encompass hundreds of thousands of acres may not be suitable for national parks that encompass only a few acres. My plea to the government today is that it take another look at park policies which encompass parks of totally different natures.

In my area, national parks are very scarce. Hundreds of thousands of people there would have to travel many, many miles to reach another national park. For them, Point Pelee national park has been an oasis for years, and it would be very sad if policies conceived by parliament and administered by Ottawa terminated the pleasure that local communities have enjoyed when using that national park. The local citizens are very proud of Point Pelee national park. Since they have a vested interest and are so proud of the park, it is only fair they should have some say in how the park is administered.

Mr. Charles H. Thomas (Moncton): Mr. Speaker, my participation in this debate may be questioned by some who wonder why I should bother to speak about national parks since there are none in my riding. I would point out that the constituency of Moncton is situated halfway between the two national parks which presently exist in New Brunswick. Because many of my constituents enjoy the facilities of these parks and because Moncton, being the transportation centre of the Maritimes, is traversed by everyone who visits the parks, I have a very special interest in them. It is true, as the parliamentary secretary said, that this bill is merely a housekeeping bill, particularly concerned with updating the administration. I am particularly interested in clause 2 which gives the governor in council power to extend the boundaries and incorporate Crown lands within existing national parks.

I have mentioned that there are two national parks in New Brunswick. The problem of expansion is not too critical in the Kouchibouguac national park. It is a new park and the government is still upgrading facilities there. Therefore I shall confine my remarks to Fundy national park. The hon. member who preceded me said that the national park in his area is the smallest in Canada. I cannot argue with that; but if Fundy is not the second smallest, it certainly is one of the smallest. It is about 80 square miles in extent. Although small, it is one of the most beautiful parks in Canada. Visitors who have been there will confirm this. It contains some of the most beautiful scenery in Atlantic Canada, sea line, rugged forest and mountain lines. It is one of the real beauty spots. The problem at Fundy is simply that the park is too popular. Maybe that is not quite the proper way to put it. Anyway, it is so popular that it is now completely overcrowded.

In 1948, when the decision was made to develop Fundy national park, there were very few roads in there. Being a pretty rugged sector of the country, it attracted few visitors except campers and prospectors. The popularity of the park has steadily increased since then and I can give some figures in support of that. It is said that attendance at our national parks has doubled in each decade from 1952 to 1972. Fundy national park was officially opened in July, 1950, and in the year 66,300 visitors went there. By 1970, this had increased to 640,000 visitors. I have not seen the figures for 1972, but I venture to say they are over 700,000 and perhaps close to 800,000. The reason for this is simple.

Fundy is within a day's ride of probably the greatest concentration of population in North America. Fundy draws visitors from all the Atlantic provinces, plus the whole eastern seaboard of the United States, which is the heaviest settled area in the United States. As a result, it has become a very popular area for American and Canadian tourists. The most recent figures available show slightly over 700,000 visitors in an area of 80 square miles, or approximately 9,000 visitors per square mile; and of course, the whole area cannot be utilized for visitors as the bulk of it is forest and woodland which is, quite properly, conserved.

● (2120)

This brings up the conflict that seems to exist in national parks policy, Mr. Speaker. Instead of presenting a housekeeping bill, I had hoped that the minister would present some rational parks policy to resolve the age-old conflict between the two aspects of national parks policy—the first recreation, and the second conservation. In 1970, a series of hearings took place throughout the country in every area where a national park existed. The briefs and submissions pointed up the great conflict between the conservationists and those who thought parks should be devoted to recreational purposes. I wonder what has happened to those comprehensive reports and the submissions we heard in 1970. Maybe the minister could tell us what happened to them and, specifically, what is being done for Fundy and some other parks.

Our parks are desperately overcrowded. While I realize that many people would reserve them for conservation purposes, I think we must also realize that people are entitled to have a place for recreation, whether it be camping, picnicking, swimming or whatever is their pleasure. Surely we can strike a balance somewhere along the line and reserve one park for the nature lover and set up another for recreation purposes.

Over the years we have advocated that Fundy national park be enlarged to become an integral part of the much discussed Fundy trail.

The minister has often heard the hon. member for Saint John-Lancaster (Mr. Bell) and myself extol the beauties of the Fundy trail in this House. This trail would run from the Maine border through the southern part of New Brunswick up to St. Martin's and would co-ordinate the whole area. I know there has not been any agreement between the federal government and the province on the allocation of funds for such a project, but I have suggested in this House before that perhaps the most economic way to do it would be to extend the boundaries of Fundy national park 15 miles westward in a narrow corridor to the existing settlement of St. Martin's. This would provide the missing link between St. Martin's and the present borders of the park and would complete the Fundy trail. I do not know how many acres are involved, but the coast road along that part of the Bay of Fundy could be completed if this were done. I am sure under the terms of Clause 2 the federal government could work something out. Perhaps the provincial government would make the lands available to the federal government and they could become Crown lands. I should like to draw this matter to the attention of the minister because the time is long past when we should take action to provide adequately for the people coming to Fundy national park.

It has been estimated that by 1975, 3½ million visitors will be coming to New Brunswick every year and that this figure will increase by 25 per cent each year thereafter. If this is true, and if the same ratio exists as at present, in the next five years we will be getting over one million visitors. Unless something is done to extend the facilities, those visitors might as well stay home.

In his remarks the parliamentary secretary made reference to transit facilities within the park. But it is also very important to provide easy access. As the minister is probably aware, the main road to the park is very dilapidated and many tourists, especially those hauling small trailers, hesitate to use it. I think this is a proper subject for dicussion with the province. Perhaps a plan could be worked out whereby the highways to and from the park could be brought up to modern standards so that tourists from the United States and other areas would be glad to come to the park and enjoy its beauty.

I do not want to take up very much time, Mr. Speaker, because I agree with this bill. I have no quarrel with any of its provisions except that I hope that when we get to committee the minister will feel inclined to strengthen the bill to provide for the future expansion of parks. I hope he will accept some of the suggestions and criticisms made in committee. If he cannot do it with this bill, I hope that in the future he will bring in a more comprehensive plan to allocate parks for purposes of recreation and conservation. With this hope, I encourage the House to get this bill into committee so that the minister can give us his ideas.

Mr. Corbin: Mr. Speaker, I wonder if the hon. member would entertain a question?

Mr. Thomas (Moncton): Yes.

Mr. Corbin: The hon. member has spoken in justifiably glowing terms of Fundy national park and I certainly have no quarrel with him on that, because he spoke well. He has also referred to the problems of overcrowding, increased tourist flow and the consequent need for additional facilities. Would the hon. member not agree with me that part of the solution to the overflow of tourism and the need for new facilities would be the creation of a third national park in New Brunswick, an international triboundary park between the province of New Brunswick, the state of Maine in the United States and the province of Quebec, part of which would be located in the "republic" of Madawaska, the beautiful doorway to the Atlantic provinces?

[*Translation*]

The Acting Speaker (Mr. Laniel): Order. I understand the interest of the hon. member, but I do not think that he ought to take advantage of a question to repeat the speech that he has so well made recently.

● (2130)

[*English*]

Mr. Thomas (Moncton): Mr. Speaker, certainly I agree with the hon. member for Madawaska-Victoria (Mr. Corbin). I point out that, as a member of the opposition, I can only plead with the minister on behalf of our province.

I will leave it up to the hon. member, who has influence with the minister, to get us another national park in New Brunswick.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, in the few moments in which I will speak—because I wish to see this bill go before the committee—I wish to underscore the importance of consultation between the federal government and the provinces on the development of a national parks policy, particularly as, abhorrent though this may be to some, more and more people are being packed on fewer and fewer acres in our cities. This will create great pressures in the cities of Canada. We shall need the co-operation of federal and provincial as well as of other levels of government if we are to develop an adequate parks system which will satisfy the thousands upon thousands of people who must live in our urban communities.

For a few minutes I want to talk about an area that is of great importance from the standpoint of conservation and the development of a parks system. I want to speak about the Rideau River system which must be developed as a result of federal and provincial co-operation. That system extends from the national capital across the countries of Grenville, Carleton, Leeds and Frontenac down to the St. Lawrence River. The St. Lawrence has been neglected both by the federal and by the provincial government which has jurisdiction there. There is a crying need for action to be taken with respect to the river, as suggested in the CORTS study which has been lying relatively dormant for a number of years. The area ought to be redeveloped, as it has all the earmarks not only of a national park but of an area of tremendous historical significance. I ask the minister, through you, Mr. Speaker, to consider reactivating that CORTS study so that within a reasonable time we can bring to fruition the plan suggested in that study. We must not overlook the historical importance of the river.

We must make a beginning by cleaning up the Rideau River. The city of Ottawa, with the regional municipality of Ottawa-Carleton, has embarked upon a clean-up project which affects the Rideau River in the national capital area. I suggest that is merely the tip of the iceberg of the problem. Its solution will require all the resources of the city of Ottawa, of the regional municipality and, as well, of the provincial government. In order to administer a program for reclaiming or developing historical sites and developing national parks sites and camp sites for the accommodation of people, it may be necessary for governments to establish an authority composed of representatives of the federal, provincial and perhaps affected municipal governments. I think it is important for the work with respect to that great historic river to begin. As we are talking about national parks, I want once again to urge the reclamation and development of that great river which has such tremendous potential.

I also wish to commend the minister. In the southern part of my riding the St. Lawrence divides my riding from the thirtieth congressional district of the United States. On the banks of the river at Prescott, Ontario, there is a fort under the jurisdiction of the minister—Fort Wellington. If ever there is to be found an instance of co-operation between those responsible for federal institutions and those who influence the lifestream and lifestyle of any particular area, it is to be found with respect to Fort Wellington. I thank the minister for the co-operation he has shown me and the people of Prescott with respect to the use of the fort.

In this connection I must mention another part of the area coming under the federal government, Windmill Point, which is of great historical significance. I thank the minister not only for co-operating with Prescott and with other municipalities in the area, but for co-operating with me as the member representing the area. What has developed will, I hope, enhance the facilities for tourists in the area. As a result of this co-operation, which I am sure will be ongoing, I hope there will be an augmentation of the very worth-while programs which are undertaken by the local people in co-operation with officials of the minister's department. I want to pay particular tribute to the curator of the fort and those who work with him.

Along the St. Lawrence there are miles and miles of history. At Windmill Point, for instance, Schulz was captured in a Fenian raid and was defended by Sir John A. Macdonald, then a young lawyer in Kingston. Relationships between Canada and the United States had deteriorated to war, and that part of Ontario is of historical significance because an invasion was launched from that area into the United States.

It is important for there to be co-operation between provincial, municipal and federal governments in the development of a parks system so that the miles of history along the river, stretching perhaps from Kingston down as far as Upper Canada Village in my constituency, can be developed. As we grow older as a nation it will be important for us to look back and preserve the elements of our history which were made during our growth. Although co-operation between different levels of government is important in many areas, it is particularly important in the development of national parks, especially in the area to which I have alluded. That area will become more important as we grow more conscious of our history. It is important, as well, because it will afford a means of enjoyment for those who are congested in our cities.

I urge the minister to consider the matters I have raised. I commend him for the assistance he has given me and my constituents. I will sit down now because I do not want to delay the bill getting to committee. I felt that I had to make some brief remarks on this subject.

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, I will speak for a few minutes only. I support this bill in principle. I believe my party does as well. I have travelled around this country a great deal and heard people here, especially Americans, say how wonderful our national parks are. In many respects they are the envy of the world. Nevertheless, I want to point to a few problems connected with our national parks system.

The fact that this bill provides for new parks is good; the suggested name changes are fine. I understand that some traffic laws are to be changed. Perhaps these are required, too. There has been concern for some years regarding traffic control in our national parks. Recently, and I do not know how widespread this practice is in our national

parks, I received representations from several senior citizen groups who had toured our national parks by bus.

● (2140)

I understand that on one tour each senior citizen was charged $1 for a traffic licence to get into the park. I was told this was an administrative error and should not have happened, yet the bus driver collected $1 from each senior citizen. I understand the traffic licence is for a vehicle, not for the individuals inside it.

My constituency adjoins a park that was established in the 1920s by the late Mackenzie King, Prime Minister of Canada. He represented the constituency of Prince Albert for some time. He also had the distinction of being defeated by a CCF member in 1945. This is a large wilderness park, with one townsite, called Waskesiu. A number of problems have developed over the years in northern Saskatchewan with regard to this park. Many years ago it was decided that Prince Albert national park would be a people's park, catering to the rich and poor alike. Over the years, the park policy was to allow shack tents along a certain part of Lake Waskesiu. Some years ago a number of bureaucrats decided to get rid of the shack tents and people were told they must move them. Even though the shack tents had been there for almost a generation, these people were told they would no longer be allowed. As far as I and the people of my constituency are concerned, this matter should be straightened out.

Many of my constituents had shack tents in Prince Albert national park. They were arbitrarily told they would have to move them. After some appeals, delegations to members of parliament and appeals by chambers of commerce to government, and so on, it was finally decided to slowly phase out the shack tents. There are thousands of miles of shoreline in Prince Albert national park. There are huge lakes such as Lake Waskesiu, Crean Lake and Kingsmere Lake. There are many areas of shoreline property that could be developed. I cannot understand why these shack tents were not left alone.

There is another matter that concerns the people in my area. I understand that some steps have been taken in this regard. I am referring to the lease fees which people have to pay for their cabins. At Prospect Point there are huge, palatial summer cottages. For years people paid a yearly lease of $50 or $60 for them. However, the yearly lease on small skid cabins with two or three rooms is $80 or $90. I cannot see the justice in that. I understand there have been some changes in this regard, but they are not substantial enough.

Another problem plaguing this area is the question of roads. There is one main road into the southeastern end of the park. This goes through the city of Prince Albert and carries much of the traffic from the west, North Battleford, Edmonton, Calgary and the western United States, which has to travel an extra 50 or 60 miles in order to get to the park. There is a road coming from the southwest and a provincial highway which is paved to the edge of the park. There are 15 or 20 miles of national park roads. They are curving, dusty and treacherous. They are not paved. For years people have been asking the parks branch of the federal government to build up and pave these roads. The parks branch has said no, one entrance to the park is sufficient. We feel that a second main road into the park is justified. Most national parks have several roads leading to them.

Prince Albert national park is basically a summer park, mainly June to September. Many people in my province are ski enthusiasts, but they have no place to ski. If the people in my home town have the money, they go to Banff or Jasper once every three years.

An hon. Member: Build a mountain.

Mr. Nesdoly: Someone says "Build a moutain." Half a million dollars was spent building a mountain east of Saskatoon. As far as I am concerned, that was the most useless expenditure ever made. It would have been better to build a ski resort in Prince Albert national park where there are some large hills. Prince Albert national park can and should be developed into a winter resort. For the people of Saskatchewan, Manitoba and western Ontario the only national parks with winter facilities available to them are Banff and Jasper. Parts of Prince Albert national park should be developed for winter use.

In general, the national parks policy is good. I hope the national parks branch does not capitulate to private interest for huge-scale development. They should basically be wilderness parks. I sometimes wonder whether money is apportioned evenly between the national parks of Canada. A great deal of money has been spent on certain "Cinderella" parks like Banff and Jasper. For years people in my area have been crying for improvements to Prince Albert national park. Very little has been done.

It takes a great deal of money to build roads through mountains. It would not be very difficult to build roads into Prince Albert national park, an area of hills, lakes, muskeg and woods. If $10,000 were invested in that park every now and then, it would be money well spent. The hon. member for Assiniboia (Mr. Knight) suggests that maybe they are waiting for Mackenzie King to come back.

I suggest another national park should be developed in Saskatchewan. I do not think there is a grasslands park anywhere in Canada. Some people may ask why we would want a grasslands park, because all you get there are gophers, prairie dogs and coyotes. Some of the shortgrass prairie is an element of our heritage that we should preserve. Perhaps that will happen in the future.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, Bill S-4 has many features. It has already been mentioned in this debate that many cities on the North American continent are becoming crowded and people are looking for greater access to rural areas, particularly parks.

● (2150)

I am glad to see this bill come before the House in its present form, but I wish it had contained provision for a project in which I took a great deal of interest along with many people in the upper Ottawa Valley. We received wholehearted co-operation from the Minister of Indian Affairs and Northern Development (Mr. Chrétien), but I cannot say the same for the province of Ontario which I think has been very negligent in co-operating with the

federal government in an effort to bring more national parks to the province.

I refer particularly to the project for an interprovincial national park which was being sponsored on the upper Ottawa River by the development committee of the town of Mattawa, the recreation club of Témiscamingue, Quebec, the chambers of commerce of both those towns and representatives of municipalities in those areas. We thought this would be a unique park among the national parks of Canada because it would be the first with an interprovincial flavour. It would take in a large area of the province of Quebec opposite the town of Mattawa, starting at a point about ten miles below the town of Témiscamingue. The northern boundary runs east of the Ottawa River to the town of Témiscamingue in Quebec, then along Highway 63 to the city of North Bay. The westerly side would be Highway 533 running from Highway 63 to a point just north of Mattawa, and from there over to the Ottawa River.

This takes in a region on the Ontario side of the river which is ideally suited for development as a national park. We also took into consideration the fact that Highway 17 would lead into the park from southern Ontario and the Ottawa-Montreal-Northern New York state region. Highway 11 would be the entrance from Toronto and other urban areas in the south as well as states bordering on the Great Lakes. Highway 17 would lead in from such northern cities as Sault Ste. Marie, Sudbury and North Bay. As well as being ideally situated, the park would be a tie between the provinces of Ontario and Quebec.

The people of the area, including the representatives of the various organizations which represented the public thinking on the matter, spent a great deal of time on this project. They even went to the expense of renting a train for a day and taking a number of people on a tour, using the old CPR line from Madawaska across the Ottawa River and up the Quebec side of the river to Témiscamingue. We were met on arrival there by the mayor and his council as well as by members of the Chamber of Commerce who were glad to see such an upsurge of interest in this proposed national park. The town's only industry had closed down and the future looked black. In Mattawa, the Weyerhaeuser plant was closing down and this was the only major industry in the town. The people of the area were naturally concerned.

We took this issue to the federal Department of Indian Affairs and Northern Development. I, along with others, had personal talks with the minister. We received positive answers. The minister went so far as to make a public statement in the town of Sturgeon Falls during one of his visits to northern Ontario. When asked about the possibility of an interprovincial national park to be established between Témiscamingue and Mattawa, he said he was definitely interested. Perhaps I could put on record part of a report which appeared in the Ottawa *Citizen* of May 23, 1972:

> Mr. Chrétien said last week in Sturgeon Falls he is definitely interested in setting aside the area as a park but the matter was now in the hands of the Ontario and Quebec governments. They must expropriate where necessary and cede the land to the federal government. "If they say yes tomorrow, I am ready to go ahead".

An hon. Member: Ten o'clock.

[Mr. Hopkins.]

Mr. Hopkins: At this point, if there is a disposition to let the bill go through I am prepared to sit down. But if there is no such disposition I should like to retain my right to the floor.

Mr. Howard: Ten o'clock.

The Acting Speaker (Mr. Boulanger): I suppose the hon. member wishes to call it ten o'clock.

Some hon. Members: Question.

Some hon. Members: No.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

PUBLIC BUILDINGS—ALLEGED WASTE OF MONEY IN THE PURCHASE OF ART OBJECTS DISPLAYED OUTSIDE BUILDINGS—GOVERNMENT POSITION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, on September 14 I addressed a question to the Minister of Public Works (Mr. Dubé) with respect to the art monstrosities which have been placed in front of various government buildings around the city of Ottawa. At that time the minister replied that these specimens—that is a very good word—are chosen by a select committee composed of some of the best Canadian artists. He said it had been the policy of this and preceding governments to spend 1 per cent of the cost of a federal building on art surrounding the building.

Later, a written reply in response to further questioning on my part indicated that the earlier reply had been in error. On September 19 the minister informed us that the policy had only been in effect since January 4, 1965, so other governments were not implicated in this particular example of waste and extravagance.

To date there have been 133 of these so-called artistic statues placed around government buildings. The total expenditure has amounted to $2,167,997. A good deal has been said in letters to editors in defence of this expenditure. Someone has referred to those who dared criticize this use of public funds as uninformed, because in expressing an opinion on public art they were handicapped by personal limitations.

● (2200)

One of the persons serving on the selection committee, Mrs. Suzanne Rivard-LeMoyne, has said that the advisory committee on art speaks of the shine of Robert Murray's Haida, the $35,000 steel sculpture outside the external affairs building, in these terms:

The contrast of his work to the heaviness of the building, gives me a feeling of lightness," she says, "Its, airy, spatial, spiritual in a way".

Some editorials have been written on this matter and I select one from the Ottawa *Journal* of November 10 last entitled "Art for anarchy's sake". I do not think that this is an opinion that can be described as uninformed. It says, among other things:

Some mod (or mad) hipsters on the public works advisory committee are approving such trash; and the like of the sculpture, if that's the word, Haida outside the external affairs building, or the magnified intestinal writhings in the park adjacent to the National Arts Centre. Why? . . .

Nor are we against modern art, from Cezanne to Braque and from there to Pellan, Pollock and Riopelle; and lest we forget, sculptors Epstein and Moore. They and others of like genius refashioned the form and content of art to give us new insights. They are the glory of the last 100 years.

But if they changed the rules radically, others simply abandoned any and all rules. Dadaism, self-proclaimed as anti-art, was early in this century accepted as art. Though that school died a swift death, its denizens left spiritual grandchildren among us. Their claptrap of rusty welded metal and other scrap makes a wasteland of our art galleries and desecrates our public buildings.

Then the editorialist concluded by asking why the taxpayers should have to pay for these monstrosities. Those who defend the art say that the artists are trying to say something. In last weekend's *Journal* there was a series of replies from people who are trying to describe these so-called artistic creations. Perhaps I can give the House some of the reactions of a cross-section of the Canadian public. The title of the article is "Junk: By any other name, Ottawans don't like it". One person suggested that it be called "Abortion without demand". She explained:

As a graduate of the Ontario College of Art in the days of Arthur Lismer, Frank Carmichael . . . and other greats, my first comment to my husband on viewing this monstrosity was "There was a time when this sort of thing ended up in the junkyard, where it belonged",

Someone else suggested it be called The Crunch because it reminded her, in a vague way, of the energy crisis . . .

It could, of course, perhaps be a symbol to government waste and stupidity, but surely another monument to this combination would be redundant.

Yet another suggested that it be called "The Peace of God", adding wryly, "because it passeth all understanding". My reason for raising this matter tonight is to get an answer from the government that will make some sense. The question I asked on September 14 was:

Does the minister intend to accept the advice of the hon. member for Cochrane, who has advised the government either to get rid of them or to place a shroud over them, or is he going to wait until the Canadian people place a shroud over the government?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I have been requested to give an appropriate answer to the matter raised by the hon. member for Brandon-Souris (Mr. Dinsdale). I should like, first of all, to say I have been told that politicians are not necessarily experts in this particular field of art. For that reason, on December 23, 1964, the federal cabinet, by document No. 565-64, accepted a recommendation by the then minister of public works for the adoption of a fine arts policy to be instigated by the Department of Public Works in all buildings and programs serving the general public directly.

I should like to quote the answer given by the minister on September 14, as reported at page 6596 of *Hansard*, to the hon. member for Brandon-Souris:

Mr. Speaker, the Minister of Public Works does not claim knowledge in the world of art. These specimens are chosen by a select committee composed of some of the best Canadian artists. It has been the policy of this and preceding governments to apply 1 per cent of the cost of a federal building to art surrounding the building. The question of what is art is a very subjective one and I would not want to impose my tastes nor the tastes of the hon. member on the public.

I spoke to the minister this afternoon and I should like to quote what he told me:

Someone has already stated, I do not recall if it was Shakespeare or my predecessor, that "Beauty is in the eyes of the beholder". What might appears to be a monstrosity in the eyes of one person could look like a masterpiece in the eye of another, which is why the government has wisely decided to establish an advisory committee composed of artists and supported by the National Gallery and the Canada Council who review the selections of these artists and proposed works of art. Who are we, mere mortals, to predict what in the future will be regarded as a masterpiece?

Those are the words of the minister.

CANADIAN NATIONAL RAILWAYS—REQUEST THAT PENSIONS BE TIED TO INCREASES IN COST OF LIVING

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Wednesday, October 17, as recorded at page 6958 of *Hansard*, I put this question to the Minister of Transport (Mr. Marchand):

In view of the fact that most pensions that come under the responsibility of the federal government either are, or soon will be, escalated by the full percentage increase in the cost of living, would the minister seek to prevail upon Canadian National Railways so that CN pensions can also be escalated not just by 2 per cent a year but by the full percentage increase in the cost of living?

The minister's answer was to the effect that pensions are negotiated between the unions and the railway companies and that I ought to have known that Dr. Deutsch was also looking into these matters. In reply I pointed out that collective bargaining between the companies and the unions did not include any representatives at the table from those already retired and that someone had to speak for them. I also pointed out that Dr. Deutsch's terms of reference did not include this area, namely, the escalating of the pensions of railway employees already retired.

Mr. Speaker, I believe from what I see across the way that the answer to my question tonight will be given by the Parliamentary Secretary to the Minister of Transport (Mr. Guay), my good friend from the neighbouring constituency of St. Boniface which I am happy to say is now part of my city of Winnipeg. I know where my hon. friend stands on this issue. He is just as concerned about it as I am. In his riding, as in mine, there are a great many Canadian National employees, both active and retired. In fact, the Transcona shops are in his constituency.

Therefore, Mr. Speaker, I wish tonight that somehow we could turn the tables so that the parliamentary secretary could ask the questions and I could give the answers. If he

were going to ask the questions, what would he say? He would say, "Mr. Speaker, does the hon. member for Winnipeg North Centre not agree that it is time for Canadian National pensions to be escalated every year, not just by two per cent but by the full increase in the cost of living? "He would also say, "Mr. Speaker, does the hon. member for Winnipeg North Centre not agree that this is a matter that does not get negotiated at the bargaining table? Does he not agree that the only persons who are in a position to speak for the retired employees are those in parliament ant that it is the job of the government to tell Canadian National to get in step?"

● (2210)

If the Parliamentary Secretary to the Minister of Transport put those questions to me, as I think he would like to do and I know he would do it with feeling, my reply to him would be that I agree absolutely. I agree, indeed I insist, that the time has come for Canadian National pensions to escalate every year by the full percentage increase in the cost of living, as most other pensions now do. I would say to the second question, "Yes, I agree that since the unions are not in a position to do anything about increasing the pensions of retired employees, it is up to the government to tell the Canadian National to get in step on this issue."

Now, since those are the answers that I would give to the parliamentary secretary if he were to put the questions to me, I hope he will reciprocate and give me the same answers to my questions that I would give to him.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, first of all I want to say that my own personal answer to the hon. member for Winnipeg North Centre (Mr. Knowles) is that I agree with him wholeheartedly because I believe that the retired employees whom he has mentioned should certainly have their pensions increased by the full percentage relative to the cost of living. I also feel, and I have said it many times, that the railway employees should have pensions in parity with those of Air Canada and the civil service. I agree with that wholeheartedly, and let the hon. member rest assured that I have been saying this since 1968, since the first day I came to the House.

Speaking on behalf of the department with regard to the hon. member's question as recorded at page 6958 of *Hansard,* the Minister of Transport (Mr. Marchand) said in reply to the hon. member on October 17 of this year that he is quite sympathetic with their representations. He is just as keen as anyone to see future and past pensioners get the best deal possible. But the point he made was that these are matters for negotiation in the case of former workers already on pension and under negotiation in the case of today's workers. Negotiations are conducted between the union and management.

The fact of the matter is that the board of directors of the CNR has approved an increase of 2 per cent in pension payments to former employees and to widows of former employees. The increase, which takes effect from January 1, 1973, applies to all employees or their widows who retired on or before December 31, 1972. This decision was in response to representations made by the general chairman of the Canadian National Railways pension board and followed upon action taken during recent years to compensate pensioners for cost of living increases. In 1971, CNR increased individual payments by 2 per cent per year of retirement up to 1969, or more, and last year it increased by 4 per cent all pensions that had come into effect by the end of 1970, and by 2 per cent all pensions that had come into effect by the end of 1971.

The latest increase will affect over 32,000 pensioners presently receiving payments from the CN pension fund. It represents an increase of $11 million in the unfunded liability of the fund. This increase should not, of course, be confused with the pension rule changes requested by the general chairman and by a number of other labour groups for the adoption of a so-called 2 per cent per year of service formula as the basis for computing future pensions. That matter, as you are aware, is still the subject of collective bargaining and is particularly under discussion in current mediation proceedings with the non-operating unions.

I want to assure the hon. member for Winnipeg North Centre that I am with him all the way with regard to the pensions of CNR workers.

[Mr. Knowles (Winnipeg North Centre).]

FISHERIES—SPORTS FISHING IN WATERS OFF VANCOUVER ISLAND—REQUEST FOR GOVERNMENT ASSISTANCE

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I was beginning to believe that this was going to be an all-Manitoba night. First, may I say that I am pleased that the Minister of the Environment and Fisheries (Mr. Davis) is here tonight to participate. I know he is interested in this subject and I hope he will take the remarks I am going to make in the constructive sense in which I shall attempt to submit them.

On November 7 I asked the Minister of Fisheries what he planned to do to help restore sports fishing in the area around southern Vancouver Island. The minister acknowledged in his reply, as recorded at page 7624 of *Hansard,* that the cohoe runs were down but he did not appear to know why. He said discussions along the lines of moving the net fishermen were proceeding. I have a file full of letters from west coast fishermen describing the problem. I am sure the minister has a similar or larger file. The simple reason there are no cohoe for sports fishermen is that they are being decimated by the commercial fishermen. I, of course, do not want to stop the commercial fishing industry nor does anyone else, but a means must be devised whereby they can coexist. It is not impossible.

As the minister well knows, the fall-off in sports fishing began in 1957 when the net fleet was established at the western end of the Strait of Juan de Fuca in a move to get the salmon before the Americans did. This is the principal reason for the lack of cohoe in the fall season, but not the only reason. Expert opinion is that far too many cohoe are being killed by trollers fishing early in the Gulf of Georgia. The season opens in mid-April and cohoe are an illegal catch at that time. However, as the trollers are permitted to fish with hoochies and flashers, they catch up to one million cohoe by accident before the season opens on June 1.

It is difficult to determine exactly how valuable the sports fishing industry is to British Columbia. A Washington state study indicated that the Puget Sound sports fishing industry is worth $20 million per year. The McMynn study indicates that the B.C. salmon sports fishing industry is also worth $20 million per year. This study in 1964 estimated that 85,000 residents and 36,000 visitors were engaged in sports fishing and spent $19 million to catch only 1.6 per cent of the commercial catch. Clearly, the sports fishing industry pays a tremendous return for its share of the resource.

Mr. Roderick Haig-Brown, the world famous naturalist, estimates that there are now 300,000 sports fishermen attempting to catch fish from a supply that has been reduced to one-quarter of its former numbers. Surely all will agree that restoring these stocks is in the best interests of both commercial and sports fishermen. The people speaking for the west coast sports fishermen—naturalists, sportsmen, conservationists such as Alec Merriman, Haig-Brown, Rhys Davis, and Al Playfair—are not moved to this cause by a selfish desire to preserve something for themselves. They believe, that with proper leadership and management there can be sufficient fishing for 300,000 or more sports fishermen without seriously diminishing commercial fishing.

I would like to commend the minister for the initiatives he has taken in the area of hatcheries. I request that he show the same initiative in controlling the times and locations of commercial fishing. It has been recommended that, first, the net fishing should either go back to the river mouth fishing of former years or at least be located where it will not have its 98½ per cent cut of the supply before the sports fisherman gets his chance at his 1½ per cent, and secondly that the commercial fishermen might well stay out of the gulf until June 15. This would enable the 3 pounds to 4 pounds springs to put on some weight and would also eliminate the killing of thousands and thousands of young cohoe and undersized chinooks, fish which must be shaken off the hooks because they cannot be kept. At the very least, the commercial fishermen in the gulf should not be allowed to fish with hootchies and flashers.

● (2220)

I urgently request the minister to give immediate consideration to this matter. We have had two very bad years for sports fishing and cannot expect our tourists to be eternal optimists. More important, hundreds of thousands of us who like to try our luck are being deprived of one of sport's greatest thrills, a good British Columbia salmon on the end of a line and jumping.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I should like to thank the hon. member for Victoria (Mr. McKinnon) for his thoughtful remarks. In the next few weeks we will be having negotiations with the United States in respect of the sharing of salmon catches on the west coast, and I am hopeful that as a result we will be able to arrange our affairs in such a way that the escapement of fish of interest to sportsmen will improve not only around Victoria but also in the Strait of Georgia and off the west coast of British Columbia.

The salmon runs on the west coast of British Columbia are about as good as they were 40 or 50 years ago, but in respect of species some years are good and some are not so good. The sockeye run off the west coast of B.C. this year was the biggest since World War I, but it was a disaster in Alaska. Similarly, while sockeye was up in British Columbia, other species were down. The species of interest to sports fishermen, the cohoe and spring salmon, were somewhat below average.

A few minutes ago I phoned an official in the department on the west coast whose opinion I respect, and he told me that this year the cohoe which are normally resident in the Strait of Georgia were outside of the strait during the summer in the period when they feed and take a lure. This happens periodically for reasons that our scientists do not fully understand.

The escapement past the nets toward Victoria was roughly 50 per cent greater than the volume taken by commercial fishermen. Some 600,000 passed Victoria but were not feeding. Half of them went to the rivers and hatcheries on the Puget Sound side, and the rest to British Columbia rivers. Escapement both to hatcheries and British Columbia rivers was excellent this year, but they were not feeding as they went past Victoria.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Tuesday, November 20, 1973

The House met at 2 p.m.

[*Translation*]

MESSAGE FROM THE SENATE

Mr. Speaker: Order. I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed a resolution approving the government's decision that Canadian forces participate in the United Nations Emergency Force in the Middle East and has filled up the blanks in the resolution with the words "Senate and".

* * *

[*English*]

PRIVILEGE

MR. DAVIS—REQUEST THAT MEMBER FOR GANDER-TWILLINGATE MAKE FULL WITHDRAWAL OF CHARGE THAT MINISTER DELIBERATELY MISLED HOUSE

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I rise on a question of personal privilege. I should like, through you, Mr. Speaker, to ask the hon. member for Gander-Twillingate (Mr. Lundrigan) whether he is prepared today to make a full and unequivocal withdrawal of the charge he made yesterday in the House to the effect that I deliberately misled the House.

Mr. Speaker: The Minister of Fisheries gave the Chair notice earlier today, as required by the Standing Orders, of his intention to raise this matter again today by way of question of privilege. Since receiving the minister's notice I have looked closely at what was said in debate yesterday when the Chair took exception to a charge made by the hon. member for Gander-Twillingate.

After suggestions made by the Chair to the hon. member and to the House in general that a charge that another member deliberately misled the House is unparliamentary, the hon. member, perhaps not to the extent that the Chair would have liked, did say twice or three times that the statement he was making was that the minister had misled the House. It is, of course, well established that in debate a member can say at any time that another member is uttering a misleading statement. That has never been deemed to be unparliamentary.

The question I had to resolve yesterday was whether the withdrawal by the hon. member was satisfactory in view of the precedents and practice of the House. I had urged the hon. member for Gander-Twillingate to make a clear withdrawal. He made a statement which at the time I felt was satisfactory from the point of view of the Chair. I had invited hon. members who felt that perhaps they would like to contribute and give some guidance to the Chair on the matter to do so. I particularly at the time addressed myself to the Minister of Fisheries, and this did not evoke a response.

Hon. members know the rule to the effect that when a member has a question of privilege to raise it should be done immediately. When the matter in question was first brought up for consideration I had hoped that hon. members who felt they had a question of privilege or wanted to take part in that question of privilege, or who felt they were aggrieved in some way, would have assisted the Chair yesterday, and I doubt very much whether 24 hours later it is possible to revive a question of privilege which has been, in the opinion of the Chair at least, resolved.

The notice I received from the minister includes the suggestion that the matter was left unresolved by the Chair. That was not my impression.

An hon. Member: Hear, hear!

Mr. Speaker: Order, please. I would hope hon. members would refrain from either cheering or objecting to what the Chair is attempting to do at the present time. My thought was that, although the amendment or modification which had been made by the hon. member for Gander-Twillingate was not entirely satisfactory, I was willing to accept it. Certainly I believe, in reading the record, I did indicate that so far as I was concerned this was closing the matter, and I did not expect that on a question of privilege the matter would be revived today. I would hope that under the circumstances we could allow the House to go on with its business.

I would like to reiterate what I said yesterday, that the House can operate efficiently only if members are prepared to respect the rules, traditions and practices of the House and to use parliamentary language. It seems to me we can have useful debates, for the benefit of the institution, by limiting ourselves to what are parliamentary expressions. When unparliamentary expressions are used I will consider it my duty to intervene and seek the co-operation of hon. members in using expressions that are accepted as parliamentary. I caution hon. members against excesses in language, and I am sure I will be able to count on their co-operation in the days, weeks or months ahead.

Mr. MacEachen: Mr. Speaker, I think it is an important matter that is before the House and was before the House yesterday. It is not my intention to make the situation more difficult, either for the Chair or for the House itself, but I do believe there is a basis for—

Mr. McGrath: Mr. Speaker, on a point of order—

Mr. Speaker: Order, please. I believe the President of the Privy Council is speaking on a point of order. Perhaps he might be heard out, and then we can hear the hon. member for St. John's East.

Mr. McGrath: My point—

Mr. Speaker: Order, please. The minister is on a point of order.

Mr. MacEachen: Mr. Speaker, I believe there was a basis for some misunderstanding about whether the question that had been raised yesterday had been finally resolved, and it is important because it does relate to the conduct of an hon. member of the House. I believe it is important that a few moments be given in order to have the situation stated as seen through the eyes of his colleagues in the House.

When the question was raised yesterday there were two suggestions made that final resolution of the problem be deferred until today, and it is my understanding that the matter did result in that decision. I draw to your attention, Sir, the final words of your own ruling to the effect—

Mr. Stanfield: Mr. Speaker, on a point of order, with all respect, it seems to me that the government House leader, for whom I have the greatest respect, is questioning the ruling you have just made.

Some hon. Members: Hear, hear!

● (1410)

Mr. Stanfield: With all respect to him, Sir, I do not think the House should hear him.

Mr. Speaker: The hon. House leader will see the difficulty of the Chair. The hon. Minister of Fisheries rose on a question of privilege, and there could have been the possibility of another person involved in the matter making a reply. I indicated that I had received notice, had given the matter serious thought and was prepared to make a ruling. I appreciate the importance of the matter, but I wonder whether it is possible at this point to revive the question after a ruling has been made. The President of the Privy Council rose on a point of order. In fairness to him I wanted to hear him out as I did yesterday hon. members who spoke on the question of privilege when it was raised on the initiative of the Chair. Perhaps the President of the Privy Council might indicate as quickly as possible what the point of order is on which he rises now.

Mr. MacEachen: The point of order, Mr. Speaker, relates strictly to the understanding with regard to whether the question of privilege had been finally resolved yesterday.

An hon. Member: The Speaker has ruled.

Mr. MacEachen: I am not in any way contesting the ruling of the Chair. I would draw to the attention of the Leader of the Opposition that I hope the respectful attitude he enjoins upon me toward the Speaker will be observed by his followers on the other side of the House.

Some hon. Members: Hear, hear!

Some hon. Members: Shame!

Mr. MacEachen: I am saying that yesterday we had the impression, Sir, and this is the point of order, that the matter had been left in abeyance. I base that misunderstanding on the final words of your judgment, namely:

[Mr. McGrath.]

> . . . perhaps I should be prepared to see what the hon. member will want to do tomorrow and accept for today the hon. member's half withdrawal.

I regret that I have placed the wrong interpretation on that sentence, Sir, and I do drop the matter out of respect for the Chair on the understanding that in the words used yesterday by the hon. member for Gander-Twillingate he fully withdrew the allegation against the minister and that the rules of the House in your opinion have been fully satisfied. With that assurance, I will not pursue the matter further.

Mr. Speaker: I am not sure whether any further ruling is required on the part of the Chair. Perhaps there was a misunderstanding in the interpretation of the words to which the hon. President of the Privy Council has referred. When I spoke those words I had reference to the suggestion that had been made during the long and numerous exchanges that took place yesterday afternoon that the matter might be revived today by an hon. member who had indicated that perhaps it would be revived. That is what I had alluded to, that if it were revived then at that point another ruling would have to be made. But it was my intention and my hope that the matter had been resolved and that, as the hon. minister suggested, the rules of the House had been preserved. Whether the practice had been fully preserved is a matter of interpretation. I am not sure that the rules of the House and our practices are always fully observed and respected. Perhaps yesterday we did not attain this measure of perfection. I would have liked personally that the matter be resolved more clearly.

I hope that this incident will help the Chair and hon. members, if another occasion such as this arises, to resolve the matter to the satisfaction of the whole House.

ROUTINE PROCEEDINGS

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—LACK OF FUNDS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under Standing Order 43, I request the unanimous consent of the House to discuss a matter of urgent and pressing necessity which concerns jobs for our unemployed.

In view of the large number of serious and highly valuable projects submitted under the local initiatives program and in view of the insufficiency of the funds at the disposal of the Minister of Manpower and Immigration (Mr. Andras), I move, seconded by the hon. member for Roberval (Mr. Gauthier):

> That the House ask the Standing Committee on Miscellaneous Estimates to study this problem and that the President of the Treasury Board be called before this committee as a witness, following which the committee be requested to report to the House by November 30, 1973.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

INDIAN ACT

MEASURE TO REMOVE DISCRIMINATION AGAINST WOMEN WHO MARRY NON-INDIANS

Mrs. Albanie Morin (Louis-Hébert) moved for leave to introduce a bill intituled: "An Act to amend the Indian Act".

Some hon. Members: Explain.

Mrs. Morin: Mr. Speaker, the purpose of this bill is to correct to a certain extent the injustice and the discrimination towards Indian women, resulting from the implementation of section 12 (1)(b) of the Indian Act.

[*English*]

With the repeal of paragraph (b) of section 12(1) and the introduction of the amendment contained in this bill, a woman who is entitled to be registered as an Indian and who marries a non-Indian may elect to file with the minister an abandonment of entitlement to register as an Indian, and this may be filed at any time during her marriage. It ensues, therefore, that an Indian woman who has chosen to retain her Indian status may return to the reserve in the event of a divorce or judicial separation.

[*Translation*]

However, Mr. Speaker, this bill does not remove completely the discrimination towards the Indian woman who marries a white man, since paragraph 12 (1)(a)—

Mr. Speaker: Order, please. I tried to give the hon. member for Louis-Hébert all possible freedom. She could now try to complete her comment as briefly as possible. She knows that under Standing Order 68(2), she must confine her comment to a succinct explanation.

Mrs. Morin: Mr. Speaker, I shall be brief.

[*English*]

If all Canadians are equal before the law, and if there is really no discrimination because of sex, it should ensue that the Indian woman, who is also a Canadian, should not be discriminated against because of her sex.

Some hon. Members: Hear, hear!

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

Oral Questions

ORAL QUESTION PERIOD

[*English*]

ENERGY

ANALYSIS OF EFFECT OF PRESENT SITUATION ON ECONOMIC GROWTH AND EMPLOYMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. I would ask him whether the government has undertaken a detailed analysis of the present energy situation and how it is going to affect economic growth and particularly employment this winter and next year? If the government has undertaken such a study, when it will be available and will it be made available to the House?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, this question is being studied. There are many aspects of it, including the possible regional impact of even voluntary restraint on the use of some forms of energy. Whatever action is required as a result of that study will be announced in due course.

STUDY OF EFFECT OF INCREASED PETROLEUM PRODUCT PRICES ON INDUSTRIES IN QUEBEC AND ATLANTIC PROVINCES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct a supplementary question to the Minister of Regional Economic Expansion. What study has he undertaken to ascertain the economic effect of the increased price of petroleum products upon industries in areas suffering from regional disparity? I am referring particularly to the Atlantic provinces and Quebec where there has been a substantial increase in energy prices.

● (1420)

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, a number of initiatives have been undertaken. I have discussed the matter internally with my officials and have ordered an assessment of the matters the Leader of the Opposition has mentioned. Two weeks ago I met with officials of Shaheen Natural Resources which has a new refinery at Come-By-Chance, with a view to seeing how much, if any of their product might be diverted for use in eastern Canada. In addition, I am in constant consultation with my colleague, the Minister of Energy, Mines and Resources, on a general co-ordination of activity. On a fourth point to which I replied, I believe, to the hon. member for Saint John a few days ago, we have been negotiating and discussing with the province of New Brunswick the question of expanding nuclear power generating capability, not only for New Brunswick but for the Atlantic provinces generally.

Mr. Stanfield: The minister directed his response to the question of adequacy of supply of petroleum. My question was directed to the additional cost. Has the minister made a study to ascertain the effect upon industries in Quebec and the Atlantic provinces where prices have gone up substantially and further price increases are said to be following? Has the minister canvassed the situation, and can he assure the House that there are in fact no substantial industries of importance in those areas whose future

will be seriously affected this winter and next year by the substantial increase in the cost of petroleum?

Mr. Jamieson: Mr. Speaker, I apologize that my reply was incomplete. I did indicate that such a study is under way. I would be less than honest if I said it was complete at this moment. However, in the case of Newfoundland representations have been made to us primarily on the matter of supply and the same, I think it would be fair to say, for the province of Nova Scotia. It was to this I directed my initial efforts, but to this moment at least I have not heard of any serious industrial or economic slowdown as a result of price. I was seeking to contact the premier of New Brunswick half an hour ago but was unsuccessful. When I have a more detailed report I will be glad to make it available to the Leader of the Opposition and the House.

PETROLEUM—INTENTION OF GOVERNMENT RESPECTING LIFTING OF VOLUNTARY PRICE FREEZE ON JANUARY 31 NEXT—REQUEST FOR DEBATE BEFORE REMOVAL

Mr. David Lewis (York South): Mr. Speaker, I wish to ask the Prime Minister whether it is still the intention and policy of the government that the voluntary price freeze be lifted on January 31 and that the domestic price for petroleum products be at the imported price at Montreal? Is that still the policy and intention of the government?

Right Hon. P. E. Trudeau (Prime Minister): In general terms, Mr. Speaker, the answer is yes. I would refer the hon. member and the House to the statement I made on September 4 to the effect that we had obtained agreement from the major petroleum companies to accept a voluntary freeze until January 31. This is the undertaking I gave and this is the undertaking which I believe they intend to respect.

Mr. Lewis: In view of the changes that have taken place since September 4 and in view of the very serious likelihood of massive increases in the price of petroleum products if the freeze is lifted on January 31, can the Prime Minister undertake that parliament will be informed before the lifting of the price freeze and parliament will have an opportunity to debate and decide that issue instead of leaving it entirely to the government, in view of the very serious consequences to all consumers in Canada?

Mr. Trudeau: Mr. Speaker, I have no doubt that parliament would want to debate this subject. I would hope they would want to debate it after the effects of the lifting of the freeze are evident and the government policy attendant thereto is known to the House. Whether that can be done in the next few days or later will depend very much on two things, first, House time and, second, the time at which the government announces the rest of its energy policy.

Mr. Lewis: Following the Prime Minister's reply which suggests that parliament is to close the door after the serious consequences of an increase in the price of petroleum products hits the Canadian people, if that is what he has in mind will he undertake that the government and parliament will take the power to roll those

prices back? Or are the Canadian people to be stuck with higher prices no matter what parliament may say?

Mr. Trudeau: I did not intend to convey the impression—I am sorry if I did—that this matter could only be debated after February 1. What I intended to indicate was that members should be in a position to know government policy related thereto in some detail and to assess for themselves, perhaps in advance of February 1, what the effect might be.

Mr. Speaker: Order, please. The hon. member for York South may ask a supplementary, but the Chair is attempting to complete the first round of questioning, following which we can return to the other supplementaries being sought by a number of hon. members.

Mr. Lewis: Does the last answer of the Prime Minister mean he is undertaking that a statement will be made within the next week or two by the Minister of Energy, Mines and Resources or the Prime Minister himself on energy policy before we rise for the Christmas recess?

Mr. Trudeau: That might not necessarily be the case. What I indicated was that it could be the case.

* * *

[*Translation*]

MANPOWER

ADULT RETRAINING COURSES—REQUEST FOR EXTENSION OF LENGTH

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the Minister of Manpower and Immigration.

As the adult retraining program limits the courses to 52 weeks and that in many cases this restriction does not allow the students to complete their training, could the minister tell the House if he is considering immediate measures to lengthen the time of these courses?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): I believe I should like to take that question under examination and as notice. I will try to get a reply for the hon. member shortly.

* * *

ENERGY

PETROLEUM PRODUCTS—VOLUNTARY PRICE FREEZE

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary to the question asked by the hon. member for York South. Since there will obviously be a very sharp increase in the cost of gasoline, heating oil and other petroleum products when the government lifts the freeze on January 31, what was the objective in putting on the freeze and then suddenly lifting it, with a resulting sharp impact on the economy instead of allowing prices to increase in a series of stages?

Mr. Speaker: Order. That is debate.

IMPACT OF CRISIS ON FOOD PRICES—STUDY BY DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. Has the minister caused an investigation or examination to take place into the impact of the energy crisis on food prices? I ask this question especially in light of the statement by the Minister of Agriculture who is reported to have said that food prices will increase as a result of the energy crisis.

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker, this is being looked into within the department.

DEVELOPMENT OF COAL LEASES IN CUMBERLAND COUNTY, N.S., HELD BY CAPE BRETON DEVELOPMENT CORPORATION

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a supplementary question for the Minister of Regional Economic Expansion based on his statement regarding conversations he has had with provincial premiers. Did any discussion take place with the premier of Nova Scotia with regard to leases on coal in Cumberland County now held by Devco as a result of its takeover of Dosco?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Not specifically, although this morning I did make contact with the president of Devco who will be here in Ottawa for meetings with me on December 3 and 4 at which time this matter, among others, will be explored.

* * *

THE CANADIAN ECONOMY

INFLATION—MEASURES TO INCREASE SUPPLY AND AMELIORATE RISING PRICES IN LIGHT OF ECONOMIC COUNCIL REPORT—POSSIBLE NATIONAL POWER GRID

Hon. Paul Hellyer (Trinity): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the conclusion reached by the Economic Council of Canada that the inflation rate in this country is out of line with that of six other countries in the Organization for Economic Co-operation and Development, is the Prime Minister planning any new measures which would tend to increase supply in order to ameliorate the rising price situation in Canada?

Right Hon. P. E. Trudeau (Prime Minister): In response to the preamble to the question I must point out that it is only correct if it refers to a very short period. If the hon. member would look at the total period over which this comparison has been made he would find that the Canadian government has done considerably better than most other countries.

● (1430)

Mr. Hellyer: Mr. Speaker, I do not think the Prime Minister's selectivity in the use of figures is very good; the situation is getting worse instead of better. Can the Prime Minister advise the House whether the government has taken any decision respecting a national power grid or whether he intends to leave the situation as it is at present so that Manitoba will feel obliged to sell additional energy south of the border?

Mr. Trudeau: Mr. Speaker, I am afraid that this question will have to be referred to the Minister of Energy, Mines and Resources who has made statements previously on the government's position on an energy grid. It would probably call for a longer statement than either he or I could give in the question period.

Mr. Hellyer: A final supplementary question, Mr. Speaker. I wonder whether the Prime Minister would describe the present policy of the Minister of Finance, and presumably that of the government, which has resulted in lower real output in the third quarter of 1973, in turn resulting obviously in higher prices, as a policy of moderated expansion or induced contraction?

Mr. Speaker: I am sure the hon. member is not suggesting that kind of question is in order. The hon. member for Nanaimo-Cowichan-The Islands.

* * *

ENERGY

POSITION OF SAUDI ARABIA ON SUPPLYING OIL TO CANADA THROUGH PORTLAND-MONTREAL PIPELINE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a supplementary question to the Prime Minister arising from the question put to him by the hon. member for York South. May I ask the Prime Minister whether the government has been informed by Saudi Arabia that they do not intend to permit the shipment of oil that will go through the pipeline from Portland, Maine, to Montreal? Has the government had that information from the government of Saudi Arabia? If so, what steps is the government taking to meet this situation since it involves close to half a million barrels of oil per day for the Montreal market?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have to refer the question to the minister. I know there has been some contradictory information on what some of the Arab states are doing with shipments of oil and I would not like to answer that particular question without checking.

STEPS TO CONTROL EXPORT OF HOME HEATING OIL FROM ATLANTIC PROVINCES AND CENTRAL CANADA

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I direct a supplementary question to the Minister of Regional Economic Expansion regarding the export of home heating fuel which for the first nine months of this year exceeded the amount shipped for all of last year, but more particularly the fact that since October 15 shipments have been in excess of the amount we shipped for the first six months of this year. Is the government taking any

steps to control the export of home heating fuel from the Atlantic provinces and from central Canada?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, as I indicated in my reply to the Leader of the Opposition, I have had some discussion, specifically with the owners of the new Shaheen refinery at Come-By-Chance which will be coming on stream during December. The basis of my questioning of them was whether or not a technique could be found through which the products of that particular refinery could be diverted for use in eastern Canada. I can say that they were most co-operative in their initial responses and undertook to advise me as soon as possible. I assume I will be getting a reply from them next week.

So far as other refineries in Atlantic Canada are concerned, the information I have is that the vast majority of their production is in fact now sold in eastern Canada and only relatively small amounts are exported. In so far as those small amounts are concerned, I believe that the Minister of Energy, Mines and Resources has the matter under examination in regard to the export permit system, as he indicated some time ago.

Mr. Douglas: A further supplementary question, Mr. Speaker.

Mr. Speaker: The hon. member will be recognized for a last supplementary, and after that I will recognize the hon. member for Peel South.

Mr. Douglas: What I was asking the minister, Mr. Speaker, was this. In view of the fact our exports of home heating fuel for the first nine months were about five million barrels and since October 15, when export controls were supposed to have gone on, we have exported 360 million barrels in that short period, what is the government doing to ensure that sufficient home heating fuel is being held in the area east of the Ottawa Valley to meet domestic demands?

Mr. Jamieson: Mr. Speaker, I thought I had answered that question, at least to some extent. In my own case, the conversations I have had have been limited primarily to officials of refineries in the Atlantic provinces, but I know the Minister of Energy, Mines and Resources has been doing the same in the case of other refineries. I think he has made the public statement, which I understand to be government policy, that heating fuel or any other kind of energy source will not be exported from Canada at the expense of Canadian consumers.

Mr. Speaker: The hon. member for Peel South.

Mr. Douglas: I rise on a point of order, Mr. Speaker.

Mr. Speaker: The hon. member rises on a point of order. I will recognize the hon. member for Peel South in a moment.

Mr. Douglas: Mr. Speaker, I inadvertently said 360 million barrels. I meant 3,640,000 barrels.

[Mr. Douglas.]

REQUEST FOR STATEMENT ON DETAILS OF OIL EXPORT TAX AND COLLECTION

Mr. Don Blenkarn (Peel South): Mr. Speaker, my question is for the Prime Minister. In view of the fact that yesterday in committee the Minister of Finance said that he did not know which oil companies were reserving funds to pay the oil export tax, and in fact did not even know whether or not the tax was being collected, would the Prime Minister advise the House or have one of his ministers advise the House on motions as to the details of the tax and its collection?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think this will certainly come to light when the House debates the ways and means motion on the tax itself, which will be put before the House in the normal course of events.

[*Later:*]

Mr. Blenkarn: Mr. Speaker, my supplementary question to the Prime Minister is in connection with the oil export tax. In view of the great concern this tax has caused in regard to national unity in Canada, and in view of the fact the Minister of Finance and the Minister of Energy, Mines and Resources have made contradictory statements about this tax, will the Prime Minister show some leadership and tell the House just what is going on?

Mr. Speaker: Order, please.

* * *

[*Translation*]

MANPOWER

USE OF IMPORTED PORTUGUESE WORKERS IN LUMBER INDUSTRY—POLICY OF GOVERNMENT

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a question for the Minister of Manpower and Immigration.

Can he tell the House if his department has signed agreements with some forest companies concerning the import of manpower of Portuguese origin and does the minister intend to make public the government's policy on this matter?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, to my knowledge at this moment no such agreements have been made. It is not impossible that some companies have approached officials of my department in various locations and discussed the possibility of offshore seasonal workers. As to the latter part of the question, I have stated the policy in the past. Under certain circumstances, where Canadians are not available for a particular job, we have considered, as in the case of southern Ontario farmers, the importation of seasonal workers for fixed periods of time and under strict contractual arrangements.

[*Translation*]

Mr. Laprise: Mr. Speaker, I have a supplementary for the minister.

I would like to tell him that this concerns forestry manpower and in the case I am concerned with, the import

of Portuguese manpower. Could the minister ensure the House that serious measures are being taken to avoid the exploitation of these foreign workers, as was the case for Mexican and Portuguese workers imported for the tobacco and fruit harvest in Ontario?

[*English*]

Mr. Andras: As a matter of federal jurisdiction we would only have a say where they come into Canada under contracts as offshore seasonal workers; in the past they have come mainly from the Caribbean. If that is the arrangement that the forest industry is seeking, then certainly we would have an influence over their working conditions; otherwise it would be a matter of provincial jurisdiction and provincial legislation.

* * *

EXTERNAL AFFAIRS

LIVING CONDITIONS OF CANADIAN CONTINGENT IN MIDDLE EAST PEACEKEEPING FORCE

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I should like to direct my question to the Minister of National Defence. It is based on a recent news report contrasting the sorry plight of the members of the Canadian contingent with the living conditions enjoyed by the Polish contingent in the Middle East peacekeeping force. What arrangements were made prior to the dispatch of the Canadian contingent to the Middle East, and what steps have been taken to remedy the situation as it relates to the living conditions of our servicemen in that area?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, our Canadian personnel are able to be self-sufficient in the field. They have 30 days' rations; they have their own water purification system, their own generators, their own batteries and their own tents. My reports are that they are settling in very well.

* * *

• (1440)

ENERGY

STUDY OF ECONOMIC EFFECTS OF CONSERVATION MEASURES TO BE ANNOUNCED

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Prime Minister. Having regard to the fact the Minister of Energy, Mines and Resources will be making a statement on energy conservation measures next Monday, has the Prime Minister given any specific instructions to his cabinet ministers to study the effects on the economy these energy conservation measures will have?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. I believe this is another way of putting the question that was asked earlier by the Leader of the Opposition. My answer is yes, we are looking at the effects of these conservation measures, and I indicated that we were particularly doing so having regard to the regional impact.

INQUIRY OF THE MINISTRY

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, my question is directed to the Prime Minister. In view of reports that the Prime Minister has expressed an interest in the presidency of Simon Fraser University, and in view of reports that a faculty official of Simon Fraser has been in touch with the Prime Minister with regard to this appointment, will he inform the House whether he has had any discussions about becoming—

Mr. Speaker: Order, please. The hon. member will, of course, appreciate that a question of that type is entirely out of order. The hon. member cannot ask a question in those terms. The hon. member can ask questions of a minister on matters within his ministerial responsibility, but I am sure that on reflection he will agree his question is entirely out of order.

Mr. Hees: Tell us when you take over. It will be nice out there for you with Jimmy and the whole family.

* * *

MANPOWER

REASON FOR REFUSAL OF LOCAL INITIATIVES GRANT TO FAMILY PLANNING ASSOCIATION OF BRITISH COLUMBIA

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the fact the application of the Family Planning Association of British Columbia for a local initiatives grant has been refused, will the minister give the reason for such refusal?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I must admit to the hon. member that I am not aware of the specific details of this matter. I will have to look into it, just as I would in the case of a question about any individual project. I will do so and communicate with the hon. member.

Mrs. MacInnis (Vancouver Kingsway): Mr. Speaker, in view of the fact that during the past year British Columbia has suffered more than 8,000 abortions, more than 11 per cent illegitimate births, an increase of 11 per cent in gonorrhea and 5,000 cases of children—

Mr. Speaker: Order, please. I am sure these statistics are very interesting, but the hon. member knows that she should ask a question and not convey information for the benefit of the House.

Mrs. MacInnis (Vancouver Kingsway): Mr. Speaker, I was not able to hear you.

Mr. Speaker: The Chair is simply suggesting to the hon. member that a question should be asked rather than information being conveyed to the House.

Mrs. MacInnis (Vancouver Kingsway): Thank you, Mr. Speaker, I was laying the groundwork for the question.

Some hon. Members: Oh, oh!

Mrs. MacInnis (Vancouver Kingsway): Mr. Speaker, before I ask the question I should like to raise a point of order. There seems in this House to be some idea that these subjects I raise are not of interest to Canadians across the country.

Some hon. Members: Hear, hear!

Mrs. MacInnis (Vancouver Kingsway): A schoolboy type of tittering goes on when these questions are raised.

Some hon. Members: Oh, oh!

Mrs. MacInnis (Vancouver Kingsway): I want to say that the people in my riding are interested in these matters. As a point of order, Mr. Speaker, I suggest that it would behoove members of this House to give a respectful hearing even if they do not believe their people are interested, and I suggest they are wrong in that regard.

Some hon. Members: Hear, hear!

Mrs. MacInnis (Vancouver Kingsway): In view of the facts I have just cited, would the minister undertake to review this decision to reject a preventive service, the cost benefits of which would be at least 20 to one?

Mr. Andras: Mr. Speaker, I am certainly congizant of the very interesting and distressing information the hon. member has conveyed. I will look at the project again, although, with regret, it may involve a program that should be conducted under other measures than the Local Initiatives Program. These projects have as a basic criterion and prime objective the provision of employment.

* * *

AIR TRANSPORT

POSSIBLE SHORTAGE OF FUEL

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Transport who indicated the other day that he saw no indication of an early shortage of fuel for aircraft in Canada. Has he had occasion to re-examine the situation in view of claims by responsible people connected with the aviation industry that there is in fact the prospect of a shortage and that there is a large leakage toward the United States?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, in my opinion, no gas is carried to the United States. At the present time, airlines are bound by annual contracts with oil companies in Montreal to deliver a certain supply of gas. Some companies have already taken delivery of all the fuel provided in their contract, in order not to buy gas in the United States or to save their quota there. Those companies are experiencing a shortage of gas, but neither Air Canada nor CP Air have yet cancelled a flight. The problem does not affect companies which have already obtained the quantity of fuel provided in their contract with Canadian companies.

Mr. Stanfield: Mr. Speaker, is the minister certain of the fact that there will be no fuel shortage for planes?

[Mrs. MacInnis (Vancouver Kingsway).]

Mr. Marchand (Langelier): No, Mr. Speaker, I am not sure. No more than the Leader of the Official Opposition, the government and the Canadian people do I know whether there will be a shortage of fuel or oil this year.

* * *

[*English*]

TRANSPORT

POSSIBILITY OF REQUESTING TRUCKING COMPANIES TO REDUCE SPEED TO SAVE FUEL

Mr. A. D. Hales (Wellington): Mr. Speaker, I have a question along the same lines. Has the Minister of Transport given any thought to asking the motor transport companies to reduce speed in order to save fuel?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the problem of highway traffic speed comes under provincial jurisdiction and I hope that the provinces will seek to restrict—

[*English*]

You have to read the constitution.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST THAT FUNDS BE DOUBLED

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to direct a question to the hon. Minister of Manpower and Immigration.

In view of the fact that the funds allocated to the Local Initiatives Program are clearly inadequate, and that the project evaluation is nearly completed, can the minister advise the House, before it is too late, whether he is considering the possibility of doubling the funds presently available in order to be able to subsidize most of the projects submitted?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the question of additional funding for local initiatives projects is under consideration, as I indicated earlier. This will be judged in light of current employment figures. If there is an announcement to be made I will make it in the House.

[*Translation*]

[*Later:*]

Mr. La Salle: Mr. Speaker, I wish to ask a supplementary question. In view of the minister's statement that the question of additional funding is under consideration, and in view of the very short time remaining for carrying out these projects, can he tell the House when he will decide whether or not to grant additional funds and on what date he will make his announcement?

[*English*]

Mr. Andras: Just as soon as possible, Mr. Speaker. I am quite aware of the urgency of this decision.

LOCAL INITIATIVES PROGRAM—POSITION OF APPLICATIONS BY NATIVE PEOPLE FOR GRANTS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration. In view of a recent directive sent to the chairmen of the constituency advisory groups indicating that projects proposed by native people should be given preference over all others, may I ask whether this has become part of the Local Initiatives Program? In other words, is an advantage to be given to projects proposed by native people?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I did send a telegram to the hon. members involved and to the constituency advisory groups. It was not a directive; it was an expression of a request to give at least equal consideration to requests from native people for access to funds to fund projects in those constituencies where native projects were being submitted. I repeat, it was not a directive; it was a request for equal attention so they would not be bypassed, which was the indication in some cases.

Mr. Speaker: Order, please. I think the moment has come to remind hon. members that we will soon be running out of time. There are three, four or five hon. members wanting to ask supplementary questions on this subject, which would eliminate other hon. members who are still waiting to ask questions. For the moment I will recognize the hon. member for Mackenzie.

Mr. Korchinski: Mr. Speaker, in view of the fact it would appear that on the administrative level these projects have been given priority, why were the amounts available reduced by 25 per cent with the result that all other communities are not given an equal opportunity to participate under LIP?

Mr. Speaker: Over, please. That is debate.

* * *

• (1450)

UNEMPLOYMENT INSURANCE

PERCENTAGE OF INCREASE IN WORKERS' PREMIUMS

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is for the Minister of Manpower and Immigration regarding his announcement of a 40 per cent increase in the premium rate for unemployment insurance. Is the minister aware that the recent increase in the applicable allowable earnings ceiling, on which he did not comment in his statement, in fact means that a large percentage of working Canadians will pay an increase of 48.7 per cent?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I did not announce the increase in the eligible earnings, and therefore the increase in the maximum eligible benefits, simply because even the statement I made was criticized for its length. However, I did comment on that afterwards.

QUEBEC—ALLEGED DELAY IN PROCESSING CLAIMS FOR BENEFITS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my supplementary question is directed to the Minister of Manpower and Immigration. In view of recent reports that indicate delays in paying legitimate claims to unemployed persons in the province of Quebec are far greater than in the rest of the country, can the minister explain the reason for this and indicate what immediate corrective action we can expect?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I do not accept the premise, but again I would plead with the hon. member to give me specific instances of cases and I will be glad to step in and correct whatever administrative errors there may be.

* * *

INDUSTRY

REQUEST FOR ASSISTANCE TO TRITON INDUSTRIES

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. It concerns a PAIT grant of $750,000 to a company called Collins Radio Canada which is 99 per cent owned by the Collins Radio Company of Dallas, Texas. In view of the fact this company, with the use of the PAIT grant, was able to bid successfully on a Canadian Coastguard contract, and in view of the fact that Triton Industries, a wholly owned Canadian company, has manufactured for some time exactly the same kind of equipment and the federal government failed to advise that company of the opportunity—

Mr. Speaker: Order, please, Will the hon. member kindly ask his question.

Mr. Leggatt: Yes, Mr. Speaker, I am getting to my question. In view of the failure of the federal government to advise Triton Industries of the opportunity to bid on that contract, placing the company in financial difficulty now—

Some hon. Members: Question!

Mr. Leggatt: —will the minister seek, through the Canada Development Corporation, some assistance to investigate this wholly owned Canadian company which is now under bid—

Mr. Speaker: Order, please. I have to rule that is a representation. The hon. member has to assume that the representation he has made to the minister will be taken into account.

Oral Questions

PUBLIC BUILDINGS

SUGGESTED LOWERING OF TEMPERATURE TO SAVE FUEL

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Minister of Public Works. In view of the complications in turning out the lights in federal buildings at night, would the minister, in an effort to regain his lost prestige, start a campaign to reduce the energy consumed in heating federal government buildings, starting with this building which at present is an energy wasting and unhealthy 76 degrees?

Some hon. Members: Hear, hear!

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, the complications are only in the mind of the hon. member. If and when the government decides to announce a full program of conservation of energy and light, it will be done in the proper fashion.

Some hon. Members: Oh, oh!

* * *

[*Translation*]

CRIMINAL CODE

ABORTION—POSITION OF GOVERNMENT ON VERDICT IN MORGENTALER CASE

Mr. René Matte (Champlain): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister.

Since the decision rendered in Dr. Morgentaler's case runs counter to the Criminal Code and that it somewhat puts the stamp of approval on the abortion on request principle, what position will the government take in this respect?

Mr. Speaker: It seems to me that the question has already been asked. If, nevertheless, the right hon. Prime Minister is willing to reply, I have no objection; I feel however that the question has already been asked a number of times in exactly the same terms which the hon. member has just used.

* * *

[*English*]

EXTERNAL AFFAIRS

FINAL COMPOSITION OF CANADIAN CONTINGENT IN MIDDLE EAST PEACEKEEPING FORCE

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of National Defence. Would the minister tell the House whether the final composition of the Canadian component in the United Nations truce force in the Suez has yet been completed? If so, have the personnel been designated and do they include any component of the Canadian Airborne Regiment?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, discussions are still taking place with the United Nations in New York. There has been no formal invitation for additional Canadian personnel at this time but we expect, as these discussions develop, that there will be a role in the logistics area for additional Canadian troops.

[Mr. Speaker.]

* * *

LABOUR RELATIONS

HALIFAX-DARTMOUTH DOCKWORKERS DISPUTE—REQUEST FOR REPORT ON MEDIATION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Labour. So that the port of Halifax does not contribute beyond its capability to energy conserving measures over the next few weeks, can the minister indicate what progress has been made between the two parties through the mediator appointed by him?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I cannot give too many details other than to indicate to the hon. member that Mr. Gibbons is meeting with the parties. I do not know whether he will be able to resolve the difficulty. Of course we are optimistic and hope he will be able to be of assistance in getting the parties together.

Mr. Forrestall: Can the Minister of Labour indicate whether or not the mediator, in reporting to him, gave any indication of how long the mediation process might continue?

Mr. Munro: No, he did not, Mr. Speaker, but in conversation with me he did indicate that the dispute has boiled down to two principal issues, and that could be regarded optimistically, I believe.

* * *

AGRICULTURE

CROP DAMAGE, NORTHERN ALBERTA—DEPARTMENTAL SURVEY AND FINANCIAL ASSISTANCE—ALLEVIATION OF FEED SHORTAGE

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is for the Minister of Agriculture. Have he or his officials completed the survey of the crop damage in northern Alberta caused by an early and abnormal snowfall, and is he in a position to announce to the House whether the federal government will be announcing any form of financial assistance to the farmers who have suffered crop losses and a program to alleviate the problem of feed shortages which exist in that part of the country?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, as the hon. member knows, before we participate in any program such as this we have to receive a formal request from the province concerned. I have checked my files and I find that as of yesterday there had been no such request from Alberta. I understand that our officials have nearly completed the survey so far as crops under snow are concerned and I am waiting for a final report from them.

MANPOWER

LOCAL INITIATIVES PROGRAM—DATE OF TABLING OF GRANT FIGURES FOR CONSTITUENCIES

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I should like to address a question to the Minister of Manpower and Immigration. In view of the fact that Renfrew county is a special area under DREE because of its high unemployment rate and according to figures I have seen it is getting $81,000 versus $526,000 for Rosedale under the Local Initiatives Program, I wonder when the minister will make these figures available to members of parliament, because they are already published and known within the civil service?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think they will be tabled tomorrow.

* * *

SHIPPING

NEW COASTING TRADE POLICY—SERVING OF NOTICE TO BRITISH GOVERNMENT OF WITHDRAWAL FROM COMMONWEALTH SHIPPING AGREEMENT

Mr. Paddy Neale (Vancouver East): Mr. Speaker, my question is directed to the Minister of Transport. In light of the new coasting trade policy for Canada announced by the minister on September 24, can the minister inform the House whether notice has been served on the British government of Canada's intention to withdraw from the British Commonwealth merchant shipping agreement? Further, if this has not been done, will he indicate to the House when that notice will be served?

● (1500)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will have to check whether the notice was served. It was our intention to serve it as soon as possible. I may be able to inform the hon. member tomorrow if this has been done effectively.

* * *

AIRPORTS

PICKERING—REASON FOR DELAY IN HEARINGS BY GIBSON COMMITTEE

Mr. Ron Atkey (St. Paul's): Mr. Speaker, I wish to direct a question to the Minister of Transport. Would he advise why the Gibson Committee to consider the Pickering Airport decision has not yet got off the ground and held any hearings or otherwise communicated with the public, and could the minister also advise whether the government's decision on this project to date has taken into account the projected energy crisis and the possible decline in flight volumes we may experience in future years?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the board has been nominated and constituted. Offices have been secured, and I think preparations are

now being made for public hearings. If the hon. gentleman wants to know more about the activities of the board there is nothing to prevent him getting in touch with the president, because it is an autonomous board. So far as the energy problem is concerned, this is something that should be brought to the attention of the commission.

PICKERING—REASON FOR DELAY IN PAYING EXPERTS WHO TESTIFIED AT EXPROPRIATION PROCEEDINGS

Mr. Ron Atkey (St. Paul's): Mr. Speaker, I wish to direct a supplementary question to the Minister of Public Works, but for the benefit of the Minister of Transport may I first say that communications have been sent to the board and no replies have been forthcoming. Can the Minister of Public Works indicate why the objectors and the expert witnesses who appeared before the expropriation hearings on the aiport a year ago have not yet received the $10,000 owing to them, and does the government realize it has become a defaulting debtor in this matter?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, I will have to look into this matter. My recollection is that all those who have agreed to a settlement have received their cheques, but if this is not the case the situation will be remedied.

Mr. Atkey: I asked about witnesses.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

FOREIGN INVESTMENT REVIEW BILL

PROVISIONS RESPECTING ACQUISITIONS OF CONTROL OF CANADIAN BUSINESS ENTERPRISES AND ESTABLISHMENT OF NEW BUSINESSES

The House resumed, from Monday, November 19, consideration of Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker: Order. The House will now proceed to the taking of the deferred divisions in relation to the report stage of Bill C-132, An Act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons. Call in the members.

● (1520)

And the members having been called in.

Mr. Speaker: Is the House ready for the question? The question is on the amendment in the name of the hon.

member for Timiskaming (Mr. Peters), to Motion No. 2, in the name of the hon. member for Central Nova (Mr. MacKay).

The House divided on the amendment (Mr. Peters) which was negatived on the following division.

(*Division No. 44*)

YEAS

Messrs.

Alexander
Alkenbrack
Andre
Arrol
Atkey
Baker
Baldwin
Barnett
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Beaudoin
Bell
Boisvert
Caouette (Témiscamingue)
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Cossitt
Danforth
Dick
Dinsdale
Dionne
Ellis
Epp
Fairweather
Forrestall
Fortin
Frank
Gauthier (Roberval)
Godin
Grafftey
Hales
Haliburton
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hellyer
Higson
Holmes
Horner (Crowfoot)
Horner (Battleford-Kindersley)
Howard
Howie
Hueglin
Jarvis
Jelinek
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
Lawrence
Lundrigan
MacDonald (Miss) (Kingston and the Islands)
MacInnis (Cape Breton-East Richmond)
MacKay
MacLean
Macquarrie
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKinley
McKinnon
Mitges
Morgan
Muir
Munro (Esquimalt-Saanich)
Neil (Moose Jaw)
Nesbitt
Nowlan
Oberle
O'Connor
O'Sullivan
Paproski
Patterson
Peters
Reilly
Ritchie
Roche
Rondeau
Rynard
Schellenberger
Schumacher
Scott
Stackhouse
Stanfield
Stevens
Stewart (Marquette)
Taylor
Tétrault
Thomas (Moncton)
Towers
Wagner
Whittaker
Wise
Woolliams
Yewchuk—103.

NAYS

Messrs.

Andras
Blackburn
Blaker
Blenkarn
Blouin
Boulanger
Breau
Brewin
Broadbent
Buchanan
Caccia
Cafik
Campbell
Clermont
Comtois
Corbin
Côté
Cullen
Cyr
Danson
Davis
De Bané
Demers
Douglas
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Foster
Gauthier (Ottawa East)
Gendron
Gillespie
Goyer
Gray
Grier
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harding
Harney
Herbert
Hopkins
Isabelle
Jamieson
Jerome
Knight
Knowles (Winnipeg North Centre)
Lachance
Laflamme
Lajoie
Lalonde
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lewis
L'Heureux
Loiselle
MacDonald (Cardigan)
MacEachen
MacGuigan
MacInnis (Mrs.) (Vancouver Kingsway)
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
McRae
Morin (Mrs.)
Munro (Hamilton East)
Neale (Vancouver East)
Nesdoly
Nystrom
Olivier
Orlikow
Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Rodriguez
Rooney
Rowland
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Symes
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Walker
Watson
Whelan
Whicher—112.

[Mr. Speaker.]

● (1530)

Mr. Speaker: I declare the motion lost. The question is now on the motion. Is it the desire of the House that we proceed with the division without ringing the bells?

Some hon. Members: Agreed.

The House divided on motion No. 2 (Mr. MacKay) which was negatived on the following division:

(*Division No. 45*)

YEAS

Messrs.

Alexander
Alkenbrack
Andre
Arrol
Atkey
Baker
Baldwin
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Beaudoin
Bell
Blenkarn
Boisvert
Caouette (Témiscamingue)
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Cossitt
Danforth
Dick
Dinsdale

Messrs.

Dionne
Ellis
Epp
Fairweather
Forrestall
Fortin
Frank
Gauthier (Roberval)
Godin
Grafftey
Hales
Haliburton
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hellyer
Higson
Holmes
Horner (Crowfoot)
Horner (Battleford-Kindersley)
Howie
Hueglin
Jarvis
Jelinek
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
Lawrence
Lundrigan
MacDonald (Miss) (Kingston and the Islands)
MacInnis (Cape Breton-East Richmond)
MacKay
MacLean
Macquarrie
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKinley
McKinnon
Mitges
Morgan
Muir
Munro (Esquimalt-Saanich)
Neil (Moose Jaw)
Nesbitt
Nowlan
Oberle
O'Connor
O'Sullivan
Paproski
Patterson
Reilly
Ritchie
Roche
Rondeau
Rynard
Schellenberger
Schumacher
Scott
Stackhouse
Stanfield
Stevens
Stewart (Marquette)
Taylor
Tétrault
Thomas (Moncton)
Towers
Wagner
Whittaker
Wise
Woolliams
Yewchuk—101.

NAYS

Messrs:

Andras
Barnett
Blackburn
Blaker
Blouin
Boulanger
Breau
Brewin
Broadbent
Buchanan
Caccia
Cafik
Campbell
Clermont
Comtois
Corbin
Côté
Cullen
Cyr
Danson
Davis
De Bané
Demers
Douglas
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Foster
Gauthier (Ottawa East)
Gendron
Gillespie
Goyer
Gray
Grier
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harding
Harney
Herbert
Hopkins
Howard
Isabelle
Jamieson
Jerome
Knight
Knowles (Winnipeg North Centre)
Lachance
Laflamme
Lajoie
Lalonde
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lewis
L'Heureux
Loiselle
MacDonald (Cardigan)
MacEachen
MacGuigan
MacInnis (Mrs.) (Vancouver Kingsway)
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
McRae
Morin (Mrs.)
Munro (Hamilton East)
Neale (Vancouver East)
Nesdoly
Nystrom
Olivier
Orlikow
Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Peters
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Rodriguez
Rooney
Rowland
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Symes
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Walker
Watson
Whelan
Whicher—114.

Mr. Speaker: I declare the motion lost. The question is now on motion No. 3.

The House divided on motion No. 3 (Mr. Horner, Crowfoot) which was negatived on the following division:

(*Division No. 46*)

YEAS

Messrs.

Alexander
Alkenbrack
Andre
Arrol
Atkey
Baker
Baldwin
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Bell
Blenkarn
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Cossitt
Danforth
Dick
Dinsdale
Ellis
Epp
Fairweather
Forrestall
Frank
Grafftey
Hales
Haliburton
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hellyer
Higson
Holmes
Horner (Crowfoot)
Horner (Battleford-Kindersley)
Howie
Hueglin
Jarvis
Jelinek
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
La Salle
Lawrence
Lundrigan
MacDonald (Miss) (Kingston and the Islands)
MacInnis (Cape Breton-East Richmond)
MacKay
MacLean
Macquarrie
Marshall
Masniuk
Mazankowski
McCain
McCleave
McGrath
McKinley
McKinnon
Mitges
Morgan
Muir
Munro (Esquimalt-Saanich)
Neil (Moose Jaw)
Nesbitt
Nowlan
Oberle
O'Connor
O'Sullivan
Paproski
Patterson
Reilly
Ritchie
Roche
Rynard
Schellenberger
Schumacher
Scott
Stackhouse
Stanfield
Stevens
Stewart (Marquette)
Taylor
Thomas (Moncton)
Towers
Wagner
Whittaker
Wise
Woolliams
Yewchuk—90.

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NAYS

Messrs.

Andras
Barnett
Beaudoin
Blackburn
Blaker
Blouin
Boisvert
Boulanger
Breau
Brewin
Broadbent
Buchanan
Caccia
Cafik
Campbell
Caouette (Témiscamingue)
Clermont
Comtois
Corbin
Côté
Cullen
Cyr
Danson
Davis
De Bané
Demers
Dionne
Douglas
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Fortin
Foster
Gauthier (Roberval)
Gauthier (Ottawa East)
Gendron
Gillespie
Godin
Goyer
Gray
Grier
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harding
Harney
Herbert
Hopkins
Howard
Isabelle
Jamieson
Jerome
Knight
Knowles (Winnipeg North Centre)
Lachance
Laflamme
Lajoie
Lalonde
Lambert (Bellechasse)
Langlois
Laniel
Laprise
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lewis
L'Heureux
Loiselle
MacDonald (Cardigan)
MacEachen
MacGuigan
MacInnis (Mrs.) (Vancouver Kingsway)
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Matte
McRae
Morin (Mrs.)
Munro (Hamilton East)
Neale (Vancouver East)
Nesdoly
Nystrom
Olivier
Orlikow
Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Peters
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Rodriguez
Rondeau
Rooney
Rowland
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Symes
Tétrault
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Walker
Watson
Whelan
Whicher—125.

● (1540)

Mr. Speaker: I declare the motion lost.

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

(*Division No. 47*)

YEAS

Messrs.

Barnett
Beaudoin
Blackburn
Boisvert
Brewin
Broadbent
Caouette (Témiscamingue)
Dionne
Douglas
Fortin
Gauthier (Roberval)
Godin
Grier
Harding
Harney
Howard
Knight
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
Laprise
Leggatt
Lewis
MacInnis (Mrs.) (Vancouver Kingsway)
Matte
Neale (Vancouver East)
Nesdoly
Nystrom
Orlikow
Peters
Rodriguez
Rondeau
Rowland
Symes
Tétrault—34.

NAYS

Messrs.

Alexander
Alkenbrack
Andras
Andre
Arrol
Atkey
Baker
Baldwin
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Bell
Blaker
Blenkarn
Blouin
Boulanger
Breau
Buchanan
Caccia
Cafik
Campbell
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Clermont
Coates
Comtois
Corbin
Cossitt
Côté
Cullen
Cyr
Danforth
Danson
Davis
De Bané
Demers
Dick
Dinsdale
Drury
Dubé
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Fairweather
Faulkner
Fleming
Forrestall
Foster
Frank
Gauthier (Ottawa East)
Gendron
Gillespie
Goyer
Grafftey
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hales
Haliburton
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hellyer
Herbert
Higson
Holmes
Hopkins
Horner (Crowfoot)
Horner (Battleford-Kindersley)
Howie
Hueglin
Isabelle
Jamieson
Jarvis
Jelinek
Jerome
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lachance
Laflamme
Lajoie
Lalonde
Lambert (Edmonton West)
Langlois
Laniel
La Salle
Lawrence
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Lessard
L'Heureux
Loiselle
Lundrigan
MacDonald (Cardigan)
MacDonald (Miss) (Kingston and The Islands)
MacEachen
MacGuigan
MacKay
MacLean
Macquarrie
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Marshall
Masniuk
Mazankowski
McCain
McGrath
McKinley
McKinnon
McRae
Mitges
Morgan
Morin (Mrs.)
Muir
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Neil (Moose Jaw)
Nesbitt
Oberle
O'Connor
Olivier
O'Sullivan
Ouellet
Paproski
Patterson
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Portelance
Poulin
Prud'homme
Railton
Reid

Messrs.

Reilly
Richardson
Ritchie
Roche
Rooney
Roy (Timmins)
Roy (Laval)
Rynard
Sauvé (Mrs.)
Schellenberger
Schumacher
Scott
Smith (Saint-Jean)
Stackhouse
Stanbury
Stanfield
Stevens
Stewart (Marquette)
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Taylor
Thomas (Maisonneuve-Rosemont)
Thomas (Moncton)
Towers
Trudeau
Trudel
Turner (London East)
Wagner
Walker
Watson
Whelan
Whicher
Whittaker
Wise
Woolliams
Yewchuk—178.

● (1550)

Mr. Speaker: I declare the motion lost.

The House will now proceed to motion No. 5.

The House divided on Motion No. 5 (Mr. MacKay), which was negatived on the following division:

(*Division No. 48*)

YEAS

Messrs.

Alexander
Alkenbrack
Andre
Arrol
Atkey
Baker
Baldwin
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Beaudoin
Bell
Blenkarn
Boisvert
Caouette (Témiscamingue)
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Cossitt
Danforth
Dick
Dinsdale
Dionne
Ellis
Epp
Fairweather
Forrestall
Fortin
Frank
Gauthier (Roberval)
Godin
Grafftey
Hales
Haliburton
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hellyer
Higson
Holmes
Horner (Crowfoot)
Horner (Battleford-Kindersley)
Howie
Hueglin
Jarvis
Jelinek
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
La Salle
Lawrence
Lundrigan
MacDonald (Miss) (Kingston and The Islands)
MacKay
MacLean
Macquarrie
Marshall
Masniuk
Matte
Mazankowski
McCain
McGrath
McKinley
McKinnon
Mitges
Morgan
Muir
Munro (Esquimalt-Saanich)
Neil (Moose Jaw)
Nesbitt
Oberle
O'Connor
O'Sullivan
Paproski
Patterson
Reilly
Ritchie
Roche
Rondeau
Rynard
Schellenberger
Schumacher
Scott
Stackhouse
Stanfield
Stevens
Stewart (Marquette)
Taylor
Tétrault
Thomas (Moncton)
Towers
Wagner
Whittaker
Wise
Woolliams
Yewchuk—99.

NAYS

Messrs.

Andras
Barnett
Blackburn
Blaker
Blouin
Boulanger
Breau
Brewin
Broadbent
Buchanan
Caccia
Cafik
Campbell
Clermont
Comtois
Corbin
Côté
Cullen
Cyr
Danson
Davis
De Bané
Demers
Douglas
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Foster
Gauthier (Ottawa East)
Gendron
Gillespie
Goyer
Gray
Grier
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harding
Harney
Herbert
Hopkins
Howard
Isabelle
Jamieson
Jerome
Knight
Knowles (Winnipeg North Centre)
Lachance
Laflamme
Lajoie
Lalonde
Langlois
Laniel
Leblanc (Laurier)
Leblanc (Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lewis
L'Heureux
Loiselle
MacDonald (Cardigan)
MacEachen
MacGuigan
MacInnis (Mrs.) (Vancouver Kingsway)
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
McRae
Morin (Mrs.)
Munro (Hamilton East)
Neale (Vancouver East)
Nesdoly
Nystrom
Olivier
Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Peters
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Rodriguez
Rooney
Rowland
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Symes
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Walker
Watson
Whelan
Whicher—112.

Mr. Speaker: I declare the motion lost.

The House will now proceed to motion No. 6.

Foreign Investment Review Act

The House divided on motion No. 6 (Mr. MacKay), which was negatived on the following division:

(*Division No. 49*)

YEAS

Messrs.

Alexander
Alkenbrack
Andre
Arrol
Atkey
Baker
Baldwin
Bawden
Beattie
(Hamilton Mountain)
Beatty
(Wellington-Grey-Dufferin-Waterloo)
Beaudoin
Bell
Blenkarn
Boisvert
Caouette
(Témiscamingue)
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Coates
Cossitt
Danforth
Dick
Dinsdale
Dionne
Ellis
Epp
Fairweather
Forrestall
Fortin
Frank
Gauthier
(Roberval)
Godin
Grafftey
Hales
Haliburton
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hees
Hellyer
Higson
Holmes
Horner
(Crowfoot)
Horner
(Battleford-Kindersley)
Howie
Hueglin
Jarvis
Jelinek
Kempling
Knowles
(Norfolk-Haldimand)
Korchinski
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Laprise
La Salle
Lawrence
Lundrigan
MacDonald (Miss)
(Kingston and the Islands)
MacKay
MacLean
Macquarrie
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKinley
McKinnon
Mitges
Morgan
Muir
Munro
(Esquimalt-Saanich)
Neil
(Moose Jaw)
Nesbitt
Oberle
O'Connor
O'Sullivan
Paproski
Patterson
Reilly
Ritchie
Roche
Rondeau
Rynard
Schellenberger
Schumacher
Scott
Stackhouse
Stanfield
Stevens
Stewart
(Marquette)
Taylor
Tétrault
Thomas
(Moncton)
Towers
Wagner
Whittaker
Wise
Woolliams
Yewchuk—100.

NAYS

Messrs.

Andras
Barnett
Blackburn
Blaker
Blouin
Boulanger
Breau
Brewin
Broadbent
Buchanan
Caccia
Cafik
Campbell
Clermont
Comtois
Corbin
Côté
Cullen
Cyr
Danson
Davis
De Bané
Demers
Douglas
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Foster
Gauthier
(Ottawa East)
Gendron
Gillespie
Goyer
Gray
Grier
Guay
(St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harding
Harney
Herbert
Hopkins
Howard
Isabelle
Jamieson
Jerome
Knight
Knowles
(Winnipeg North Centre)
Lachance
Laflamme
Lajoie
Lalonde
Langlois
Laniel
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lewis
L'Heureux
Loiselle
MacDonald
(Cardigan)
MacEachen
MacGuigan
MacInnis (Mrs.)
(Vancouver Kingsway)
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
McRae
Morin (Mrs.)
Munro
(Hamilton East)
Neale
(Vancouver East)
Nesdoly
Nystrom
Olivier
Ouellet
Pelletier
(Hochelaga)
Pelletier
(Sherbrooke)
Penner
Peters
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Rodriguez
Rooney
Rowland
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Smith
(Saint-Jean)
Stanbury
Stewart
(Okanagan-Kootenay)
Stewart
(Cochrane)
Stollery
Symes
Thomas
(Maisonneuve-Rosemont)
Trudeau
Trudel
Turner
(London East)
Walker
Watson
Whelan
Whicher—112.

● (1600)

Mr. Speaker: I declare the motion lost.

The House will now move to Motion No. 9.

The House divided on Motion No. 9 (Mr. Nystrom) which was negatived on the following division:

(*Division No. 50*)

YEAS

Messrs.

Barnett
Blackburn
Brewin
Broadbent
Douglas
Grier
Harding
Harney
Howard
Knight
Knowles
(Winnipeg North Centre)
Leggatt
Lewis
MacInnis (Mrs.)
Neale
(Vancouver East)
Nesdoly
Nystrom
Peters
Rodriguez
Rowland
Symes—21.

NAYS

Messrs.

Alexander
Alkenbrack
Andras
Andre
Arrol
Atkey

Messrs.

Baker
Baldwin
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Beaudoin
Bell
Blaker
Blenkarn
Blouin
Boisvert
Boulanger
Breau
Buchanan
Caccia
Cafik
Campbell
Caouette (Témiscamingue)
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Clermont
Coates
Comtois
Corbin
Cossitt
Côté
Cullen
Cyr
Danforth
Danson
Davis
De Bané
Demers
Dick
Dinsdale
Dionne
Drury
Dubé
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Fairweather
Faulkner
Fleming
Forrestall
Fortin
Foster
Frank
Gauthier (Roberval)
Gauthier (Ottawa East)
Gendron
Gillespie
Godin
Goyer
Grafftey
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hales
Haliburton
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hellyer
Herbert
Higson
Holmes
Hopkins
Horner (Crowfoot)
Horner (Battleford-Kindersley)
Howie
Hueglin
Isabelle
Jamieson
Jarvis
Jelinek
Jerome
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lachance
Laflamme
Lajoie
Lalonde
Lambert (Bellechasse)
Lambert (Edmonton West)
Langlois
Laniel
Laprise
La Salle
Lawrence
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Lessard
L'Heureux
Loiselle
MacDonald (Cardigan)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacGuigan
MacKay
MacLean
Macquarrie
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Marshall
Masniuk
Matte
Mazankowski
McCain
McGrath
McKinley
McKinnon
McRae
Mitges
Morgan
Morin (Mrs.)
Muir
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Neil (Moose Jaw)
Nesbitt
Oberle
O'Connor
Olivier
O'Sullivan
Ouellet
Paproski
Patterson
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Portelance
Poulin
Prud'homme
Railton
Reid
Reilly
Richardson
Ritchie
Roche
Rondeau
Rooney
Roy (Timmins)
Roy (Laval)
Rynard
Sauvé (Mrs.)
Schellenberger
Schumacher
Scott
Smith (Saint-Jean)
Stackhouse
Stanbury
Stanfield
Stevens
Stewart (Marquette)
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Taylor
Tétrault
Thomas (Maisonneuve-Rosemont)
Thomas (Moncton)
Towers
Trudeau
Trudel
Turner (London East)
Wagner
Walker
Watson
Whelan
Whicher
Whittaker
Wise
Woolliams
Yewchuk—189.

● (1610)

Mr. Speaker: I declare the motion lost.

The House divided on Motion No. 10 (Mr. Nystrom) which was negatived on the following division:

(*Division No. 51*)

YEAS

Messrs.

Barnett
Blackburn
Brewin
Broadbent
Douglas
Grier
Harding
Harney
Howard
Knight
Knowles (Winnipeg North Centre)
Leggatt
Lewis
MacInnis (Mrs.) (Vancouver Kingsway)
Neale (Vancouver East)
Nesdoly
Nystrom
Peters
Rodriguez
Rowland
Symes—21.

NAYS

Messrs.

Alexander
Alkenbrack
Andras
Andre
Arrol
Atkey
Baker
Baldwin
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Beaudoin
Bell
Blaker
Blenkarn
Blouin
Boisvert
Boulanger
Breau
Buchanan
Caccia
Cafik
Campbell
Caouette (Témiscamingue)
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Clermont
Coates
Comtois
Corbin
Cossitt
Côté
Cullen
Cyr
Danforth
Danson
Davis
De Bané
Demers
Dick
Dinsdale
Dionne
Drury
Dubé
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Fairweather
Faulkner
Fleming
Forrestall
Fortin
Foster
Frank
Gauthier (Roberval)
Gauthier (Ottawa East)
Gendron
Gillespie
Godin
Goyer
Grafftey
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hales
Haliburton
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hellyer
Herbert
Higson
Holmes
Hopkins
Horner (Crowfoot)
Horner (Battleford-Kindersley)
Howie
Hueglin
Isabelle
Jamieson
Jarvis
Jelinek
Jerome

Foreign Investment Review Act

Messrs.

Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lachance
Laflamme
Lajoie
Lalonde
Lambert (Bellechasse)
Lambert (Edmonton West)
Langlois
Laniel
Laprise
La Salle
Lawrence
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Lessard
L'Heureux
Loiselle
Lundrigan
MacDonald (Cardigan)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacGuigan
MacKay
MacLean
Macquarrie
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Marshall
Masniuk
Matte
Mazankowski
McCain
McGrath
McKinley
McKinnon
McRae
Mitges
Morgan
Morin (Mrs.)
Muir
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Neil (Moose Jaw)
Nesbitt
Oberle
O'Connor
Olivier
O'Sullivan
Ouellet
Paproski
Patterson
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Portelance
Poulin
Prud'homme
Railton
Reid
Reilly
Richardson
Ritchie
Roche
Rondeau
Rooney
Roy (Timmins)
Roy (Laval)
Rynard
Sauvé (Mrs.)
Schellenberger
Schumacher
Scott
Smith (Saint-Jean)
Stackhouse
Stanbury
Stanfield
Stevens
Stewart (Marquette)
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Taylor
Tétrault
Thomas (Maisonneuve-Rosemont)
Thomas (Moncton)
Towers
Trudeau
Trudel
Turner (London East)
Wagner
Walker
Watson
Whelan
Whicher
Whittaker
Wise
Woolliams
Yewchuk—190.

Mr. Speaker: I declare the motion lost.

Mr. Gillespie moved that Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, before we move to third reading I should like the privilege of moving that a well deserved encomium be expressed to the Clerk Assistant.

Some hon. Members: Hear, hear!

Mr. Speaker: The Clerk Assistant is inquiring whether the hon. member is using a parliamentary word.

[Mr. Speaker.]

I gather that by consent the motion will be put at this time.

Mr. Gillespie moved that the bill be read the third time and do pass.

● (1620)

Mr. Speaker: The hon. member for Cumberland-Colchester North.

Mr. Coates: Mr. Speaker—

Mr. Speaker: Order, please. I am not sure whether the minister is rising to speak at this stage. If he is, perhaps the hon. member for Cumberland-Colchester North would want to defer to the minister to allow him to open the debate, and the hon. member will be recognized immediately thereafter. Again, I am not sure whether the minister is rising for that purpose.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker. I would like to thank the hon. member for Cumberland-Colchester North (Mr. Coates) for accepting the suggestion of the Chair and giving me an opportunity to introduce third reading.

It is now almost nine months, perhaps a little over nine months since this bill received first reading. It was some time back in March and April when the House debated second reading and approved the foreign investment review bill in principle. After that the Standing Committee on Finance, Trade and Economic Affairs held numerous meetings and received evidence from many persons—spokesmen for business, the labour movement, provincial governments and other interested groups. I and my officials appeared before the committee on several occasions. Subsequently, a number of amendments were proposed by members in committee. Some are now incorporated in the bill. Most are technical in nature. Others are intended to improve the administration of the legislation, and still others deal with such matters as the requirement to take into account provincial representations. This process has given us a better bill. I want to commend the committee for its work and to thank its members for their efforts.

Finally, during the past two weeks the House debated proposed amendments during the report stage, and adopted two of them as recently as yesterday. In short, Mr. Speaker, this bill has been subjected to lengthy and detailed scrutiny by members of the House. The time has now come to give the legislation our approval.

All of you are familiar with the background to the foreign investment review bill—the very high levels of foreign control of Canadian business, and the growing concern of the Canadian people. The work of my colleague, the Minister of Consumer and Corporate Affairs (Mr. Gray), who has given his name to the most exhaustive study of this area, contributed in a very important way to the understanding by the public of this problem.

The figures on foreign control of Canadian business have been cited many times. This makes them no less important today. They bear repeating. No less than 60 per cent of the capital employed in our manufacturing industries is controlled by foreign businesses. The figures are even higher for particular manufacturing sectors. For

example, for rubber it is almost 100 per cent; automobiles and parts, 98 per cent; chemicals, 81 per cent, and electrical apparatus 75 per cent. In petroleum and gas, the comparable figure is 74 per cent, and for other mining 73 per cent. These industries are among the principal goods producing sectors of our economy. They are the engines of our economic growth. They are also the vital base that supports a large part of our service sector. They help to shape the character and quality of employment opportunities available to Canadians.

The Canadian future, Mr. Speaker, is not something that just happens. We, the elected representatives of the Canadian people, have the power, and more than that the obligation to help shape that future, for no country offers a greater opportunity to its citizens to share in building a future. At no time in our history have we had a better opportunity than we have now to build a distinctive Canada. It is our choice if we wish to make it. It is a question of political will, no more, no less. Bill C-132 is an important part in the exercising of that choice, in expressing that political will.

The kind of Canada we want to build must be more than a mere appendage of foreign corporate giants south of the border and the resource hungry multinational firms of other industrialized countries. We must look to the day when these astonishing figures on foreign control are more moderate, when Canadians themselves have an adequate degree of control over the Canadian economy, and when those Canadian firms that are foreign controlled are nevertheless more oriented to the needs and potentials of Canada.

This bill is an important instrument in support of our objectives for Canadian industrial development. As I have said on other occasions, those objectives can be summarized in six propositions: one, the achievement of the maximum attainable levels of employment to match the current and future growth of the labour force; two, the development of an efficient processing and manufacturing industry capable of meeting competition at home and abroad; three, the increased up-grading of our natural resources prior to export to maximize Canada's economic return; four, to provide for greater domestic control of the Canadian economy so as to create conditions conducive to greater Canadian entrepreneurship at home and abroad; five, to increase national income and to provide for regional economic expansion which will reduce regional disparities; six, To contribute to improvement in the quality of life in all parts of Canada by creating satisfying jobs for Canadians and by reducing the harmful effects of industrial activity on the natural and social environment. These six objectives are clearly central to our task.

Just as clearly this bill underlines how inter-connected are our industrial objectives and a coherent set of industrial policies. Our objectives for greater Canadian control of our domestic economy are interwoven with the other objectives. Just as clearly, our policies on foreign investment are interwoven with the other major policy areas. In short to achieve our objectives, to give effect to a coherent set of policies, and to implement our strategies for individual industries we need the passage of Bill C-132. This bill focuses on control, not ownership, because it is the actual power to make decisions rather than the mere fact of share ownership that affects the performance of subsidiaries in Canada.

Federal policy does not aim at cutting Canada off from foreign direct investment. Such investment has played an important role in our past economic development and, in my opinion, certain kinds of foreign investments will continue to have an important contribution to make in our future growth. Let us not forget that we still have the fastest growing labour force in the world. But Canada has also paid a substantial price because of this phenomenon. There are at least two dimensions to these economic costs.

● (1630)

The first is the impact on the general economic environment in Canada, the result of having such a vast proportion of our productive economy controlled by foreign corporations. We have become too accustomed to expecting others to do our research, product innovation and market development, and too accustomed to others telling us what we might do. We have not become nearly accustomed enough to deciding for ourselves what we should do. The degree of foreign control has dulled or inhibited entrepreneurship in Canada by Canadians in Canadian firms. Many Canadians have become too accustomed to playing second fiddle. If we continue to rely so heavily on others, we shall never ourselves become more innovative. If we lose the power to innovate in a changing world we turn over the future development of Canada to those who retain that power.

Earlier this year in Vancouver the Prime Minister (Mr. Trudeau) announced the government's policy of insisting upon the further processing or upgrading of our natural resources prior to export. In a number of public speeches since that time, I have repeated the importance of this policy announcement and the importance of the bill now before us in giving effect to that policy objective. Under Bill C-132 the foreign investment review agency will have the power to obtain a commitment from a foreign corporation making a direct investment in a Canadian raw material enterprise when that investment involves control.

Similarly, the sourcing of components in Canadian operations—sometimes not too different in principle from raw material development where a foreign investor ships machinery in in order to ship unprocessed raw materials out—will be covered by screening where there are changes of control or foreign control involving the establishment of a new business. One has only to talk to senior officers of many of our leading firms—subsidiaries of foreign parents—to know that they do not have free access to the markets of the world for their products, nor do they have freedom to decide on the products that they will produce in their Canadian factories for distribution in Canada.

The point is simply this: There have been real costs to Canada. Yes, there have been important benefits, too. But our responsibility now is to ensure that we maximize those benefits and minimize those costs for the future industrial development of Canada. Only by conscious and purposeful effort to break this self-perpetuating chain of independence, an effort demanding active and vigorous support by businessmen and government, shall we succeed.

Will the boardrooms of New York, Detroit, London, Dusseldorf and Tokyo recognize Canada's needs and abilities? Will they do so if we do not insist? The answer is clearly, no. Do the decisions of other governments sometimes unreasonably deprive Canadians of legitimate economic opportunities? I think here the record says clearly, yes. These questions could, of course, be asked in relation to international trade as well as international investment. In the case of trade, governments have reached a high degree of agreement on the rules of the game. There are accepted procedures for international negotiation. These procedures assure Canadians that if their government negotiates skilfully, their economic interests will be protected and advanced. The rules of the GATT, while not perfect, provide considerable assurance against a return to the mistakes of the 1930s.

But, in the matter of direct investment, there is no comparable set of rules binding governments or multinational businesses. It is, therefore, not unreasonable for national governments to concern themselves with the impact of direct investment on their national economies. For the Canadian government, in particular, the need to be concerned is especially compelling, in view of the uniquely high degree of foreign control in our manufacturing and resource sectors. The fact is that both the structure and the growth of our economy are heavily influenced by corporate decisions taken outside our border. And these business decisions can be affected by the actions of governments which are not answerable to the Canadian electorate. Canadians want the advantages of international investment, as well as of international trade, and they want access to the new technologies developed elsewhere. But at the same time they want some reassurance that they are not unduly and sometimes detrimentally controlled by forces which they cannot influence. Canadians want to know that they retain considerable independence to determine their future.

Hon. members may be aware that I have spoken on several occasions about the fact that the government's approach on foreign investment rests on two pillars. One pillar is built on that package of policies—tax measures, investment aids, research and development incentives, export assistance, support for small business, are examples—which are aimed at encouraging Canadian businessmen to do more. I shall comment more fully on this aspect of our policy in a few moments.

The second pillar is based on that group of measures which might be called safeguards, those aimed at assuring for Canadians that certain vital national interests will be protected. The Tories would try to put down these safeguard measures down as negative measures. But I say to them that they are positive measures aimed at protecting and developing Canada. To listen to some of the Tories, Mr. Speaker, one would think there should be no restraints, no restrictions; that we do not need restrictions, that there is no reason to screen foreign investment. They say, Mr. Speaker, that they would rely on guidelines and incentives alone. Mr. Speaker, not all hon. members in the Progressive Conservative Party believe that myth but some do, and we have heard it in this House. Some right now are trying to tell me that they believe it. That is the only interpretation I can put on the heckling from across the floor. Mr. Speaker, I say that these measures are positive measures.

Part of the second pillar has consisted of identifying key sectors of the economy in which it has been necessary to require by law that all, or at least a large proportion of the firms in those sectors, can be Canadian-owned and controlled-chartered banks, life insurance companies, other financial institutions—

An hon. Member: What about trust companies?

Mr. Gillespie: Yes, such as trust and loan companies, broadcasting and newspapers. Liberal governments have legislated to ensure that in these sensitive areas, Canadian control is dominant. And, as you know, on the matter of foreign ownership of land, it was decided at the last meeting of federal and provincial first ministers to review jointly the legal, constitutional and land use aspects of this question and to consider ways in which the levels of government could co-operate on this problem.

Bill C-132, the Foreign Investment Review Act, signifies an important development of this second pillar of safeguards. One feature that distinguishes this bill from previous legislation is that it will apply across the entire economy and not just to a particular sector. Having described the bill during the debate on second reading and in considerable detail before the Standing Committee on Finance, Trade and Economic Affairs, I shall confine myself today to a brief review of its highlights.

The Foreign Investment Review Act would initially give the government the legal authority to review proposed foreign takeovers of Canadian businesses, above a threshold size. The threshold is not as high as the Tories would like. They wanted to raise that threshold, but they were outvoted when the amendment came before the House a little while ago.

● (1640)

Mr. Coates: On a point of order, Mr. Speaker; the minister ought to know, even from the short time he has been in the House, that he is not supposed to refer to or reflect on a vote taken in this House. That vote has been taken; that matter has been finalized, and I hope the minister will stay in order in his remarks.

Mr. Deputy Speaker: I think the minister made a reference to the vote; I do not think there was a reflection on the vote. In any event, a number of votes were taken previously. I cannot say the minister was out of order because, in my opinion, he merely seemed to refer to a vote.

Mr. Gillespie: Mr. Speaker, I was trying to state a fact. I was not trying to reflect on the vote. The point is that the threshold is related to the whole question of takeovers.

Mr. Horner (Crowfoot): Are we on the threshold of a new era, in which there will be corporate marriages?

Mr. Gillespie: Mr. Speaker, it seems to me that the hon. member for Crowfoot is interested in heckling, perhaps because his party at no time in the last 15 years has introduced any legislation in this important area. I can understand his wanting to heckle.

Mr. Horner (Crowfoot): On a point of order, Mr. Speaker, the minister referred to actions taken by my party in the last 15 years. I should like to inform him that he is in error. We brought in laws making unions disclose some things with respect to their money and making companies, public and private, disclose some of their operations. Certainly, we took steps along those lines.

Mr. Gillespie: Mr. Speaker, I will not say any more. If the hon. member is basing the position of his party on those modest—that is an overstatement—measures, I do not need to say anything more.

Mr. Horner (Crowfoot): Mr. Speaker, we are not a party of dictatorial rule, as is the party opposite and its friends to my left.

Mr. Hellyer: Mr. Speaker, I rise on a question of privilege. The minister has picked a very bad example to use for an insinuation because the minister and his colleagues are two or three years behind in bringing forward reports for which they are responsible, under CALURA, to Parliament and the Canadian people.

Mr. Deputy Speaker: With all deference, I think members are acting as though we were debating the stage preceding third reading. I think the debate ought to proceed along more traditional lines for third reading.

Mr. Gillespie: Mr. Speaker, I think we have all been around long enough to understand the tactics of the opposition in instances such as this. The takeover provisions of the bill would take effect after the first proclamation. After the government has gained experience in operating the takeover review process, and has consulted fully with provincial administrations—

An hon. Member: That is not correct.

Mr. Gillespie: —the second part of the bill will be proclaimed. Under this second set of provisions, the establishment of new foreign-controlled businesses, and the expansion of existing foreign-controlled businesses into unrelated lines, would be subject to review according to the significant benefit test.

I wish to talk about the significant benefit test, which is central to this bill. In reaching decisions on individual investment applications under this legislation, the government would be guided by the criteria set out in Section 2 (2) which includes such factors as: the impact on the nature and level of economic activity in Canada including employment and further processing of our resources prior to export; the degree and significance of Canadian participation; the effect on productivity, efficiency, technological development, product innovation and product variety; the impact on competition; and the compatibility of the transaction with national industrial and economic policies, taking account of the industrial and economic objectives of the provinces likely to be affected.

I should like to draw the attention of the House to the fact that the federal government must take into consideration provincial economic policies. It also stipulates that the government must give consideration to any provincial representations in particular cases. The bill does not provide, as a few people have suggested it should, and as some Tory spokesmen opposite have suggested, that we should provide for a provincial veto.

Mr. Baker: That is not correct.

Mr. Gillespie: This bill provides a voice—

Mr. Horner (Crowfoot): Where?

Mr. Gillespie: —but not a veto for the provinces.

Mr. Horner (Crowfoot): When did we ask for the veto?

Mr. Hellyer: Who was the spokesman who asked for the veto?

Mr. Gillespie: Mr. Speaker, Bill C-132 is to be an act of parliament, not of provincial legislatures. It is to be an instrument of national policy, Mr. Speaker. We do not believe in adopting measures which would balkanize Canada. A provincial veto would do exactly that.

Mr. Horner (Crowfoot): Tell us about the Canada Pension Plan and opting out provisions.

Mr. Gillespie: Since the federal government will be politically responsible for the effective administration of the law, it clearly follows that only the federal government can be made responsible for the final decisions in individual cases. Once again, I wish to state that I shall be in touch with each of the provincial governments once this legislation is in place. I do not think there will be any difficulties—

An hon. Member: May we quote the minister?

Mr. Gillespie: —in developing regular channels for consultation with the provinces in particular transactions.

Under Bill C-132, decisions will be taken by the governor in council on the recommendation of the minister. Decisions are to be taken by the government, by the cabinet—I wish to underline this point—which is representative of all the areas and regions of Canada. I wish to draw the distinction to the attention of the hon. member for Central Nova (Mr. MacKay), who suggested in a speech that the decision will be taken by the Minister of Industry, Trade and Commerce. I have been at some pains to emphasize that the minister will recommend but that the cabinet, which is representative of all parts of the country, will decide.

Another criticism which has been raised in the debate concerns judicial review of the concept of significant benefit. I suggest that it would be improper to have a judicial review of government decisions regarding significant benefit, in much the same way as it would be quite unreasonable to have a judicial review of the economic desirability of a budgetary tax measure for purposes of stabilization policy.

With cabinet responsibility, there is quite properly some room for ministerial discretion. But the amount of discretion will be limited by the fact that decisions must be based on the criteria spelled out in the bill.

Mr. Horner (Crowfoot): Will the findings be made public?

Mr. Gillespie: Mr. Speaker, if the hon. member had read the bill he would know the answer to that question. Decisions regarding the impact on employment, efficiency, competition and those other factors to which I referred a few moments ago will be governed by the economic facts. Furthermore, since economic strengths and weaknesses differ from region to region this policy, while national in scope, will be sensitive to differences in the needs of the regions.

I should like to say another word or two about the test of significant benefit. In my view this is central to our policy for Canada and is central to the bill itself. It is essential for two reasons. First, given the present degree of foreign control of the Canadian economy, it seems only reasonable not to allow that degree of foreign control to increase unless foreign investors are in a position to add something of significance to the Canadian economy. To have further increases in foreign control where there are not significant benefits is unacceptable.

● (1650)

Second, the significant benefit test puts the government in the position of being able to bargain to achieve improved benefits from foreign investment, to insist on certain practices or policies by the investor which become his commitment to the government, practices or policies which in the absence of the commitment could be altered at will by the arbitrary decisions of foreign-based businesses or pressures placed on them by foreign governments. We must have some capacity to bargain with investors about their plans for Canada. I expect that we shall be more successful in some cases than in others. The need for the government to intervene, and the capacity to do so effectively, will obviously vary according to the time, the sector and the economic circumstances. However, I have no doubt that the review agency will with perseverance and growing experience, bring to Canada benefits which it would not otherwise have obtained.

There are some people who think that this approach is wrong, that we should replace the significant benefit test with a no detriment test.

Mr. Horner (Crowfoot): Right.

Mr. Gillespie: I am interested in hearing the hon. member say "right". I am interested in knowing whether he is declaring himself on the no detriment side. I gather by the nod of his head that he is.

Mr. Horner (Crowfoot): I will be speaking after you.

Mr. Gillespie: The hon. member for Crowfoot (Mr. Horner) believes a no detriment test is better than a significant benefit test.

I have tried on previous occasions to explain why this test would be negative and unacceptable, but judging from some recent reports I have apparently failed to persuade some proponents of the no detriment test. The notion of a no detriment test involves an assumption that unless there are obvious and striking disadvantages from a foreign investment, Canadians should be indifferent to it. That view misjudges the intelligence of the Canadian people. However, that is the view of those who really want unrestricted access for foreign corporations, for takeovers and the establishment of new businesses. That is really their position, no detriment.

[Mr. Horner (Crowfoot).]

There will be cases where foreign investors have the potential to make significant contributions to our economy which they would not make in the absence of a significant benefit test, contributions which would be lost if we were to adopt the wishy-washy test of no detriment. It is a timid, tentative test at best. It is a look backward, not a look forward. This bill provides that officials of the foreign investment review agency can sit across the table from such investors and discuss with them the means whereby their initial investment plans might be improved to offer significant benefit to Canada. However, if we switch to a no detriment test, we will have given all the high cards to the investor. Maybe that is what its proponents want.

Mr. Horner (Crowfoot): Will the minister permit a question?

Mr. Gillespie: I will be very pleased to permit a question after I have completed my remarks. We will have no effective legislative authority from which to seek improvements. A no detriment test would castrate the intention of the bill. Canadians should benefit by being here just as others benefit by coming here.

I have referred in the past to our foreign investment policy being built upon two pillars, a pillar of safeguard measures of which C-132 is the major part, and a pillar of incentive measures designed to encourage Canadians to save, invest, manage, innovate and develop competitive modern enterprises. Let me refer to some of these other positive measures.

First, Canadian controlled private corporations pay a reduced rate of corporation tax on the first $50,000 a year of income. This reduced rate is 20 per cent on income from manufacturing and processing activities and 25 per cent on income from other activities. This reduced rate is not available to foreign controlled firms. Moreover, the savings from these advantageous rates must be repaid if the firm is transferred to non-Canadian control.

Second, the Canada Development Corporation was established to help develop strong Canadian-controlled businesses and to attract Canadian savings into such development. As is already evident, the CDC is actively at work assisting to promote Canadian ownership and control and a vigorous economy. Although it operates at arms length from the government, the CDC is an outgrowth of a Liberal initiative.

Third, the proposed new Canada business corporations act, Bill C-213, introduced by the Minister of Consumer and Corporate Affairs (Mr. Gray), the man who gave his name to the exhaustive examination of foreign investment in Canada, will require that all federally incorporated foreign-controlled corporations have a majority of directors who are resident Canadians and who are not employees of the corporation or its affiliates.

Let me mention a few other measures that are pertinent. There are some which do not discriminate between Canadian-controlled and foreign-controlled firms, but in fact principally assist Canadian-controlled firms. First, I

announced a few months ago plans to revamp and expand the activities of the Industrial Development Bank. The necessary details are now being worked out. The new industrial bank and development agency will build on the accomplishments of the IDB. I think it is perhaps worth reminding hon. members that less than 1 per cent of the loans of the IDB have been made to foreign-controlled firms. This new agency will be more entrepreneurial in its lending and investment activity and will also be a major source of management advice and assistance to small businesses. I expect that the almost exclusive assistance to Canadian-controlled firms will continue.

Second, tax incentives have been implemented to stop the undue leakage of savings from Canada. Pension funds need to retain 90 per cent of their assets in Canada to avoid paying a penalty tax of one per cent per month on those of their assets abroad that exceed 10 per cent of their total assets. The gross-up provisions on Canadian dividends encourage investment in Canadian stocks.

Third, Canadian businesses are able to deduct as an expense the interest paid on funds borrowed to finance the purchase of shares of other firms.

In conclusion, Mr. Speaker, the catalogue of accomplishments of the Liberal government that I referred to relate mainly to what we have done in the economic sphere. I could have also elaborated at some length on the various measures which have been taken to fortify and encourage Canadian cultural development, the Canadian content provisions in the CRTC regulations, the numerous positive incentives to the film industry and the book publishing industry, programs to foster bilingualism and multiculturalism and the various cultural activities which are supported so effectively through the Canada Council. When viewed as a whole, I believe it will become strikingly clear how much the Liberal government has done in assisting in the development of a Canadian identity and helping to build a Canada for Canadians—

• (1700)

Some hon. Members: Hear, hear!

Mr. Gillespie: —an independent, vigorous and creative nation of which all of us can be proud.

The proposed Foreign Investment Review Act will be an important instrument of economic management. It will bring economic benefits to the Canadian people. More than that, it is part of a package of policies that is helping to strengthen the ability of Canadians to shape their own destiny at the same time as they participate increasingly as responsible citizens in the world community.

The House has now given careful study of Bill C-132 and after the vigorous scrutiny carried out by the Standing Committee on Finance, Trade and Economic Affairs and the improvements introduced by that committee, I believe the time has come to pass this bill. I urge that this House give third reading to Bill C-132. The Foreign Investment Review Act is an investment in Canada.

Some hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

The Acting Speaker (Mr. Boulanger): Order. Before I recognize the hon. member, it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Brant (Mr. Blackburn)—Immigration—Possible exemption of Iroquois Indians wishing to move to Canada from having to apply for landed immigrant status; the hon. member for Peel South (Mr. Blenkarn)—Energy—Authority of government to enforce petroleum price freeze and price indexing; the hon. member for Meadow Lake (Mr. Nesdoly)—Canadian Broadcasting Corporation—Accelerated coverage plan—Date of implementation.

GOVERNMENT ORDERS

[*English*]

FOREIGN INVESTMENT REVIEW BILL

PROVISIONS RESPECTING ACQUISITIONS OF CONTROL OF CANADIAN BUSINESS ENTERPRISES AND ESTABLISHMENT OF NEW BUSINESSES

The House resumed consideration of the motion of Mr. Gillespie that Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, be read the third time and do pass.

Mr. Horner (Crowfoot): Could I ask the minister a question?

The Acting Speaker (Mr. Boulanger): Would the minister be prepared to answer a question?

Mr. Gillespie: Yes.

Mr. Horner (Crowfoot): Can the minister assure the House and the country that the agency which this bill sets up will act in a way absolutely independent of government influence when bringing down its findings—that it will not be like the National Energy Board has now become, a tool of the ministry concerned?

Mr. Gillespie: I do not know whether the hon. member is familiar with the relationship between the agency and the government. It has not been set up as a tribunal. It has been set up as a body which will report through a commissioner, a deputy minister to the minister. It will be concerned with the question of whether a particular proposal, whether a takeover offers significant benefit to Canada.

Mr. Horner (Crowfoot): It will be chock full of politics, then!

Mr. Gillespie: If that agency does not find any benefit or advises me that in the circumstances it believes a proposal

could be improved, then I will advise and recommend to my cabinet colleagues a course of action consistent with the advice I get.

Mr. Horner (Crowfoot): Another pork barrel!

Mr. Munro (Esquimalt-Saanich): I have another short question for the minister. About 15 minutes before the end of his statement he mentioned that the extension of existing industries would be subject to review by the agency. But it is my understanding that only the acquisition or takeover of new businesses was to be the subject of review. I should like to have this point clarified.

Mr. Gillespie: I thought I made it quite clear in my remarks. I used the adjective "unrelated". I referred to the extension of a business to unrelated activities or the establishment of a new business. That is what the second part of the bill deals with.

Mr. Robert C. Coates (Cumberland-Colchester North): It is a particular pleasure to enter this debate just after the Minister of Industry, Trade and Commerce (Mr. Gillespie) has outlined his views of what this piece of legislation will do for Canada. I consider the outline he has provided to be a devastating indictment of the Liberal party which has held office for 32 of the last 38 years. If this country has gotten into the terrible mess he tells us it is in at the present time, I can only say that the buck stops at the door of the Liberal party, for they are the people who allowed the things he says have happened, to happen.

One of the real problems a member from the maritime provinces faces when he comes to Ottawa lies in differentiating between what is said by cabinet ministers of the Liberal government and the facts as they affect his part of Canada. One of the reasons members from the Atlantic provinces have expressed such deep concern over the legislation presently before the House is that, day in and day out, their constituents encounter the many difficulties which arise in trying to remain part of this nation and trying not to feel they are second class citizens as a result of one action after another which federal governments have taken.

It might not be so great a travesty if the facts were different. But we came into confederation in 1867 as a prosperous area of a new nation. And we have gone downhill steadily ever since. It has been a very difficult role that the people of Atlantic Canada have played as citizens in the development of this nation. But we have stood with this nation. We have never talked about separatism. We have not adopted the sensible words of Joseph Howe when he spoke them in 1867 and warned us about our future. We have watched a tariff system established which has been of tremendous benefit to the central region of the nation but which has done vast damage to the remainder. We have asked over and over again for programs which will improve our position. As a region, we have been studied to death.

Some time ago I asked a question on this matter and I was told there had been some 250 federally-sponsored investigations into the problems which face our area. Yet today, when we look at the various indicators to determine our health as compared with the rest of Canada, we find we are a very sickly part of the nation. We have less of

everything and we end up paying more for everything we require. It is just great for a minister from Toronto to get up and tell us how he is going to defend us and look after our resources and see that we keep them for our children and their children. But what comes to the minds of most of those who live in Atlantic Canada is this question: How are we going to live and how are our children going to live to enjoy some of the benefits available to the fat cats who live in central Canada, and who are now so concerned about the resources of this country.

We have resources in Atlantic Canada. They are providing jobs today for the people who live in that part of the country. By and large, these resources have been developed as a result of foreign investment. We would be much happier, as I am sure all Canadians would, if Canadian capital were developing our resources. But what we discover is that if foreign investment does not develop our resources, then no investment does. As a result, we are left without jobs for our people, which means they cannot maintain themselves and their families. That is the sad fact of the matter.

• (1710)

It is all very well to run down the multinational corporations and to accuse them of great rip-offs. But off the coast of the Atlantic provinces today a great deal of oil and gas exploration is going on which is proving to be very expensive. If it were not for foreign companies willing to gamble their profits, we would not know whether or not we have a tremendous resource here which, if exploited, will produce jobs and dividends for the people living in Atlantic Canada. So, we welcome such investment. The provincial governments in that part of Canada have indicated their concern about this particular piece of legislation. They are afraid it may deter the kind of investment that we still require in order to provide our people with the things they need and which, as Canadian citizens, they have the right to expect.

The amazing thing I have discovered during the 16 years I have been a member of this House is that, almost without exception, members of parliament from the Atlantic or maritime provinces find that their problems are looked at and appreciated by members from western Canada, and that almost always members from western Canada are talking about the same kind of situation which exists in their regions of Canada. In other words, almost always it is central Canada that finds favour as against the east and the west.

Mr. Baker: The rich get richer.

Mr. Coates: Let me give the House an example of how the rich do get richer and the poor get poorer. I have before me two newspapers published on the same day, November 15, 1973. One is a Toronto paper, the *Globe and Mail*, and the other a Nova Scotia newspaper, the Halifax *Chronicle-Herald*. Both papers are carrying two identical advertisements relating to a Zenith solid state Chromacolour II television set. Both advertisements carry the same wording. I might say in passing that I certainly have no complaint about Zenith television sets; I think they are excellent. But in Toronto, one of the television sets pictured costs $719.95; that is the price listed in the Toronto

Globe and Mail. This same set costs in Halifax $829.95, or $110 more. The price of the other television set shown in the Toronto paper costs $789.95, and there is a little asterisk which denotes this is the suggested retail price. The price in the other paper of this same set is $869.95, in other words $80 more.

It might be said that transportation cost is the reason for the difference. Yet this smaller set that costs $719.95 in Toronto and $829.95 In Halifax is lighter in weight than the other one which costs $80 more. Whatever the reason is, all I can say is that it is just one more symptom of the sickness in this nation which means if you live in the Maritimes, where your pay cheque is less, you pay more for the goods you feel you require. The story is probably exactly the same in Winnipeg, Edmonton, Vancouver and Calgary. This is just one example that a constituent of mine has brought to my attention. We are living in a time of spiralling inflation, with costs increasing all across the nation, yet we in the maritime provinces pay even more than someone living in central Canada. In my opinion there are other basic matters requiring a great deal more priority than investment coming into this nation to create jobs for people who require them. Certainly, transportation is one of the matters that requires action, but action is not forthcoming.

This government has held office for 32 of the last 38 years. It seems that all of the things that it did not do during those 32 years it is now going to correct with this particular piece of legislation, though I do not know how and neither, I am sure, does the government. When the government does try to bring equality to the people of this nation I suggest this area should be number one on the list.

During the 1968 election campaign the Prime Minister (Mr. Trudeau) talked a great deal about the just society. The just society just did not happen in his first four years in office, and it was not even mentioned during the last election campaign. The Prime Minister also talked about regional economic disparity, and some action has been taken in that regard, though not nearly as much action as should have been taken when one considers the kind of investment the government has made in the programs of that particular department. However, there has been some forward movement. Whether the federal government considers itself the main proponent of the improvements that have been made, and thereby the recipient of the kudos arising therefrom, is not really important. Although conditions are improving slightly, a great deal more improvement still needs to be made before we have anything like equality of opportunity.

The minister mentioned some of the areas in which he considered the government had taken action to protect Canadians and to maintain the Canadian heritage for future generations. I suggest that if he is anxious to see the Canadian heritage retained for Canadians there are certain areas in which he and his government should move, and should have moved long before now. We are faced today with a tremendous energy crisis. The minister could have assisted Canadians to enjoy a part of their own heritage had he agreed last January to the extension of the oil pipeline to Montreal. He did not do that, and this winter we must depend on other countries and their decisions for the necessary oil and gas to heat our homes.

● (1720)

I suggest that the minister and his government should also take another look at the tremendous coal reserves in this country. It is suggested they are in the neighbourhood of 120 billion tons. The government should do something about making this coal marketable in order that Canadians could produce the energy required to manufacture goods and produce the employment we need. Since confederation, more than 100 years ago, we have used less than one billion tons of coal in this nation. In other words, we have used just one per cent of our recoverable coal resources. As a result of the energy crisis, the President of the United States has undertaken a $3 billion research program in respect of their coal reserves in an attempt to find ways and means of gasifying the coal to produce the energy they require to become self-sufficient in the energy field by 1980. That is an example of what that country is doing in order to meet its energy crisis.

Much of our coal is located in the Atlantic area. Coal can be produced by the conventional methods, but we should also consider these resources from the point of view of gasification, cutting down the cost of production and other things of that nature. This can be done with the proper type of research. The minister has not said one word in this regard, except that the coal fields in my constituency, which other Liberal governments have closed down, should be reopened. Certainly, they should be reopened on the basis of conventional coal mining, and we should also look for other ways of deriving benefits from this resource.

An hon. Member: They are waiting for foreign investors.

Mr. Coates: The government is waiting for foreign investors, just as we in the Atlantic provinces are waiting for foreign investors to develop the tremendous energy potential from the Fundy tides. This is a gigantic project of the magnitude of the Churchill and lower Churchill Falls combined. It is comparable to the development undertaken in Quebec at James Bay. I was informed last week by the government, through the Minister of Energy, Mines and Resources (Mr. Macdonald), that after two years of re-examining a study produced in 1969, which indicated that the Fundy tidal power project was feasible from an energy point of view but not from an economic point of view, perhaps there will be another investigation carried out to determine further aspects of this project. The Premier of Nova Scotia recently suggested that this new study, which could cost another $1 million, might be a good thing. I wonder how many studies, environmental and otherwise, were carried out in respect of the James Bay project before the government of Quebec moved toward producing the hydro power associated with that development, once again with foreign capital.

The sad fact is that the development and employment we have today in this country results directly from foreign investment, that is investment by others who are more daring and willing to invest their capital in projects here than we in this country are. Surely, we should be trying to

give Canadians incentives to invest in this country rather than making conditions attractive to foreign investment.

In 32 of the 38 years we have had a Liberal government, Canadians have been coddled to the extent they see nothing but mortgages and bonds in which to invest their money. They are afraid to take a chance, and I do not blame them if they have money invested in projects of this government. We should provide great incentives to Canadians to invest in Canada. We should make sure that they can obtain reasonable returns on their capital, while at the same time helping their fellow citizens toward a better way of life. This is what our party stands for; an incentive society in which people take advantage of incentives provided by the government. This government should provide incentives rather than detriments.

We have reached the point where people talk about rip-offs. I suggest we should rip-off this government in order to derive some benefit from the tremendous number of tax dollars that have been invested over the years. What better opportunity could we provide our citizens than tax incentives to encourage investment in this country. We should encourage Canadian investment to an extent comparable to foreign investment with comparable benefits.

I should like to make one or two remarks about land ownership. For some time I have been concerned, as a maritimer, about land ownership. I am not speaking as a member from the Atlantic provinces, but as a maritimer representing the view of the people of an area which has been a part of Canada for a long time. We lived, grew up and tried to get our children to grow up in that part of Canada even though we knew they could probably do better if they went somewhere else. But we did it for a great many reasons, and one of them certainly is the grandeur of the land itself.

● (1730)

We have discovered that people who went to the asphalt jungles of North America are now coming back to our part of Canada and are endeavouring to take us to the cleaners because they have made a lot of money. They can afford to offer us a sum of money for our land that we cannot refuse because we are not in the same league as they are. As a result, much of the recreational land that is associated with our way of life in the maritime provinces is being gobbled up by speculators from other parts of Canada and North America. I am pleased that the provincial governments are finally moving in this area, because we have only a limited amount of land and in my opinion our people have the right to first enjoyment of it. From that point of view, I do not mean that we should stop Canadians having cottage land or we should stop Americans and people from other countries buying a piece of land here and enjoying the scenery that we know so well. But I do believe we should put a stop to the kind of speculation that has been going on and that will increase if we do not do something about it.

I think there should probably be a national policy in this regard; but more important than that, there must be provincial government policies to see that our people who stay in the Maritimes and accept a life that is not as fruitful, from a financial point of view, as that available to those who live in other areas, have a right to the enjoyment of that land 12 months of the year, and not to have fences put up and access eliminated to the very best recreational areas and to the surrounding ocean.

[Mr. Coates.]

I want to conclude by saying that, so far as I am concerned, there are many pieces of legislation that this parliament could be considering that are a lot more important to people in the Atlantic provinces than the measure we are considering. At the same time, I would like to say that I am deeply concerned about any type of roadblock that is put in the way of investment in our area until we at least have an unemployment rate that is on a par with the rest of the nation.

I also think there must be a tremendous amount of guaranteed co-operation between the provincial and the federal governments. I regret very much that some of the proposals made by my colleagues, especially by the hon. member for Central Nova (Mr. MacKay), have not been acceptable to the government. I would be much happier with an incentive type of bill that would convince Canadians that there are many reasons why they should be investing in this country rather than in another country, and that many good dividends are available to them if they do.

Mr. David Lewis (York South): Mr. Speaker, I want to take part in this debate for a very short intervention which will last not later than six o'clock, because of the view which my colleagues and I take of the importance of the issue of foreign control of Canada's economy. As I have travelled across this country in the last number of months, I have been very impressed by the fact—and it is a fact—that ever-growing numbers of Canadians in every part of Canada are deeply concerned about the foreign control of Canada's economy and about the impossibility of envisaging a future for Canada which is shaped by Canadians themselves if this foreign control continues at its present level, let alone if it is permitted to increase.

I do not think we can exaggerate the losses to Canada flowing from the fact that our economy in its most important aspect is in the hands of multinational corporations. Whether you look at the fact that our natural resources are yanked out of the earth and shipped across with very little processing, and the consequent loss of development and jobs in Canada; whether you look at the fact that little research and development is done in this country, that almost all of it is done at the headquarters of the parent corporations which control Canada's economy; whether you look at the danger that always faces a Canadian worker in a multinational corporation in Canada; whether you look at the fact that a multinational corporation may find it more economic to transfer its activities not only to the United States but to anywhere in the world, to Singapore, to Africa or elsewhere where they now have plants, and the danger to the jobs of Canadians in those situations—in our present society you will find that the moguls of industry have an immense influence on the ethos of society and on the standard of values by which society is governed.

This is a fact which I regret very much. They have an immense influence on the cultural and spiritual essence of a society as well as in the material and economic sense. When you look at all these aspects that are affected, indeed influenced and governed by the economic power

which is now in the hands of multinational corporations, you find that no Canadian who looks ahead, who is not blinded by his subservience to the so-called free enterprise system, can fail to be concerned about our country's present situation.

It took many years for the Liberal government of this country, and the Conservative government before it, to realize the dangers we were facing. If I may say so without, I hope, being improper, some of us saw this many decades ago. It has been drawn to my attention that in a speech I made back in 1956 which was published in pamphlet form—I had forgotten about it until it was drawn to my attention—I gave a warning to Canadians about the foreign control of our economy. My colleagues and I have been warning Canadians for many years about it, not because I like an exploiting Canadian corporation any better than an exploiting multinational one but because multinational control carries with it consequences beyond mere economic questions in a country.

• (1740)

Finally, after years of study, the government brought down a bill in the last parliament which we were determined to stymie, a bill which did nothing at all, which dealt with perhaps 2 per cent or 3 per cent of the problem that is before us. But this year, undoubtedly because of the minority situation of the government, it has produced a bill that is considerably stronger. Instead of dealing only with foreign takeovers, it deals also with new businesses of foreigners and with the expansion of existing corporations in unrelated areas.

The minister has accepted some changes which my colleagues on the committee suggested, which have also served to strengthen the criteria which are to govern the agency and the government in making decisions under the bill. Because it has been considerably strengthened, we have said from the start that we would not block the passage of this bill and would vote for it. However, I want to make clear, Mr. Speaker, that we are under no illusions that Bill C-132 is more than a short step in the right direction. This is the main reason for my taking part in the debate at this stage.

The bill still does not deal with the most important part of the problem in Canada, which is the expansion of existing foreign corporations in this country. Even the present bill will deal only with 10 per cent to 20 per cent of the problem, depending on what happens in a given year, and the remaining problem will not be touched. The minister has again indicated with figures the extent of this problem. There is over 70 per cent foreign ownership in mining, and in certain manufacturing industries almost 100 per cent. It is almost 100 per cent in the automotive industry, and 90 per cent ownership of the natural resources of this country, including the energy resources to which I will return in a moment. There is something like 80 per cent foreign ownership of the refining facilities in this country. The minister quite rightly emphasized that all these important levers of economic control—"important" is almost an understatement—these almost overwhelming levers of economic control are now in the hands of multinational corporations.

When the minister says that the bill is good because it will prevent existing corporations from expanding into unrelated areas, if he applies it as it should be applied, I am a little less worried about that. It may be that other hon. members were as ignorant about this as I was until some research was done, but everybody thinks of Imperial Oil as being merely an oil, gas and pipeline outfit in this country. It is not. Is not that the company that has a tooth-brush factory, toilet-paper interests, furniture interests, interests in a good many areas—

Mr. Horner (Crowfoot): This government was going to let that company into our natural resource industry in the parks.

Mr. Lewis: The hon. member for Crowfoot (Mr. Horner) of course is ready to let them move into control of the natural resource industry.

Mr. Horner (Crowfoot): I said the government was going to let them into the national parks.

Mr. Lewis: I am dealing with the government of the moment. I will return to the hon. member for Crowfoot with great pleasure.

Mr. Horner (Crowfoot): Don't put words in my mouth.

Mr. Lewis: These multinational corporations are conglomerates. They are not limited to any one area. They are in almost every economic area. Their influence will not be touched by this bill. In the submission of my colleagues and myself, we will not do the job for Canada and Canadians until we take, not mincing steps to prevent further foreign expansion of economic control but decisive steps to repatriate the economy of Canada, to put it into Canadian hands and particularly into public ownership so that it cannot be sold to any multinational corporations.

There are some hon. members in this House who object to this bill. I do not know how they will vote, whether they will vote for it or against it if there is a division. But they object to this bill because basically they want foreign investment in this country. Basically, there are people in this country and members of this House who have no confidence in Canadians. They want forever to go begging to Washington, Pittsburgh, Chicago and New York to do the job which Canadians themselves are fully able to do. There are people in Canada—

Mr. Horner (Crowfoot): It is the direct opposite.

Mr. Lewis: There are hon. members in this chamber who have been persuaded by the myths propagated by the multinational corporations, (a) that we do not have enough savings in Canada and (b) that Canadians are not entrepreneurs, that they don't have the guts to undertake the risks. The hon. gentleman who spoke before me said something to that effect. It seemed to him that foreign investors are more willing to invest in Canadian resources than are Canadian investors. Mr. Speaker, the only reason—

Mr. Horner (Crowfoot): There are a lot of investors in your party. They have all of five cents invested in Canada.

Mr. Lewis: Yes, because my colleagues, unlike the hon. member for Crowfoot, represent the average Canadian and the average Canadian does not have much investment. That is perfectly true, Mr. Speaker. The only reason that foreign investment has come to Canada over the years is that governments and big business in this country have not wanted to expend what was needed to be expended to develop our own technological know-how and to undertake our own development, because they could make a faster buck by inviting the multinational corporations to come in and do the job for us.

Mr. MacInnis (Cape Breton-East Richmond): Would the hon. member permit a question?

Mr. Lewis: A short one.

Mr. MacInnis (Cape Breton-East Richmond): Would he take a few moments to outline the difference in the approaches of premiers Regan, Blakeney, Schreyer and Barrett in regard to outside investment?

Mr. Lewis: Mr. Speaker, the hon. member is doing the usual thing that some hon. members of this House do—he really does not know what he is saying, but he says it. It is a fact that provincial governments in this country may go elsewhere to borrow capital, but that is not what we are talking about. We are talking about equity investment in Canada. We are talking about ownership and control of the Canadian economy, not loan capital. It is always possible to borrow elsewhere, pay interest and repay the loan, but we have seen another type of development—

Mr. Horner (Crowfoot): Was Schreyer against foreign investment in his province?

Mr. Lewis: The hon. member for Crowfoot will have a chance to make a speech in time, if he will just shut up.

The Acting Speaker (Mr. Boulanger): Order. This is a good time to remind the House that when an hon. member is making a speech, nobody should interrupt him except to raise a point of order. We should allow the hon. member to carry on with his speech so that at least the Chair can hear.

Mr. Lewis: Mr. Speaker, I do not mind the interruptions—

Mr. MacInnis (Cape Breton-East Richmond): On a point of order, Mr. Speaker, I rose to ask permission of the hon. member to ask a question. This practice has been followed for years, and it does not behoove the Chair to remind me that I cannot follow a precedent long established.

The Acting Speaker (Mr. Boulanger): I do not think the hon. member for Cape Breton-East Richmond (Mr. MacInnis) got my point. I was saying there should not be interruptions while an hon. member has the floor. I did not refer to members asking permission to ask questions.

Mr. Lewis: I would not mind the interruptions at all, Mr. Speaker, except that I have the pleasure of standing fairly close to the hon. member for Crowfoot, who has a strong voice, and when he interrupts me I cannot hear myself nor can anybody else hear me.

[Mr. Horner (Crowfoot).]

• (1750)

Mr. Horner (Crowfoot): That is the first person you want to hear; you like the sound of your own voice.

Mr. Lewis: Oh, come on now; stop being an ass. Mr. Speaker, the only reason we have had foreign investment in this country is that there have been no policies directed toward the development of our resources by Canada for Canadians. Since I do not want to talk beyond six o'clock, that takes me to the energy situation.

There was never any reason why Canada should have an energy crisis. It is not as though Canada does not have enough oil and gas for its own needs from one coast of this country to the other. We do have it. The only reason we have an energy problem in Canada now is that we sold the resources in the west. The oil resources of Alberta were sold out—given away in some cases—for very little by the former Social Credit government. It was assisted by the federal government, particularly by the Tory government of 1961 dividing Canada into two markets,—drawing a line down the Ottawa Valley and saying that west of it Canadians would be served by western Canadian oil and east of it Canadians would be served only by imported oil.

Mr. Horner (Crowfoot): Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Boulanger): The hon. member for Crowfoot rises on a point of order.

Mr. Horner (Crowfoot): Mr. Speaker, I think there should be some ruling in the House that hon. members should stay somewhere close to the truth. The last statements of the hon. member for York South (Mr. Lewis) have been completely erroneous, and he knows it. He should at least try to lay the honest truth on the table.

The Acting Speaker (Mr. Boulanger): Order. This is another example of what I was saying. That is not a point of order. The hon. member will have a chance to make a speech later if he wishes.

Mr. Lewis: When I reach the stage, Mr. Speaker, that I have to come to the hon. member for Crowfoot for a lesson in honest truth, it will be a very sad day for me.

Some hon. Members: Hear, hear!

Mr. Lewis: It is perfectly obvious that the hon. member for Crowfoot thinks it is a good idea to keep interrupting me, and he uses excuses for doing so. If he enjoys playing that kind of game, then I appreciate that he has not yet gone past the adolescent stage. But that is his trouble.

Mr. Horner (Crowfoot): Oh, the exalted ruler speaks again.

Mr. Lewis: What I said was fact; that in 1961 the Tory government decided this country needed two markets. That was the Diefenbaker government. East of the Ottawa Valley we now have shortages that never would have occurred in this country, with the oil and gas that we

have, if we had not handed over our resources to the multinational corporations.

Mr. Horner (Crowfoot): Garbage.

Mr. Lewis: Under pressure, they were given a complete monopoly of the market west of the Ottawa Valley and the right to export 50 per cent of their production to the United States. Both by closing off the eastern half of Canada from the western market and by yanking out—someone suggested I am punning—the oil as fast as possible and shipping it out of this country as we have done for so many years—

Mr. Horner (Crowfoot): That is all nonsense.

Mr. Lewis: —we are now faced with a crisis. And that is not all. The Conservative government of Alberta, supported by the Conservative members of this House and supported, so far as I have been able to gather, by the Liberal Party as well, is now determined to sell out the remaining oil reserves, the largest oil reserves in the world, the Athabasca tar sands—

Mr. Horner (Crowfoot): Absolute nonsense.

Mr. Lewis: —to a consortium of four multinational corporations—

Mr. Horner (Crowfoot): Absolute nonsense.

Mr. Lewis: —which are demanding that the government give them certain concessions before they continue. It is this kind of sell-out that has taken a toll of our natural resources, particularly of our oil reserves, and has caused us problems which become more difficult to handle every day.

Mr. Horner (Crowfoot): A glaring distortion of the facts.

Mr. Lewis: Mr. Speaker, the only thing I have distorted is my friend's humour, and that is an object to be desired.

Mr. Horner (Crowfoot): A glaring distortion of the facts; a knowing distortion.

Mr. Lewis: These are the facts about Canada's economic situation. The fact that hon. members to your left, Mr. Speaker, are constantly interrupting everybody who speaks about Canada's independence and Canadian autonomy and the sell-out of Canadian resources shows you, as it will show the people of Canada, the impossible position that the Conservative Party finds itself in, when its leader rose in the House at two o'clock and asked a question about the shortage of oil and the price of oil in the Atlantic provinces—and the Conservative premier of Alberta determined to raise the price of oil not only for the Atlantic provinces but for all of Canada.

Some hon. Members: Hear, hear!

Mr. Horner (Crowfoot): Now you are getting close to it. That last statement was the truest statement you've made.

Mr. Lewis: The economy of our country until now has been deliberately given away, deliberately sold out by the corporate interests of this country, supported by the government of this country, both Liberal and Conservative, and indeed by the provincial Social Credit government as well. As far as my colleagues and I are concerned, we will support this bill—but we will not be satisfied with this legislation in the slightest because it touches only a small part of the problem. We will not be satisfied until we have persuaded parliament and the Canadian people that the time has come to place such things as the tar sands under public ownership.

Mr. Horner (Crowfoot): Oh!

Some hon. Members: Hear, hear!

Mr. Lewis: The time has come to place under public ownership one or more of the large multinationals in the energy situation. The time has come, Mr. Speaker, to take control of the Canadian economy away from multinationals and give it to the people of Canada.

Mr. Horner (Crowfoot): Tell us about General Motors and Ford.

Mr. Lewis: This must be done to allow Canadians to establish their own destiny, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Horner (Crowfoot): A really selfish speech.

The Acting Speaker (Mr. Boulanger): Order, please. It being six o'clock, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Paul E. McRae (Fort William): Mr. Speaker, recently the people of Quebec were given a choice, for or against Canada. Overwhelmingly they opted for Canada. It was not easy, I am sure, for those who had supported the Party Créditiste or l'Union Nationale for long years, and some of their parents before them, not to support those parties in the election. It was not easy, I am sure, for many who for social or economic reasons, would have supported the Parti Quebecois to opt for Canada. Many others who supported the Parti Quebecois did so because they liked its economic and social views; they would not have supported the party if asked to vote on a referendum. The people of Quebec, Mr. Speaker, have opted for Canada. I am firmly convinced that if the rest of the people of Canada were given the same opportunity, they too would most certainly respond in like manner.

If there is one single issue which would catch the fancy of all Canadians, whether from Quebec or British Columbia, from Newfoundland or Ontario, from Alberta or any other part of the land, that issue would be the opportunity to opt for Canada and for the independence and the integrity of the nation.

I am not suggesting, Mr. Speaker, that the foreign investment review bill is by any means the vehicle which

would catch the fancy of all Canadians. It is not that kind of bill. It is not that far reaching; it is not that exciting; it is not that stirring. None the less, it is, I believe, an extremely significant piece of legislation. It is significant, I submit, in two respects. First, it enables us to stand up and be counted. Second, it sets up a good mechanism which, if extended, could have a really important effect on all foreign investment in Canada.

As we approach the vote on third reading I should like briefly to review the status of foreign ownership in Canada at this time. With respect to foreign ownership, this country is perhaps like no other in the western community in the degree of equity ownership which we allow to outsiders. Most countries either limit ownership or take funds in the form of bonds or other non-equity or portfolio capital. Britain, for instance, financed a great deal of North and South American growth in the pre-first world war era with this type of investment.

The extent of foreign ownership in Canada in many areas of the economy is well known. I will mention only two or three areas. When we look at manufacturing, we are talking of foreign ownership in the area of 65 to 70 per cent. About the same amount of our mining is foreign-owned. When we consider petroleum and the petrochemical industry, we must concede that between 80 and 90 per cent of the industry is foreign-owned. That shows the extent of foreign ownership affecting our various industries. In addition, we must consider the matter of control. Much of the Canadian portion of the manufacturing industry, and particularly of the petroleum industry, is held in the form of preferred stock and not in the form of voting or controlling stock. That is the situation in this part of the 1970s.

A great deal of concern has been expressed in this debate and in committee hearings about the need for foreign investment. Without question, our affluence up to now has depended upon a great deal of money coming in from outside. I question, at this point, whether this is still true. Let me first of all say that I wish to ease the concern of some hon. members from the have-not provinces. I will mention this later. I know that some of those members are concerned that possibly their provinces will suffer if less foreign investment comes into the country.

Let me mention some figures. According to the latest American figures available to me, during the five years 1966 to 1970, $2.2 billion U.S. was directly invested in Canada. The outflow to the United States in the form of dividends, rents, etc., was $5.5 billion. Further, during that period U.S. interests acquired an additional $7.4 billion of assets in this country. In other words, for every dollar that entered Canada from the United States—this does not include money coming from Japan, Germany, or other areas—$2.50 went out in dividends and American interests acquired $4 worth of assets or equities. In other words, outside groups are buying Canada with our money.

● (2010)

I mentioned concerned groups. Perhaps the most significant group we dealt with in committee were some of the provinces which are not as well off as a province such as Ontario. I can understand the concern of these provinces. They fear that in some way or another foreign investment will decrease because of this bill. That is misplaced concern. At the very beginning of the second reading debate there was a lot of talk about the term "significant benefit". There are those who would like to water the words "significant benefit" down to "benefit". It seems extremely important to have the words "significant benefit" in the bill. What might only be of benefit to a province like Ontario could be very significant to a province like New Brunswick or some other province where the amount of investment is not as great.

The Minister of Regional Economic Expansion (Mr. Jamieson) made a statement which impressed me very much. He talked about the kinds of foreign investments that are made in the poorer provinces. Generally, these are in raw materials and do not create many jobs. The processing is not done in the province. As the minister indicated, as soon as there is some slightly adverse situation, as was the case with the three fish producing plants in the Maritimes, the companies disappear as soon as prices become poor. The disadvantaged parts of Canada should not be concerned. They should welcome this bill. In many cases it is a way of attracting investment to those areas.

The other group which seems to be concerned includes some of the large corporations, some of which are multinational, some major oil companies and some real estate companies and other important groups in our corporate sector. There was one group of 32 companies of which one-half were Canadian-owned. The people who represented them were from companies where the majority ownership was American. In spite of the testimony, this bill will be an advantage to Canadian firms in this group. In a case where there is not significant benefit for an American firm to buy out a Canadian firm, that firm would not be able to do so. A Canadian firm in competition, trying to buy out the same company, would have an advantage. This bill, rather than being detrimental to the have-not provinces or the Canadian portion of the corporate sector, should be of real benefit.

There is one problem with this bill that has been cited by members of the New Democratic Party. It has to do with the fact it does not make provision for companies already functioning in Canada to expand. I can fully understand the concern of the minister in expressing the difficulty one would have in defining expansion. Where does expansion start and where does it stop? As a government, I do not think we are relying on this bill to prevent this kind of expansion or to increase Canadian ownership. There are other ways of doing that, and I wish to suggest one or two. First, the provinces must be concerned about land sales. I understand that in northwestern Ontario, in the area around Thunder Bay in particular, 10 per cent of the surveyed land is owned by nationals of another country; they are mostly American. The province of Ontario has had a select committee seriously considering legislation to correct this type of situation.

There is a whole series of areas where tax incentives can increase Canadian ownership. Many have suggested these. I do not intend to get into them at this time. The Canada Development Corporation is to be congratulated on its efforts in acquiring a principal holding in Texasgulf. There will be many more opportunities in the future to acquire control of other large corporations working in

Canada. This should not be taken as a threat; it will come about in a very natural way.

There has been a tendency to look at all incoming capital as being always welcome. When we get into the whole area of energy with up to $100 billion in capital flowing into Canada in the next 15 years, it will have a very serious effect on the Canadian dollar, pushing it up considerably. It will also have a very serious effect in terms of purchase of energy. In other words, if the United States or other countries buy Canadian energy excessively, they will not be in a position to buy other manufactured goods. The Economic Council dealt with this question in its recent publication. This excess inflow would be significant enough that we could in some way or other arrange for a portion of it to be turned back in the form of equity. The same thing that Britain did between the wars and during World War II might occur. The Americans might well sell some of their equity to maintain a stable dollar and a stable trade relationship.

There is another field in which we can expand our Canadian ownership, control and input. This relates to the whole field of energy. There are those who ask why energy should be singled out as being different from manufacturing or any other sector of the economy. The present energy crisis tells us why. If, for example, the manufacture of plastics became a problem, we could survive. However, I am not sure we can survive without an adequate supply of energy. We must take a special look at this area. We must first become self-sufficient.

We must be able to control our energy supplies. That does not mean we should not sell excess energy; that is not the case at all. However, we must become self-sufficient. We must also have a single-price system across this country. To do this we need a national marketing board. This could be set up without too much difficulty. I think negotiations in this area, especially with the province of Alberta, are forthcoming. I talked about this before in terms of a *quid pro quo*.

Perhaps one of the most important steps that we must take is to set up a national petroleum corporation. That is an area in which it is important we act.

● (2020)

I think, too, we must acquire our own pipelines. We must ensure that our supplies are secure. I would be much more interested in a pipeline from Sault Ste. Marie to Montreal than a pipeline from Montreal through Toronto looping to Sarnia. It seems to me that if a pipeline were routed to Montreal from Sault Ste. Marie, with a short bridge to St. Ignace, a distance of 30 or 40 miles, we would be halfway toward completing a pipeline; and then the second link could be routed from Manitoba to Thunder Bay and around to Sault Ste. Marie. I understand the distance is about the same from Montreal to Sarnia as from Sault Ste. Marie or St. Ignace to Montreal.

Lastly, I think we should be most concerned to acquire and control the whole operation of the tar sands in the Canadian interest. The tar sands area has to be Canada's most valuable piece of real estate. This is not an energy debate and I do not intend to elaborate on this aspect, but I think it is very important for the people of Canada to acquire a considerable interest in this development, either through a national petroleum corporation in some other way, by arrangement with the province of Alberta. These are five or six ways in which we could extend Canadian interest in her own resources.

There is a popular fallacy that those who talk about being Canadian or acquiring an interest in Canada through Canadian ownership are anti-American. This label, which is immediately imposed upon them, is ridiculous. In the field of energy, I do not think anyone is suggesting we are cutting off oil supplies to the Americans. We are shipping over a million barrels a day to them, and to date I am aware of no proposals that this supply should be cut off at least for several years.

A national petroleum corporation should certainly not be a threat to foreign countries. It would create more competition—but competition is what makes the world go round. After all, British Petroleum is a nationally-owned company in competition with United States firms. The multinational corporations in the oil industry and elsewhere are used to tough rules in various countries, and to judge from some conversations I have had, I think they wonder how it is that Canadians are so easy to deal with in this respect. The changes proposed in this bill before us are not such as to create basic animosity. We must remember, as the hon. member for Calgary North (Mr. Woolliams) reminded us, that other nations besides the United States are also becoming very large investors in Canada, and that funds of those countries might possibly replace American sources some day. I am thinking particularly of Japan and West Germany.

I have followed the debate in this House on both energy and foreign takeovers. There is one characteristic which I have noticed among spokesmen for the Conservative Party particularly—a constant reference to consulting with the provinces. I accept the need for consultation, but we cannot allow consultation with the provinces to mean the balkanization of Canada. Canada is far more than the sum of its parts and it is extremely important that politicians understand this. We must make decisions here. We will consult in the sense that we will find out how the provinces feel, but the decisions made by the government must be made for the good of all Canadians. Consultation is excellent as a way of finding out; but to the extent that it leads to balkanization—no.

In conclusion, I support this bill, partly because it gives us a good mechanism; but also because it gives us a chance to stand up and be counted. We have dealt with matters such as over-consultation with the provinces, such as reducing the word "significant" or taking it out of the phrase "significant benefit." We resisted these efforts because we felt we must be counted for Canada. This is a beginning, which will be followed by other actions particularly affecting energy policy. However, I think this measure is the beginning of an opportunity for Canadians to opt for the integrity of Canada.

Mr. Joe Hueglin (Niagara Falls): Mr. Speaker, it was a very real privilege to hear the minister speak this afternoon. Always I have believed that what this government does is marked by the style rather than the substance. The speech we heard this afternoon has turned this belief into an unalterable fact based upon experience.

In his opening remarks, the minister said the bill was intended to provide opportunity for building our future and that it was a question of political will, no more and no less, that this be done. He then proceeded to list the problems which many people feel accompany foreign ownership—the dulling of entrepreneurship, control of markets, control of machinery purchases, control of component purchases. He then outlined the steps taken or promised—an increase in the number of Canadian directors until they constituted a majority, Canadian resources being refined in this country, an interest advantage in taxation matters. He referred to the role of the Industrial Development Bank and of the Canada Development Corporation in glowing terms and listed again the priorities set up by his department.

In school, years ago, we were taught to make précis. It would be interesting to determine which part of the minister's rhetoric related to the bill, which to the ideals that are not being met, and which to programs purloined from other sources but claimed now as Liberal achievements. The bill does not deal with the extent of present foreign investment or its expansion within the economy in any way, as long as the expansion is related to an existing undertaking. It does not provide better opportunities for the Canadian entrepreneur in any way—and this is not as dulled as the minister implied; it is simply unable to obtain capital in many instances. The measure before us does nothing to encourage or assist these men who wish to play their role in building Canada.

Claims have been made that the bill embodies innovative provisions including, as I have mentioned, arrangements for Canadians to be in the majority on boards of directors, tax relief in the field of interest, and increased local refining of Canadian resources. Mr. Speaker, these ideas are all taken from actions first carried out in Ontario by a Conservative government. This applies also to the reference which was made to the Prime Minister's speech in Vancouver. None of this is Liberal in origin.

Portions of the minister's speech related to significant benefit and cabinet responsibility. This same gentleman and his fellows presided over the disposition of Supertest Petroleum Corporation, an Ontario-based firm. Granted, the present bill was not then law but the cabinet would, presumably, act on the same basic principles. But though this was a Canadian company, although it was profitable, it was allowed to be sold to a foreign concern, ironically; a company owned and controlled by the government of a foreign country. The minister says it is a question of will, and I agree with him. But the will of this government is lacking, as it has been in the past, and all the will in the world cannot add solid meat to the sawdust that is represented in the minister's speech.

● (2030)

There is no will in this government except to survive, and it hopes the Canadian people will look no further than the rhetoric and not look for the meat. But they will not be so easily fooled as this. They will opt for Canada and for policies that give incentives to Canadians, not for hollow style that is aimed at grabbing headlines and providing grist for candidates trying to prove that their government has done something, that something has been accomplished.

[Mr. Hueglin.]

There are a number of important aspects of the control of foreign investment in Canada that must be clearly stated. Investment in the past has been beneficial. It has provided jobs for Canadians, which in its time was a fair bargain in view of the profit and increasing equity gained through such investment. Presently, however, little new money is coming into Canada relative to increased foreign control. In fact, most expansion is financed by Canadian savings, which year by year are becoming more and more adequate and capable of financing our own growth.

Canadian funds are being used to finance the takeover of Canadian companies by those whose primary interest is not necessarily the expansion of jobs in Canada and Canadian markets but, rather, increasing profits to send home. These are companies that look at the world not from a "Canada first" point of view, but from a multinational point of view in which Canada is merely one pawn in a widespread game.

This bill will not necessarily prevent the growth of foreign ownership in new industries. It most certainly will in no way place Canadians at any advantage compared to these many companies presently foreign-owned. Neither will it in any way encourage or assist Canadians either in buying or in retaining their interest in Canadian firms. It will, in effect, give the appearance of action, but will do little except build another department of government that will seem to be active but which in reality will not be. It will simply let the government convince those who are unwary that something has been done when it has not.

However, this bill is better than nothing at all, for the government at least will have to relate its actions to the act and the guidelines under the act, rather than to its own ad hoc actions, as has been the case in the past. But the legislation will do nothing constructive.

Although Canadians, particularly Niagarans, are presently, quite rightly, primarily concerned about rising prices and the energy crisis, there is no doubt that one of their greatest continuing concerns is the question of who will control our destiny. This government has failed in controlling inflation and in developing a rational, planned energy policy. It has also failed during its ten years of existence to address itself in any positive manner to this continuing concern of all Canadians.

The role of the government should be to assist Canadians who are willing to undertake risk, people who are willing to operate companies that can compete for sales at home and abroad and are willing to invest in the enterprise of others. Vast sums have been loaned to countries other than Canada at interest rates lower than Canadian citizens can obtain from the Export Development Corporation, indeed at lower interest rates than the Industrial Development Bank, which the minister boasts about, have offered. This is not just. Many millions have been spent on programs that are of no long-term benefit, often of little short-term benefit and at times of potential or real harm to our society. Could not these funds have been better employed in assisting Canadian enterprise to become more productive and competitive, thus opening up permanent jobs?

A Canadian Development Corporation has been established, but it has not as yet assisted small businessmen to any significant degree to obtain the equity capital which

they need. Nor has it reached out in any way to the citizens of Canada, allowing them to assist in building a stronger Canada through personal involvement. The Canadian Development Corporation was claimed by the minister to be an achievement, but as yet it has not touched the citizenry of Canada. This is provided for in the act, so why has it not been done?

Over the years I have sought the opinions of the citizens of Niagara riding and their position was always clear. In the year since they saw fit to place me in this House, the message has become even clearer. Canadians, at least those in Niagara riding, are looking for leadership in regaining control of our economic destiny. They are looking for positive action and are willing to become involved themselves if given the opportunity and support that only the government can provide.

In summation, this bill does not in any way alter the situation of foreign investment in Canada, as it now stands. It is window-dressing that few who are really concerned will be satisfied with. Lastly, it is clear that Canadians who are looking for effective action that will be of assistance to them and will allow them to become involved in this greatest of all problems, that of our independent economic survival, will have to wait still longer than they have already. They will have to wait until the day when the positive programs of the Conservative Party are put forth in the form of government bills. Clearly, the minister does not have the political will to provide the opportunity for Canadians to share in building their future. Just as clearly, a Conservative government, when in power, has that will and will put it into law.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, over the last few months we have been spending many hours discussing Bill C-132. First of all, we dealt with the second reading stage and then had 30 to 40 meetings of the committee; then it came back at report stage, and finally this evening we have reached third reading stage of the bill. During its progress through the House, the committee of the House was able to get three or four amendments put into the bill which, in my opinion, strengthen the bill. Foreign ownership in this country is a very important question. This bill goes part way toward solving at least some of the problems of foreign ownership. It is a small step. It will deal with between 10 and 20 per cent, depending on the year, of foreign activity in Canada and I think it is the first step toward seriously repatriating the Canadian economy.

Canada, perhaps more than any other country, is dependent upon foreign capital. According to Statistics Canada, we now have in excess of $50 billion worth of foreign funds in this country. About 80 per cent of these funds come from the United States of America. On the other hand, as of 1970 Canada had about $6 billion invested in other countries. The reason that the issue of foreign ownership concerns me is really threefold. First of all, we are exporting capital from Canada today. We are a net exporter of capital, not a net importer of capital any longer. As a matter of fact, last year Canada exported some $2.3 billion of capital in the form of dividends, profits and interest rates to United States corporations alone.

Mr. Horner (Crowfoot): And union dues.

Mr. Nystrom: Perhaps there were union dues as well, though I do not have the statistics for them. But in the form of interest rates, dividends and profits, $2.3 billion went to United States corporations. Yesterday there was a story in the press to the effect that at the rate of outflow of funds, this year probably $2.8 billion of Canadian funds will go to United States investors. As I have said, about 80 per cent of the foreign ownership in Canada is United States investment, and I take it a lot of money in the form of dividends, profits, and so on, also flows out to investors in Japan, Germany, Britain or wherever those investors live.

The second matter that concerns me about the tremendous intensity of foreign ownership of our economy is that I think in the long run it hurts us in terms of jobs. We now have a branch plant economy that depends on the parent plant in many cases to make decisions that effect our economy. Thirdly, I believe that because of the tremendous influx of foreign capital into this country, some of our political and economic decision-making powers have been eroded. Our future is genuinely at stake. I know some people tend to look at some of us as narrow nationalists. I do not think we are. But if you are faced with a choice between nationalism or annihilation as a nation, one would come down on the side of a person who is a nationalist in so far as wanting Canada to develop its own economy in the world community, with the strength to make political and economic decisions.

● (2040)

I become very annoyed at times when I hear members of the Conservative Party suggest we in this party are anti-American. I am not anti-American, and I do not blame Americans for what has happened in Canada. I blame two groups for what has happened.

Mr. Paproski: The Grits.

Mr. Nystrom: I blame the Grits and other governments of this country, including the Tory governments, for the lack of foreign ownership legislation which we should have on our statute books. We have been selling ourselves out; we have been economic prostitutes, so to speak.

Mr. Paproski: Shame.

Mr. Nystrom: We have allowed foreign investors to come into our country, with very few rules or guidelines, to do to us almost anything they want. Secondly, I blame the multinational corporations or the transnational conglomerates which have established themselves around the world. They are vertically integrated and massive in their power. Many of them are much more powerful than the economies of entire countries; some of them more powerful than the economy of Canada. Huge, multinational corporations can affect the economic pattern of the world, the value of various currencies and the balance of payments of many countries. These are the people I blame for the type of situation we face today.

As I have already indicated, the bill before us has a couple of major deficiencies. It does not go far enough because it pertains only to takeovers and new invest-

ments. The bill is, in my opinion, too subjective and leaves too much of the decision-making process to the proposed agency. In some cases that might be good, but you might have an agency which is not too concerned about the question of foreign ownership in Canada and because of its subjectivity there might not be many positive decisions taken. As I said earlier, this bill deals with only 10 per cent or 20 per cent of foreign activity in Canada. It deals with takeovers, new investments and the expansion of existing firms into non-related areas; and this is where you run into trouble. How do you define what is a non-related area? You probably define it by product. Many of our multinational corporations are vertically integrated and are involved in literally hundreds of products.

Let us take the IT&T as an example. It has 58 different subsidiaries operating in this country, involved in literally hundreds of products from toilet paper to telephones. They are invoived in the hotel-motel business, the rent-a-car business and many other businesses in Canada. IT&T could literally expand into almost any product in this country and not be screened, because it would be expanding into a related area of one of its subsidiaries.

The same is true of almost any huge, transnational conglomerate now operating in this country. Let us consider Imperial Oil as an example of what I fear. Imperial Oil is operating now in the gas and oil business. However, it is involved in mining, manufacturing, the finance service industry, the wholesale and retail business in this country, in trade, transportation, utilities, construction and pipelines. It is also involved in many other areas and could expand into the binder twine and rope industry in Canada because one of its wholly-owned subsidiaries Polytwine, a company which manufactures rope. Imperial Oil could, through this subsidiary, expand into the twine and rope business. These are the things that concern me about the bill before us. I think it has many loopholes.

Gulf Oil could manufacture as much toothpaste as it wanted, as it is now manufacturing toothpaste in this country through a subsidiary and could further expand in this field. When one travels on an airline he often uses little plastic dishes; they are manufactured and processed by one gas and oil company. One can see that when we start to screen these companies which expand into unrelated areas, because of the vertical integration we will have a difficult time blocking or screening the expansion. Many of them are intertwined and greatly vertically integrated. Bell Canada controls Northern Electric, and Northern Electric controls Microsystems. Microsystems can manufacture a number of devices for Bell Canada; therefore Bell Canada can get into many related businesses through Microsystems.

These are some of the problems I see in the bill before us. I have given a number of reasons why we in this House should strengthen our foreign ownership legislation and should treat this bill as only a first step toward repatriating the economy of Canada so that we, as Canadians, have control of our own destiny. In the next few minutes I want to deal with what I think are two myths constantly referred to in the debate by members of the Conservative Party and many people who are afraid of stronger foreign ownership legislation in this country.

[Mr. Nystrom.]

I see that the hon. member for Crowfoot (Mr. Horner) has just entered the chamber.

An hon. Member: He has been here all evening.

Mr. Knowles (Winnipeg North Centre): No he hasn't.

Mr. Nystrom: Some of the arguments used by that hon. member are along the lines about which I have spoken. One of the myths is that Canada needs more foreign capital if we are to develop. The second myth follows directly from the first, that without foreign capital we would have more unemployment and less development. These are two myths about which the people of Canada should be aware. First of all, as hon. members have pointed out, we are financing our own takeover. Study after study has revealed that of the new foreign expansion in Canada each year, only about 6 per cent has been carried out with funds from abroad and the remaining 94 per cent has been carried out with capital raised in Canadian money markets, through Canadian banks or from profits and retained earnings reinvested in this country. In other words 94 per cent, if not more, of foreign investment is now being accomplished with Canadian funds.

We are using the savings of many ordinary citizens of this country to finance huge, foreign conglomerates which are expanding their industries in Canada, draining off many of their dividends to the foreign parents whether they be United States corporations or companies of other countries. The annual outflow of funds this year, in terms of dividends, interest payments, and so on, is expected to be about $2.8 billion. During the decade of the sixties there was a net export of capital from Canada of about $2 billion. There is more capital flowing out of this country than there is coming in.

We have the money in this country, but we are a net exporter of capital because so much of our industry is foreign-owned. This capital investment is becoming more of a disadvantage than an advantage to us because the percentage of outflow, in terms of capital, is increasing each year. To realize this fact one has only to read the annual statements of various organizations. For example, for the years 1962 to 1971 the payment of interest and dividends to foreign companies increased by some 90 per cent, and from 1967 to 1971 managements fees to parent companies from branch plants increased by 60 per cent. We find that the return on the foreign investment dollar in this country is continually increasing. According to the Shultz report on the Alberta oil and gas industry, for every U.S. dollar invested in Alberta since the Leduc find, there has been a return of 71 cents since the first year of the investment.

● (2050)

We find that foreign investment is very profitable for those who are investing in other countries. In the United States, for example, between 1960 and 1967—during that seven-year period—Americans invested around the world some $19.4 billion. The returns on their investments were some $33.3 billion. In Latin-America, during the same seven years, Americans invested $1.7 billion and their returns on those investments were some $8.8 billion. So you can see once again that the people who are helped most by foreign investment are those who are doing the

investing, and not the country where the investment is taking place. It is about time Canada grew up and started to repatriate our economy so that we controlled it, and not the foreign corporations.

We find, for example, that our banks and our financial institutions are largely responsible for the sell-out of our country. About $2 billion to $3 billion of Canadian savings was lent to expand foreign activities in this country between 1960 and 1967. Between 1965 and 1969, the Canadian bank and bond market tripled the financing of foreign corporations in their operations in this country. Why do the banks lend to the huge, foreign companies operating in Canada? Basically, they do it for two reasons; one is for the security of their loan and the second is that it provides them with great profits. Canadian banks have been operating with tremendous profits in the last two years. Profits have approximately doubled those in the non-financial sector of the business world. From 1967 to 1971, for example, the banks' profits increased by 102 per cent. The five major banks hold some 70 corporate directorships. Of those 70 corporate directorships, about half are with foreign-owned corporations.

You can see, again, that there is a tendency throughout the whole banking and financial system for the banks to lend a great deal of money, perhaps as much as half of their funds, to foreign corporations operating either in Canada or outside the boundaries of our country. The banks also encourage the spending of Canadian money in other parts of the world. I have here, for example, a couple of advertisements from the New York *Times* and the Washington *Post* by the Toronto-Dominion Bank. The ad says, in a big headline, "We are happy to be accused of unCanadian activities". I have here another advertisement by the Royal Bank of Canada, saying in a great big headline, "We deliver Canada. Contact the healthy bank for a copy of businessmen's Canada". Again, that comes from a foreign newspaper.

What I am saying is that the banks in this country are largely responsible for the sell-out of funds, for the financing of foreign corporations in this country and for the draining of funds that are now leaving this country for other countries around the world. Our banks have 300 offices operating in 40 different countries that serve basically multinational corporations in the foreign countries. About 26 per cent of the assets of the Canadian banks are now held outside of Canada. I think that gives you an idea of the way banks are operating and how they are part of the drainage of funds and capital out of Canada.

Of the mutual funds in this country, some 38 per cent is now being invested in the United States alone. I suggest that the mutual fund market is another source of capital that could be used for the development of Canada for Canadians. So you can see that through the banks, through the bond market, through the financial institutions, through mutual funds and insurance companies we are financing our own sell-out. We are financing the purchase of Canada by foreign companies, by foreign multinational corporations mostly based in the United States.

It is not only the banks and the financial institutions that are aiding and assisting foreign corporations operating in Canada. The government, through DREE and many other programs in the Department of Industry, Trade and Commerce, gives grants to foreign-owned corporations. For example, Imperial Oil a few years ago was given a grant of $10 million to build a fertilizer plant near the city of Edmonton, Alberta. We give many tax incentives—some members of the Conservative Party have been outlining them—to foreign corporations to expand their business in Canada, be it in mining, in energy or in manufacturing fields.

I think this deals with the first fallacy, that Canada does not have enough capital. We do; we are a net exporter of capital. Even the Toronto stock exchange officials, when they appeared before the committee, said that Canada has enough funds to develop its own economy. There is no reason why we should have to rely on foreign equity capital to develop the country in which we live. I think that all we need now are some government policies, some industrial development policies to repatriate our economy.

The second myth that I think prevails in the minds of many people is that if foreign investment or ownership is to be hindered in some way, we will lose jobs. I suggest that is a lot of nonsense. I speak as a person who comes from the Prairies, where many people do not live as they do in southern Ontario and where I have seen some of the direct results of the foreign control of our economy. In my riding, in the town of Esterhazy, there is the world's largest potash mine owned by International Minerals Corporation of New Mexico. A few years ago when there was an oversupply of potash in the world and the potash company had to cut back on production. Naturally, the company made the decision that the cutback in the American plant would be less than in the Canadian plant, so they cut back to 90 per cent production in New Mexico and to 40 per cent production in Saskatchewan. It was the people in my riding who were laid off and lost their jobs.

I suggest that if this were a Canadian-owned company, perhaps the cutback would have been less severe, but because it was a branch plant and the headquarters were situated in another country, quite naturally the management protected its own people first rather than people living in another country. You find the same situation in many places around the world. For example, let us consider the International Nickel Company. In 1971 they closed down two mines in Canada, despite the fact that they were making tremendous profits. Their profit in 1970 was $102 million. The reason for the cut-down of production and closure of two mines was that there was a reduced demand for nickel in the world.

But what did they do after they closed down the two mines in Canada? They opened up new plants in Caledonia, Indonesia and Guatemala. They used some of the funds to develop the new mines in Guatemala and Indonesia from the profits they made here in Canada because it is cheaper to lay off Canadian workers and to hire labour in what are called underdeveloped countries. The multinational corporations can do this. If this were a Canadian-owned corporation, and particularly if it were publicly-owned, you would not have seen this cutback in production but, rather, a continuation and expansion of those mines because there is a demand for nickel in the world.

Due to the fact that we are foreign-controlled and dominated there is a lack of jobs in the area of research and development. Just today, for example, I heard of a young physicist, or chemist who is 27 to 30 years old who has reached the top of his field in Canada. If he wants to advance in his career, he will have to go to the head offices of the plant in either Pittsburgh or New York. That is another real consequence of foreign ownership in our country where many of the people who are involved in research or development jobs have to go to the parent company because most of the research and development is done in the United States, in Japan or wherever it may be.

● (2100)

Another area in which we lose jobs in Canada because of foreign ownership is in the export of raw materials. We export them in the most crude form, have them processed and finished elsewhere and then import the manufactured goods. We import more manufactured goods into this country than any other industrialized country. We all know that it is in manufacturing, processing and developing that most jobs are to be found. These are labour-intensive industries, not capital-intensive industries. If we can control our own economy, we can do a lot more processing of foodstuffs and of natural resources in our own country rather than exporting them in a raw state to other countries.

Take the example of Sudbury, where nickel is mined and exported in its crude state to Pittsburgh, to be refined there and provide jobs for Americans. This is another consequence of foreign ownership where we lose jobs rather than gain them simply because there is so much foreign equity in the ownership of our economy. Another consequence of this which results in our losing jobs is that when the parent country is in trouble, it will introduce a program like the U.S. DISC program. The hon. member for Crowfoot is very well aware of it. Or a bill will be introduced like the Burke-Hartke bill in an attempt to reduce foreign expansion and investment. In that case we find Canadians losing jobs because branch plants here are not expanded and preference is given to the parent companies in the United States. We have had many examples of this over the past few years.

I contend that we have enough money in this country to develop it ourselves and to provide more jobs for our people. There is one other point I wish to mention about capital. It was raised again today by one of the members of the Progressive Conservative Party who accused one of our premiers of going to New York or Washington to borrow money on the financial markets there. I am not saying that all foreign debt capital should be excluded from this country. There is a difference between equity and debt. Many states have gone to other countries to borrow money to build up their industry and after a period of time have paid off the debt and owned their industry outright. But that is not what is happening with respect to our capital requirements today. Instead of issuing mortgages, we provide equity in ownership, so that the dividends flow back to the investors in various countries.

As I said before, Mr. Speaker, there are a number of other areas in which we should be moving, beyond what is proposed in this bill. I wish to touch briefly on five or six of them before I conclude. First of all, we should have some legislation to deal with existing corporations as they expand. Since this bill deals with only 10 per cent to 20 per cent of foreign investment activity, obviously we are missing the boat. Obviously, we are not touching any existing corporations such as Imperial Oil, General Motors and IT&T, and we will have to find ways of getting at existing corporations.

Secondly, like the hon. member for Fort William (Mr. McRae), I think we should be expanding the sector-by-sector approach to repatriating our economy. We have controls against foreign ownership in broadcasting and banking. I believe we should extend that control to the energy field because it is vital to all industry. At present, our gas and oil industry is 90 per cent owned by foreigners. All future development should not only be Canadian owned, but I would argue for its public ownership. Gas and oil are public utilities. They must be used for the benefit of the public. The industry should be operated as a public utility and run for the benefit of the people of the country. We can do that, Mr. Speaker.

The province of Alberta this year will be exporting about $1 billion in profits which will go to foreign oil companies mainly based in the United States. From my own province of Saskatchewan, which does not produce that much gas and oil, there will be an outflow of about $120 million to parent companies in the United States. What I am saying is that if we have control of the oil and gas industry, under public ownership, these profits would accrue to the people of Canada. We do have the funds in this country to undertake that. We can raise what we need. We can tax the gas and oil companies that we already have here. We can take the proceeds from export taxes. We can float bonds in this country. By using all these devices we will have enough funds to have the oil and gas industry in Canada taken into public ownership and made to serve the people of the country. All this we can do. We have the technology, we have vast reserves of gas and oil, and we have a need for them here in Canada.

The third thing we should be doing is reform the taxation system so that we do not continue to give huge tax incentives to foreign investors, particularly in the energy and mining areas. As has already been pointed out in this debate, foreign investors do have a tax advantage that Canadians do not enjoy. Fourthly, under the government's industrial policies we should enact legislation requiring resource industries in Canada, in mining and so on, to develop and process more of the raw materials in this country. This has already been done by various governments. It was done by the provincial government of Ontario in the area of pulp and paper mills. Now, timber cut in the province must be processed in the province, thus providing jobs for the people of the province. This could be done in many other industries and would provide more jobs for Canadians.

We must insist on having more research and development undertaken in Canada. Without research and development we will never make great progress in industry. At present there is not much specialization of industry in Canada. What do we produce as specialists in Canada? We produce very little because we have a branch plant economy which depends too much on the decisions made by parent corporations.

We must end a lot of the government's giveaway programs under which money goes to foreign corporations. Under the Department of Regional Economic Expansion I find that a lot of capital grants go to foreign-owned corporations. Under the IRDIA program, 39 per cent of the grants go to foreign corporations. Under the PAIT program, 45 per cent of the grants go to foreign-owned corporations. We must start to phase this out, and instead provide government assistance to Canadian corporations and citizens. A seventh suggestion I would like to make is that we use some of our foreign exchange reserves to buy back parts of the economy. Why do we not use $3 billion or $4 billion, using all these sources, to develop an all-Canadian gas and oil industry, rather than having that industry developed by foreign-based, multinational corporations?

As my eighth suggestion, I say we must have more public ownership in this country and much more development undertaken through Crown corporations. This is the only way in many areas. Really, what has private enterprise done in the Maritimes? What has it done in eastern Quebec? It will not go into those parts of the country because it cannot make a buck. It will only go there if you provide it with huge incentives—and once the incentives die, the companies that are established want to bail out. A good example is Devco, in the province of Nova Scotia.

My ninth suggestion is that we must have some investment controls making it mandatory that the banks and financial institutions in Canada lend more of their funds to Canadians. My understanding is that roughly half of the loans made by Canadian banks and financial institutions go to foreigners either operating inside or outside Canada. I suggest that the government over a period of years could make it mandatory for this figure to be increased, say to 60 per cent of their funds going to Canadians in the first year, 70 per cent in the next year, 80 per cent in the next, and so on. There is no reason why we should be financing foreign corporations that take over our own companies. Another way we might do this is by establishing a Crown bank in this country to provide more competition for the other banks and operating in terms of direct investment, in terms of direct funding of Canadian enterprises. These are some of the things that could and must be done if we are to develop a country that is truly Canadian and is owned and controlled by the people.

• (2110)

There is another thing we could do, and it has already been done by such radical countries as Switzerland. That is, to use foreign exchange controls to keep out some foreign funds. In Switzerland there is an 8 per cent negative charge on any money that comes into the country. We could use foreign exchange controls like that in order to guide and plan the fiscal and monetary development of our country.

There are just a few things that the minister could pursue in order to repatriate the economy. The bill before us goes only part way; it only screens the acquisition of Canadian companies by foreigners and new areas of expansion. That is a very small part of the problem, Mr. Speaker. It we are to take control of our own country and grapple with the question of foreign ownership, we need policies that go much further. We have the funds and we have the technology; all we need is the planning and policies. One way of achieving that is for those of us who feel strongly about it to squeeze as much as we can out of the orange before it dries up.

Mr. Blenkarn: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Laniel): The hon. member for Peel South (Mr. Blenkarn) on a point of order.

Mr. Blenkarn: I wonder if the hon. member would permit a question.

The Acting Speaker (Mr. Laniel): That is not a point of order. Of course, the hon. member needs the consent of the hon. member to ask a question.

Mr. Nystrom: Yes, Mr. Speaker.

Mr. Blenkarn: Is it the view of the hon. member and his party that they would be in favour of significant tax cuts to Canadians to encourage Canadian investors, including a lower income tax level to Canadian investors, corporate tax incentives and that type of program?

Mr. Nystrom: Mr. Speaker, I think there are some inequities in the tax system vis-à-vis foreign investors in this country, but I do not think the way to solve that is by giving Canadians a much lower tax bracket or greater tax incentives. The Conservative Party has argued for years that the way to develop this country is through incentives—but that is not going to work. It is one of the reasons why development in Canada has been concentrated in southern Ontario—Montreal and Toronto. If you operate on that type of system, you will find the capital going where the market is, where transportation costs are lower, and so on. I do not think you can develop this country by providing greater handouts to businessmen, because there is not that much difference between the Canadian entrepreneur and the foreign entrepreneur.

Mr. Blenkarn: That is what we wanted you to say.

Mr. Nystrom: I see no reason why the foreign oil man should have a greater tax advantage than his Canadian counterpart. If you want to develop this country, you can do it by cutting the tax of the low income person or average income person. He will then spend more, he will need more consumer items and the economy will grow. This is one way to stimulate the economy. If a person can afford to buy another car, I am sure General Motors will not complain.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I was interested in the reply given by the hon. member for Yorkton-Melville (Mr. Nystrom) to the question put by the hon. member for Peel South (Mr. Blenkarn) with regard to incentives. If I heard him correctly, he said that incentive goes where the trade is; that money will search out the best place. He felt it would probably go to southwestern Ontario, or somewhere in Ontario, where the money already is. He would know what the situation is if he lived in the province of Alberta. In fact, he does not have to live there; he just has to use the telephone, which the government provides for him, to phone a real estate agent in Alberta. Nine out of ten of them are getting requests for

opportunities to invest money from British Columbia, so there is some kind of drift of money out of B.C. to Alberta.

Any real estate agent in Alberta will tell you that in the last ten days he has had requests for opportunities to invest money in Alberta. There seems to be greater incentive there, or there seems disincentive in the province of British Columbia. The hon. member's party should try to find out why the flood of money is coming from British Columbia to Alberta. It certainly would be an awakening truth for his party to analyse that problem.

I ask him to just get on the phone tomorrow to any real estate agent in the telephone book in Alberta and ask if he has had any requests to invest money from British Columbia in the province. The answer will be, "lots of it". We are having a hard time placing it, Mr. Speaker, but we want it and we will do our best to sell them something. The hon. member spoke about the outflow of capital. There is nothing in this bill to prevent capital going out of Canada. But he said it four or five times. I generally repeat myself three times, but he beat me. All the mutual funds in Canada are finding some other source to develop their money, according to him.

The oddity of this piece of legislation is that it will encourage further outflow of capital. This afternoon the minister said there is one view, that government should not interfere in business, and there is another view that government should. He said he was one of those who thought that government should interfere. Is this going to encourage Canadian money to stay at home? I do not think so. Certainly money will seek the highest return. In the past, government intervention with major investors in Canada has caused concern to some individuals. Their hands have been burned because of government intervention; and if they have money to invest when this agency is set up, they are going to seek another country.

While the hon. member for Yorkton-Melville may have been making a point which school children could have understood, we in this House surely understand what it is going to do. We understand that it will encourage a greater outflow of capital. He talked about how we should develop processing in Canada. Of course we should, but we must have the capital to invest in the country. Then, when we have developed the processing, we have to find the markets. Saskatchewan has been traditional in the export of its raw material. What is its biggest raw material, exported for huge amounts of money? Wheat—and they get it out of there as quickly as they can. Feed barley goes out as well. They do not even want to feed it to their own cattle and have given no encouragement to invest in a feed plant in the province.

The hon. member said that the potash industry was in a terrible situation; that at one time there was a surplus of potash and foreign companies curtailed the production in Saskatchewan, and that if potash had been owned by a public company there would have been no curtailment. What nonsense, Mr. Speaker. He said there was a world surplus of potash. Naturally, the potash that is the most costly to produce is the first to go out of production. Naturally, if there is a surplus of potash and the price is low, it will not be produced no matter whether a Canadian or an international company is involved in its production.

[Mr. Horner (Crowfoot).]

• (2120)

A company will only produce something when the price is right. If there is a surplus of any commodity and the price goes down, it will not be produced. The Alberta Wheat Pool and the Calgary Wheat Pool were producing fertilizer in Calgary. When the LIFT program was introduced and the use of fertilizer in Canada was cut back, you should have seen what happened. The hon. member for Yorkton-Melville should have visited the plant. He would have seen the surpluses piled up. He knows what the Alberta and Saskatchewan wheat pools did. They had surpluses, which they stockpiled in my constituency—good old Crowfoot. We encouraged them to stay in business. If those people had listened to people like the hon. member for Saskatoon-Biggar (Mr. Gleave), that co-operative fertilizer plant in Calgary would have been in severe difficulties.

Members of the NDP have implied that encouraging foreign investment in Canada is a sin and that only the Conservative Party wants to encourage it. What was the Saskatchewan government doing when it asked the Roumanians to build a tractor plant in Moose Jaw or Saskatoon? The people representing Moose Jaw and Saskatoon were going to Russia and to Roumania trying to get that plant established in this country. The Saskatchewan government was to give them everything under the sun in order to encourage them to invest in the province.

Odd as it may appear, Roumania said, "No, we do not want to invest in your country because you want to sell our tractors to the United States, and we do not want our tractors to go to the United States." The Saskatchewan government said that such manufacturing plant cannot be viable unless it is prepared to market its product in the United States. Isn't that odd? Because the Saskatchewan government said, "You must sell in the United States," that Roumanian plant was not established in this country. What does this mean? In this House we are speaking about the outflow of Canadian capital. The NDP members of the House want to build a fence around us; they want Canada to become an isolationist state. At the same time, the NDP government of Saskatchewan says we must sell in the United States. There is a mix-up in the thinking of the NDP. They should reconsider their position.

Canada is a trading nation. Nearly 80 per cent of Canadians, directly or indirectly, work in industries that are export-oriented. What about the automotive industry? It is 99 per cent owned by foreigners, yet the hon. member for York South (Mr. Lewis) treads lightly there. The equity control, even of the automotive parts industry, lies not in Canada but in the United States. The NDP skirts around that question.

In our complex world we need multinational companies to market commodities. If you want to break into the Japanese meat market, the little butcher on Wellington Street will not do it. Only somebody with the finances and time can break into that market. That means a multinational company. Even the lovable farm boy, who may or may not know anything about the exporting of meat—I am inclined to think he knows very little—could break into that market. Whether we like it or not, it takes a multinational corporation to do that kind of thing. Many of those companies serve a useful purpose—

An hon. Member: Some are Canadian.

Mr. Horner (Crowfoot): —and many multinational corporations are Canadian multinational corporations. Surely we should not say, "you have grown too big; you have cut mama's apron strings and we are not going to look after you and claim to be your parents any longer." This is what this bill could do to many Canadian multinational corporations. We should have enough confidence in ourselves as Canadians to claim the parentage of the multinational corporations which have sprung from Canadian soil. We should be proud of their endeavours and use them to assist in the marketing of our goods.

The leader of the NDP suggested that Canadians have no confidence in themselves and that is why they need foreign money coming to do all these things for them. I consider that the reverse is true. Canadians have confidence in themselves and are prepared to use foreign capital to develop this country. They are not afraid. They do not need to shelter themselves. What person doing anything in Canada today is not doing it on borrowed money? There are very few. It is far easier to use money today than to use brawn. That is one thing my father taught me—although he taught me how to use brawn, too—and that is that you must have confidence in yourself to use someone else's capital, to use the banks and, if necessary, to use foreign capital.

I was very annoyed when the leader of the NDP talked about our energy industry. He said this bill will affect only a small portion of foreign investment in Canada, that it is just a short step, and that ultimately it may affect between 10 and 20 per cent—I think that is the figure he mentioned—of corporations. When he says that this bill is just a short step, he frightens Canadian investors and foreign investors in Canada. When he makes such utterances, we see a government wagged by the tail of the dog; we see a government kowtowing to the little group on my left which says that this is just a short step, that it will only affect up to 20 per cent of corporations and that it wants stricter laws.

Such utterances will make it mighty difficult to keep Canadian capital at home. They have not kept it in Saskatchewan, and are not keeping it in British Columbia. The Premier of Manitoba is doing a much better job in encouraging investment in Manitoba. He invited the Japanese over. He wants Japanese investment in Manitoba. He is not as narrow-minded and shortsighted as are certain people in this House, especially in the NDP.

The hon. member for York South suggested that oil and gas are in short supply in the Maritimes because in 1961 the Conservative government drew the Ottawa Valley line and said that western oil could be marketed as far west as the Ottawa Valley line but no farther east. He said that action has created the present high gas and oil prices in the maritimes. Well, every intelligent person in this House knows that the opposite is true. The hon. member knew it when he said it: he knows that exactly the opposite is true. It is terrible the way some people will play political games in an effort to scoop more votes. They do not consider what is good for Canada: Canada comes second to votes. I say that in view of the hypocritical statements which were made this afternoon by members such as the hon. member for York South.

The fact is that the creation of the Ottawa Valley line in 1961 enabled oil companies in Alberta which had been producing at less than 50 per cent of capacity to produce at least at 50 per cent of capacity. We wanted to build a pipeline to Montreal but were not able to do so. We said, "All right; give us a certain part of the market." Certain Canadian-owned companies were going broke, not having the resources to keep active in the Alberta oil business. Throughout the sixties these conditions brought about a reduction in the number of Canadian companies operating in the Alberta oil business. They were not able to sell enough oil and could not produce at even 50 per cent of capacity. Then along came the Ottawa Valley line. As a result, certain of the bigger companies developed the oil industry, exploration went on and to a certain extent at least that is responsible for our present increased reserves. We could assist eastern Canada with its needs if only we had the mechanical means of getting the oil there.

● (2130)

The leader of the New Democratic Party went on to say how terrible it is that Alberta is selling out the tar sands to foreign-owned interests. What sort of rubbish is that? Who can he convince that that is anywhere near the truth? I surely hope it is no one in this House. The Alberta tar sands consist of 15,000 squares miles. I ask my friends to the left to envisage that. The Syncrude project, which we in Alberta all hope will go ahead, is for the right to mine eight square miles over the next 25 years. They readily admit it will require a $1 billion expenditure to put them in the position of mining those eight square miles over the next 25 years. They hope their production will be 125,000 barrels of oil a day.

When the NDP say that because of Syncrude we are selling out our natural resources to foreign investors, that is puppycock. I say puppycock because they are puppies in the investment world. Not one in their group has invested a five-cent piece in Canada. The leader of that group said they represent the average Canadian. They do not represent the average Canadian because the average Canadian has invested in Canada.

Some hon. Members: Hear, hear!

Mr. Horner (Crowfoot): After the hon. member for Yorkton-Melville was elected, he attended university for the first two years he was here. He has never held a job. He has not done a thing. As far as I know, he has not put a nickel into Canada. By the way he talks, I doubt if he will ever save a nickel to put into Canada.

An hon. Member: He is saving to go to Chile.

Mr. Horner (Crowfoot): The Alberta and Quebec ministers recently discussed the energy problem. There is no doubt the Alberta government will encourage Quebec to invest in another eight square miles of the tar sands. If it wants, the Ontario government can invest in another eight square miles. We will require a major capital investment in those 15,000 square miles of oil sands if all of Canada, including Quebec and the Maritimes, is to become self-sufficient. We must become self-sufficient because we can no longer trust our sources in the Middle East. We hear the hue and cry about the terrible multinational, foreign-

owned oil companies. Well, I would rather trust them today than the Arabs.

If the Canadian government wants to form an oil company to mine specifically in the Athabasca tar sands, that is a decision they will have to make. However, I would not want to see them trotting around speculating as to where the best political hay might be made. Because they want to get votes in Newfoundland, they should not drill a well off the Grand Banks. Maybe they are drilling for votes rather than oil.

The tar sands is a different situation. It is a known product that is there. If the government wants to mine there, let them put up $1 billion and get into the business. There is all kinds of oil there. One cubic yard will yield a barrel of oil. This is refined down to three-quarters of a barrel of light density crude. Squeeze out these cubic yards and you will have oil for a month or two. Everyone can go there. There is no problem; the oil is there. Let us not hear any more about Alberta selling out to foreign interests. We are still in the experimental stage of squeezing that oil out of the tar sands. We have not proven to the world that we can get that oil out of the tar sands. For the past five years, Great Canadian Oil has been involved in this and has lost money every year. To date, they have lost a total of $90 million, not counting the capitalization to get them started.

Mr. Gillespie: What was the average price of crude?

Mr. Horner (Crowfoot): It has not been very high for the past five years. We hope this government will allow it to be high enough in the next one, two or three years so that the oil sands can be developed and we can become self-sufficient. If we do not become self-sufficient we will be at the mercy of the Arabs until hell freezes over. If we are to become self-sufficient, the government must encourage investment in these tar sands. Don't buy this puppycock from people who are reluctant even to invest in their own province.

We hear a great deal of talk about money flowing out of the country. Certainly, money will flow out of the country. Four wells in the North Sea have more reserves than has been developed conventionally in Canada to date. In Alberta we have been drilling quite succesfully for the past 25 years.

Mr. Paproski: Forty years.

Mr. Horner (Crowfoot): I know it has been longer than 25. In the past 25 years we have developed a certain amount of reserves. However, as I said, four wells in the North Sea have as much reserves as all the wells that have been drilled conventionally in Alberta. That gives some idea where the money will go if we curtail it. It will not go to develop our oil fields.

There has not been a major find of oil in Canada for nearly six years. You cannot acknowledge that fact and then continue to discourage foreign investment in oil. They are discouraged enough. Outside of the tar sands there has not been a major find for six years. In spite of this we still hear all this garbage and see government intervention in the industry. Are we to sit idly by hoping that some day we, even with that kind of discouragement, will become self-sufficient in oil? I doubt it.

We must also consider the cost. It is obvious, and I know Your Honour will agree with me, that the first oil find is the easiest. The next find is the next easiest. For the past 25 years oil has been quite successfully found in Alberta. However, as the years go by the finds will be more difficult and more costly. That is pointed out in a brief that was sent to all parties by the Independent Petroleum Association of Canada. On page 53 it states:

> In 1968, production cost per barrel was 43 cents, development cost 28 cents, and finding cost $2.63 for a total of $3.34 to replace a barrel of oil in a developed field.

That was only five years ago. What has happened since then? This year there was a 10 per cent increase in inflation. Last year there was a 10 per cent increase in inflation. All this was due to bad financial handling by the whole Department of Finance.

Some hon. Members: Hear, hear!

Mr. Horner (Crowfoot): That, coupled with six years of no major find in Alberta and greater and greater finding costs, means the following were the costs in 1972: the development costs were $2.70; finding costs were $10.98, with production costs still at a relatively stable 50 cents per barrel; replacement cost last year was $14.18 per barrel, or almost double the new posted price for Venezuelan oil. I can say it is an exaggeration. I can say I do not believe it. But if I seriously want to help Canada become self-sufficient in oil, I must put some faith in these figures. They are the best I can get.

• (2140)

I do not know what it costs to produce a barrel of oil, but this is what they tell me. I have to pay some attention because I know oil companies are pulling out of the east coast. I know they made five major finds of oil off Sable Island. Since they are offshore, they would not be economic to produce. In any case, no settlement has been reached as to which government the companies would be dealing with. They do not know. We proudly say we want to become self-sufficient in oil. But we are still sadly lacking in an energy policy which would go any way toward enabling us to become self-sufficient in oil in the near future.

In 1969 the Independent Petroleum Association of Canada came to Ottawa and said it wanted to build a pipeline to Montreal. The answer was no. It was told Montreal wanted to stay with Middle East and Venezuelan oil. In effect, the association was told, "Go peddle your oil elsewhere". Can you blame them for searching out the market? The industry needs a cash flow in order to offset the expense of exploring and drilling for new supplies.

The spokesman for the small NDP group to my left tries to suggest he knows nothing about energy. He knows a lot more than he admitted. He knows enough to distort the facts. He knows enough to destroy the truth in the hope that doing so may gather him a few votes. In fact, he is copying another person who was elected to power by hook or by crook in a far away land, Germany. That person was elected to power and he used the technique of the big lie. I suggest that this little group to my left is very interested

in that technique and may well attempt to copy it in the future.

The minister told us this bill was a good one and that there are five or six results the government thinks it will achieve. He said it would provide more employment. I do not see how it will. When I was old enough to work, as a boy of ten, my dad gave me a shovel and a pitchfork—and they did not cost more than $1.50. But I have three sons and I need to buy them some pretty expensive equipment before they can go to work. What I am saying is that not much capital was needed 30 or 40 years ago to get a job, but today it takes $60,000 to create one job in Canada with any degree of permanency.

This bill does not stop the outflow of capital; it encourages the outflow of capital. I do not want governments, whether provincial or federal, to get into business, but this may be the only source of capital available if we carry on as we are doing. I do not believe governments can do things better than private corporations. The governments I have seen around here in the past 15 years have not demonstrated any great degree of efficiency in terms of goods produced per man-hour. Sometimes they have laboured long and produced very little. Sometimes they have laboured very long and tried to produce a whole lot, which has only created more problems.

There is no one more anxious than myself to see more processing of raw materials done in this country, but I do not see how the bill before us will encourage such a thing. Nor do I see how it will upgrade our natural resource industry, as the minister suggested. He said there would be greater domestic content. Very often, people have said it is all right for a provincial government to go to New York to borrow money, that it was all right for Premier Bourassa to go to New York for funds to develop James Bay because that was not equity money; it would give them no control. Let me say once again in this House that the oil industry does not exercise equity control over the oil in Alberta. If the Alberta government so decides, the oil or the gas, as the case may be, stays in the ground. The company, whether American, or British, or French—it does not matter—may have drilled a well; but if Alberta doesn't like the price it is getting out of it, the price it receives, the oil stays in the ground. And no matter what the price may be, if the conservation authority in Alberta wishes to restrict the amount of oil coming out of that well, it stays in the ground.

It is often said that 80 per cent of our oil industry is controlled in the United States. That is not right. The oil industry, that portion of it which lies in Alberta, is controlled by the Alberta energy board. The portion which lies within Saskatchewan may well be controlled by a similar board, but most of the oil in that province has not been found because investment there has been discouraged.

Whether greater domestic ownership will be brought about remains to be seen. My fear is that the bill will lead to fewer Canadian companies. The minister went on to suggest that regional development, or regional input would be increased. Well, DREE was supposed to do that. It is operated by the Department of Regional Economic Expansion. It should have solved all those problems. The former minister, the present Minister of Transport (Mr. Marchand) admitted in this House that he was slightly disappointed that after a year's operation DREE had created no more than 16,000 jobs having spent "X" million dollars.

The minister who is piloting this bill through the House is too stubborn or too much of a greenhorn in his department, or too frightened by cabinet domination, to accept a sensible amendment as moved by the hon. member for Central Nova (Mr. MacKay). The amendment proposed that a copy of the notice should be sent by the agency forthwith, by registered mail, to a province or provinces likely to be significantly affected by the proposal or investment to which the notice refers. Mr. Speaker, that does not turn the legislation inside out. That does not call for any major decision. It just says that a region shall be notified.

Mr. Gillespie: No, it does not.

Mr. Horner (Crowfoot): The minister has made his speech, and he did not want to be interrupted then though I was trying to ferret out the truth. He may think he is trying to ferret out the truth now. If he did not mean that, why did he not explain it? He could have taken the spirit of that amendment and used his own words. But he did not. When he had finished his speech, I asked him a question; I asked whether this agency would operate completely independently of the government. He said no, it would operate at deputy minister level and report to the minister.

● (2150)

An hon. Member: Whoever suggested it would?

Mr. Horner (Crowfoot): I think it should, if it is to operate fairly. The National Energy Board was set up by a Conservative government to encourage energy development. Until last year it operated completely independently of the government, brought down its own findings, laid them at the door of the government and said, "Here are our findings. You can overrule them if you like, but these are our findings". They were never overruled until the last year or so. Then the chairman of the National Energy Board was silently done away with and the government's own stoolie put in charge. Now it operates directly under the thumb of the government. This is my point when I say that agencies tend to become political. As I said earlier, the fault and folly of minority government is that it tends to try to protect its own little political party without caring a hoot about the well being of Canada in the long term.

Mr. Paproski: Cheap politics.

Mr. Horner (Crowfoot): Politics becomes the order of the day.

Mr. Baker: With one eye on the NDP.

Mr. Horner (Crowfoot): As the hon. member suggests, with one eye on the NDP, which has been the government's saviour to date. This is the folly of this whole bill; it is one more political pork barrel. Then the minister said that the bill would improve the quality of life in Canada. I thought he was really stretching for straws when he

dragged that one in. We in Alberta tend to think that we have a pretty high quality of life. The air is quite pure; most people are working. Our biggest trouble is to keep a lot of these people we are talking about, and their money, out. We let it come in freely, but we do sometimes worry about it. There is no danger in Alberta. But I thought the minister was really reaching when he mentioned the higher quality of life.

Some mention was also made of the DISC program. The hon. member for York South is fond of holding up the oil industry as the culprit, but what about the automotive industry? Has he talked about that? Some time ago he said the government should go down to Washington and say we will cut off our energy supply unless the United States leaves the automotive pact alone. He was putting jobs in Ontario over jobs in western Canada, but I think it was safe for him to do that. However, the next crisis in Canada will be the automotive pact since 99 per cent of the industry is United States-owned. The hon. member for Ontario (Mr. Cafik) tells me he is now driving a General Motors' car. I was pleased to hear that, though I know he was driving one of the smaller makes at one time.

There is no question that if we continue to discourage foreign investment, we are exemplifying a lack of confidence in our ability to manage foreign investment. We are encouraging a further drain of our own capital either into North Sea interests that are developing sea bed oil, or into the United States in search of gas and oil. We will not encourage more manufacturing in Canada; in fact, we may well be encouraging less.

What has been the origin of foreign money invested in Canada recently? It has been Japanese money.

The Acting Speaker (Mr. Boulanger): Order. I regret that the time of the hon. member has expired.

Mr. Horner (Crowfoot): May I call it ten o'clock, Mr. Speaker?

The Acting Speaker (Mr. Boulanger): Is that agreed?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

IMMIGRATION—POSSIBLE EXEMPTION OF IROQUOIS INDIANS WISHING TO MOVE TO CANADA FROM HAVING TO APPLY FOR LANDED IMMIGRANT STATUS

Mr. Derek Blackburn (Brant): Mr. Speaker, on October 29, I asked the Minister of Manpower and Immigration (Mr. Andras) a question with respect to the fact that no longer will Iroquois Indians born in the United States be able to cross into Canada to settle without first applying in the United States for landed immigrant status in Canada. I stated in my question that the directive of November 30, 1972, went contrary to the historic rights and privileges granted the Iroquois as a result of their loyalty to the Crown during the American war of independence, and that special status should be granted them with respect to crossing the border and resettling in Canada. The minister replied that it was not the policy of the immigration department to grant special status to the Iroquois, and that therefore any Iroquois born in the United States would have to apply in that country for landed immigrant status if he or she desired to settle in Canada.

As you know, Mr. Speaker, many Iroquois have over the years, indeed for nearly 200 years, moved from time to time to the United States in search of employment and have remained there for considerable periods of time. They married, had children, remained there; and these are the people I am most concerned about in this short address this evening.

In the federal constituency of Brant, which I have the honour to represent in this House, lies the Six Nations Reserve with a band list of over 10,000 persons, a great many of whom live in the United States. As a result of the November 30 directive, these people have become very upset and consider this directive just another erosion of their native rights. As you know, native North Americans guard with great pride and determination rights and privileges granted them by the Crown.

The minister in his reply also stated that Indians would be treated the same as any other group and cases would be judged on an individual basis. That is a very nice, free-flowing expression. I could certainly agree with the minister with respect to Italians, Germans or Englishmen or any other ethnic group as far as the November 30 directive is concerned. But when it comes to the Iroquois and other Indian bands, I must emphasize that I cannot agree. These people were here long before all other national groups, and in my opinion an Indian born in the United States who is also a member of a Canadian band of Indians should not have to go through the procedure of applying for landed status in the country of his forefathers.

In a letter from the minister dated October 30, 1973, the fourth paragraph reads as follows:

> Canadian Indians consider that there is no need for them to follow these procedures—

That is to say, immigration laws and the November 30 directive.

> —since they hold that the Jay Treaty provides them with free and unrestricted movement across the Canadian-United States border. The Jay Treaty has of course no application in so far as Canadian law is concerned. In fact the Supreme Court of Canada, in a case brought before it in 1956, found that the articles of the Jay Treaty and the Treaty of Ghent which were pertinent to the question did not apply in Canada since they had not been implemented or sanctioned by legislation.

In the same letter the minister did indicate that—

> —in the current review of immigration legislation we will be considering the possibility of recommending changes to the Immigration Act which would admit children of Canadian Indians who were born outside Canada provided they are registered with a Canadian Indian band under the terms of the Indian Act.

• (2200)

I wonder how long it will take to bring about these suggested changes, in view of the fact that many sections of the Indian Act are in such disarray? Moreover, with respect to the Six Nations Reserve, the recent Ostler decision in the Supreme Court of Ontario implies, or indeed states that this reserve is not in fact a reserve and therefore does not come under the Indian Act because the Six Nations Reserve was granted in fee simple by the Crown and is not held in trust for the Indians on that reserve by the Canadian government. I suggest that the immigration and Indian affairs departments get together on this matter and clear the air as soon as possible.

In conclusion, while the Immigration Department might be finding a way out for the Iroquois and other Indian bands, one of their fundamental and historical rights has been taken away from them in principle. Those Indians on the Six Nations Reserve to whom I have spoken, including their chief elected councillor, Richard Isaac, are not at all pleased with the way the Immigration Department is treating them. This is causing concern among many of the residents of the Six Nations Reserve, or the Tuscarora township if you wish to call it that, at this time. Many of the people who live on that reserve have moved to the United States or were born in the United States and came to Canada and are now to be subjected to what I must call an indecency in terms of their having to go through the immigration provisions in order to become Canadian citizens, when in fact they were the first Canadian citizens.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, there has always been a certain amount of friction between North American Indians and the immigration service because of differing concepts of the Indians' position in modern North American society. These are epitomized in disputes over the effect of the Jay Treaty and the question of nationality.

In 1794, Great Britain and the United States concluded the "Treaty of Amity, Commerce and Navigation," commonly called the Jay Treaty, which says in effect that Indians living on either side of the Canada-United States border could freely cross that border into the other country. With the outbreak of the war in 1812, the United States considered the Jay Treaty abrogated, but some argue that it was restored by the Treaty of Ghent in 1815.

In 1928, the United States enacted legislation that allowed Canadian Indians to enter the United States under much the same terms as those embodied in the Jay Treaty, but Canada has not taken similar action. In fact, the Supreme Court of Canada, in a case brought before it in 1956, found that the particular articles of the Jay Treaty and the Treaty of Ghent that were pertinent to the question had no application in Canada since they had not been implemented or sanctioned by Canadian legislation, even if these treaties were valid. They were in effect treaties between Great Britain and the United States, and neither Canada nor the Indians were a party to either.

The nationality question, simply stated, is that some Indians refuse to recognize Canadian or American citizenship as applicable to them; they claim not only to be Indians first and foremost, but to be Indians only. The Indian Act permits an Indian to be registered as a member of a Canadian band without regard to his citizenship. The Citizenship Act accords an Indian Canadian citizenship if he is born in Canada or if he is born outside Canada to a Canadian citizen father and his birth is registered with citizenship authorities. The Immigration Act and regulations permit nearly free access to Canada by Canadian citizens, but insist on certain formalities for the entry and stay of all other categories.

The problem arises when a Canadian Indian returns to Canada, after a period in the United States, with a U.S. born spouse or children. If the Canadian Indian is a male and a member of a Canadian band, his wife and children may be registered under the Indian Act as members of the band. Under the Citizenship Act, however, the wife cannot become a Canadian citizen until a year after her admission as a landed immigrant. In the meantime, she remains an American citizen regardless of her status under the Indian Act. The children may be Canadian citizens if the fact of their birth abroad to a Canadian father is registered with the citizenship authorities but, if not, the children also remain American citizens. Under the Immigration Act, in turn, the wife and children, as American citizens coming to Canada to live, must be treated as immigrants, again regardless of their status under the Indian Act.

At a recent meeting with a group of Indian leaders, including Carl Brant, president of the Iroquois and Allied Indian Association, this whole matter was discussed and two very valuable avenues of approach were agreed upon. Firstly, Indian leaders will be urged to submit their suggestions on this subject to the task force reviewing current immigration legislation. Secondly, a meeting of the assistant deputy minister, Indian and Eskimo affairs, the assistant deputy minister of immigration and a senior representative of the Secretary of State will be held to determine if the registration of Indian children born abroad as members of an Indian band can be tied to the registration of births abroad for citizenship purposes.

ENERGY—AUTHORITY OF GOVERNMENT TO ENFORCE PETROLEUM PRICE FREEZE AND PRICE INDEXING

Mr. Don Blenkarn (Peel South): Mr. Speaker, tonight I draw your attention to a question I directed to the right hon. Prime Minister (Mr. Trudeau) on November 2 in connection with the purported freeze by this government on petroleum prices and as to whether the government felt it had the authority. I also referred to the activity of the government in disciplining oil companies if they decided on their own to disobey the freeze, if indeed there was one.

The Prime Minister brushed aside my question and sort of indicated that the government had the authority to control prices, in spite of the fact that I asked the question because in answer to previous questions he indicated that there was perhaps some doubt in that prices could only be controlled by provinces under the heading of "property and civil rights". Clearly, the Government of Canada has the authority under the "peace, order and good government" provisions of our constitution to control prices in the national sense.

However, what has happened is not control of prices but total sham, because not one iota of legislation has been

introduced to this House entitling this government to control petroleum prices. We have been told that there is a price freeze and that the price freeze will last until January 31, 1974. But in fact there is no price freeze because there has been no legislation authorizing a price freeze. It is a voluntary action, it is not law. The rules that are voluntarily asked of the industry are meaningless—zip!

When the Minister of Energy, Mines and Resources (Mr. Macdonald) was speaking to the House on November 1, he said that Gulf Canada had not obeyed the petroleum price freeze and they were bad corporate citizens. I do not want to defend major oil companies here tonight. On many occasions I have criticized the activities of these corporations in dealing with service station operators and the like. To some extent they are monopolistic. However, they are corporate citizens of this country. Gulf Canada in particular has a fairly large refinery in my constituency.

That corporation is a good corporate citizen in Mississauga. It allows its employees time off at full pay to run scouting ventures and other community activities. It contributes to the tax base of Mississauga. It tries to keep a clean ship and it is a good corporate citizen. But what does this minister say about the company? He says it is an American company run by an American president, and that it would not obey the "non-law". When, in the history of this country, has disobeying the edict of a government that has no authority and has not requested the authority from this House been to act as a bad corporate citizen?

● (2210)

Here we have a purported price freeze when in fact there is no price freeze. Here we have a company told that they are bad boys because they did not obey a law that does not exist. What kind of newspeak have we arrived at here? Here we have a government that says, "You have done wrong because we say you did wrong. Not because parliament said you did wrong, not because there is a law that says you disobeyed it, but because we in our wisdom say you have done wrong." According to press reports, the NDP has suggested that if the price freeze does not extend beyond March 31 it will vote against the government. Through you, Sir, I would like to tell the members of the NDP tonight that there is no price freeze anyway, and they can vote against the government right now and not be out of court on that score.

The government has used blackmail pressure against a corporation that is paying taxes in this country, that has obeyed every other law of this country, and has slandered that company and its president in this House where it is not subject to any of the laws of slander. The government has tried to enforce rules that do not exist and has indicated to the country that there is a freeze on petroleum prices when there is no freeze. It has not brought forth legislation. It has acted in a most irresponsible way.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, on September 4 the Prime Minister (Mr. Trudeau) announced in the House that the oil industry would be asked to refrain from further increases to Canadian consumers before January 30, 1974. On the basis of this voluntary program there has been a good response from industry and to date there has in fact been no need for a legislative base for the program. The government started out with the concept of a voluntary program, which has operated well and there is no need to consider empowering legislation for the term of the program as now envisaged. As the Prime Minister said today in the House: "We had obtained agreement from the major petroleum companies to accept a voluntary freeze until that date. This is the undertaking I gave and this is the undertaking which I believe they intend respecting."

I would further draw the hon. member's attention to the comments of the Prime Minister this afternoon concerning the lifting of the freeze and government policy attendant thereto. The Prime Minister indicated that members of the House "should be in a position to know the government policy related thereto in some detail and assess for themselves, perhaps in advance of February 1, what the effect might be."

I would just add, Mr. Speaker, that the objection which I understand the minister had to the action of Gulf Canada in advancing prices at the time it did was not that it was forbidden by law to do it, but that it had agreed with the Government of Canada that it would not do so; and it was precisely the breaking of an agreement with the Government of Canada, and not the breaking of a law, which well merited the condemnation of the minister.

CANADIAN BROADCASTING CORPORATION—ACCELERATED COVERAGE PLAN—DATE OF IMPLEMENTATION

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, on October 24, 1973, I asked the Secretary of State (Mr. Faulkner) about the five-year accelerated coverage plan the objective of which is to bring radio and television coverage to all unserved communities in Canada with populations of 500 or more, and whether this plan had been submitted to the cabinet for consideration and approval. He indicated to me that it had not been submitted to the cabinet for approval.

I should like to state that people in the north have had aspirations for television-radio coverage for many years. Politicians have been making them promises for years—politicians from both the old-line parties who happen to have been in power for years. I might also point out that on December 4, 1972, I received a letter from the CBC and I quote one paragraph from it:

> A number of improvements are envisaged in our future plans for the constituency of Meadow Lake. We plan to establish television rebroadcasting transmitters at Leoville, Green Lake, Dorintosh, Goodsoil, Beauval, Michel and La Loche. In future development of radio service, transmitters at Beauval, Buffalo Narrows and La Loche are envisaged. As all of these projects and hundreds of others across Canada are part of a master plan yet to be submitted to the government for final approval, we cannot yet be specific about the exact time at which they will be activated.

Several months later, in March of 1973 to be exact, I brought up this matter again and the minister, in a memo to me, indicated as follows:

> The corporation has just recently finalized its five-year accelerated coverage plan whose aim is to bring radio and television coverage in the required language to all unserved communities in Canada with a population of 500 or more. The plan will be reviewed by the CBC board of directors at its forthcoming meet-

ing on March 26. If approved as presented, the plan will then be submitted to the Secretary of State.

Apparently the CBC has its plan finalized and it has been submitted to the Secretary of State, but I was wondering what the delay is in submitting it to cabinet and getting final approval on this project. One of the most obvious needs of northern Saskatchewan is radio and television service. At present, the only radio transmitter in northern Saskatchewan is a 40-watt relay station at Uranium City which broadcasts programs from the CBC northern service station in Yellowknife. Low-power television transmitters are operational in La Ronge, from CBC Saskatoon via microwave, and Uranium City from CBC Vancouver via satellite. Now the station in Uranium City is experiencing a great deal of problems as well, in that originally they were getting only programs from Vancouver and now they are getting programs from Vancouver and Halifax and other places in Canada, and in some cases programs have been repeated as many as three times a day.

Except for these two limited facilities, residents have either no service at all or poor and erratic reception of stations, often from other provinces or from outside of Canada. Owing to this situation, I am concerned that the Canadian Broadcasting Corporation has not sought licensing approval to extend radio and television service to other northern areas in Saskatchewan.

The CBC has presented an extended coverage plan to the federal cabinet to provide their services to unserviced communities of 500 population or more over a five-year period, and as yet the federal cabinet is holding back on its approval and I feel that the time has come to approve it immediately. Broadcasting facilities at some of the points I mentioned earlier in my speech would do much to overcome the lack of media service now available. There are other unserviced communities meeting the criteria of "500 population" that have not been included in the CBC listing.

Delays in receiving approval of the extended coverage plan have apparently not stalled service extensions in other northern regions. At least five communities in northern Manitoba are scheduled to receive television service this year. New radio and television transmitters are also operational or under way in northern Alberta, the Northwest Territories and the Yukon. I applaud these extensions but believe that immediate consideration of the needs of northern Saskatchewan must also be made by the CBC.

Population figures would suggest that some smaller centres in other northern regions have been given priority over Saskatchewan communities. There are several northern Saskatchewan communities with populations of at least 1,000 lacking reliable radio reception and no television service at all: for example, Stanley Mission, with a population of 1,000; Ile à la Crosse-Beauval, with a population of 1,800; Portage La Loche, population 1,800; Buffalo Narrows, population 1,300; La Ronge, population 2,800. The extension of television service to La Ronge this summer was much appreciated, but the community's radio reception remains very poor.

In view of the fact that attempts are being made to develop northern Saskatchewan economically, I consider that the extension of radio and television service must proceed with urgency. I believe that in addition to providing news, entertainment and educational programming, electronic media can contribute in developing community awareness, interest and action necessary to facilitate meaningful northern progress. Ideally, it is hoped that the CBC plans for Saskatchewan might include establishment of a radio program centre in the north somewhat similar to that provided in locations such as Frobisher Bay, Inuvik or Churchill. Such a station could feed transmitters throughout northern Saskatchewan and would provide a worth-while blend of national, regional and local programming.

It should be indicated that the government of Saskatchewan is proceeding with the extension of microwave facilities in the north. Saskatchewan Telecommunications is completing service extensions to Buffalo Narrows and Wollaston Lake this year and will complete their program as far north as La Roche and Uranium City in 1974.

● (2220)

The distribution mechanism for radio and television signals is therefore available to service CBC transmitters, and now all the CBC has to do is co-operate with the government of Saskatchewan to use the facilities already there. I understand that the government of Saskatchewan is anxious to co-operate in any way possible to expedite CBC extension to northern Saskatchewan. I sincerely hope that the minister will expedite this program, which is an excellent one, as quickly as possible.

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): Mr. Speaker, first I should like to congratulate the previous speaker for his excellent remarks and especially for the very moderate way in which he made his important representations, which I shall naturally transmit to the minister.

I should also like to thank him for allowing me to say that I share his interest in the accelerated program which I hope will soon be implemented. Unfortunately, certain strategic areas of the country still lack the French or English radio and television stations which could reflect throughout the provinces the cultures of which Canada is rightfully proud.

I believe that one of the main purposes of the CBC is to work for a greater unity of all Canadians and I am completely in favour of this rather far-reaching program.

I believe that I should explain to my hon. friend that while we may agree about the principle of the project, it is extremely important that we should determine its terms and conditions. The case which he has just explained gives further evidence that these terms and conditions often are quite complex. We must therefore make sure that the program is just and that its budget is correctly estimated.

I can assure my hon. friend that the Secretary of State and myself are giving particular attention to this program. I can even assure him that an important step was made

not so long ago, that intensive discussions are still going on with the CBC, and that we may hope that the project will be submitted very shortly so that it be adopted as soon as possible, since like my hon. friend, I consider its implementation as being a matter of high priority.

The Acting Speaker (Mr. Boulanger): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.26 p.m.

HOUSE OF COMMONS

Wednesday, November 21, 1973

The House met at 2 p.m.

[*English*]

ROUTINE PROCEEDINGS

EXTERNAL AFFAIRS

WATER DIVERSION PROJECT IN NORTH DAKOTA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. In view of the fact that Canada, through a diplomatic note to the United States, urgently requests the United States to establish a moratorium on all further construction on the North Dakota project known as the Garrison Diversion Unit until Ottawa is assured "that Canadian rights and interests have been fully protected" under the Boundary Waters Treaty, I move, seconded by the hon. member for Meadow Lake (Mr. Nesdoly):

That the House of Commons approves and supports in principle the diplomatic note defending Canadian rights and interests under the Boundary Waters Treaty in order to avoid the needless polluting of two major Canadian river systems.

Mr. Speaker: The hon. member's motion is proposed under the terms of Standing Order 43 and requires unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

AIR TRANSPORT

AIRLINE PROCEDURES AND EMPLOYEES' WORKING CONDITIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity having regard to a comprehensive brief presented to members of parliament by the Canadian Airline Employees Association containing such references as "airline procedures sometimes seem to disregard reality entirely" and "working conditions have been so bad at times that the staff have threatened to leave the premises". I move, seconded by the hon. member for Portage (Mr. Masniuk):

That this brief be presented to the Standing Committee on Transport and Communications for review.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Mr. Baldwin: Mr. Speaker, I rise on a point of order to point out that the parliamentary secretary is not saying no from his own seat.

Mr. Reid: I am just leading the chorus.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—CONSTITUENCY ALLOCATION OF GRANTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I have a motion under Standing Order 43. In order to ensure that future local initiatives grant distribution is closely related to economic need, I move, seconded by the hon. member for Selkirk (Mr. Rowland):

That for 1974 a new system of constituency allocations be established based on the classification of federal constituencies as (a) affluent, (b) average or (c) needy, with each of the three categories assigned a different per capita amount.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*Translation*]

CRIMINAL CODE

ABORTION—POSITION OF GOVERNMENT ON VERDICT IN MORGENTALER CASE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. René Matte (Champlain): Mr. Speaker, under Standing Order 43, I request the unanimous consent of the House to discuss a matter of urgent and pressing necessity.

Since the decision rendered in Dr. Morgentaler's case runs counter to the Criminal Code and that it somewhat puts the stamp of approval on the abortion on request principle, I move, seconded by the hon. member for Charlevoix (Mr. Caouette):

Small Loans Act

That this House instruct the Department of Justice to second by the approriate means the appeal made by the Crown in this case as in the case of the Minister of Indian Affairs and the Indians respecting James Bay, in order to avoid the inevitable abuses that will be derived from the sanction of the principle of abortion on demand.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

FOOD PRICES

REVIEW BOARD SURVEY OF RETAIL STORE PRACTICES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I ask leave of the House under the provisions of Standing Order 43 to put a motion on a matter of urgent and pressing necessity. Considering that the survey of retail food stores published today by the Food Prices Review Board reveals widespread evidence of questionable and illegal food retailing practices which lead to higher consumer food costs, and in view of the government's repeated assurances that it would act upon recommendations of this board, I therefore move, seconded by the hon. member for Vancouver Kingsway (Mrs. MacInnis):

That this House instruct the government to take immediate steps to implement the board's recommendations to correct this situation.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

● (1410)

[*Translation*]

SMALL LOANS ACT

AMENDMENTS RESPECTING DEFINITION OF "LOAN" AND INTEREST RATES

Mr. Réal Caouette (Témiscamingue) moved for leave to introduce a Bill intituled "An Act to amend the Small Loans Act."

Some hon. Members: Explain.

[Mr. Matte.]

Mr. Caouette (Témiscamingue): Mr. Speaker, the sole purpose of this legislation is to protect small borrowers against sharks.

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

* * *

[*English*]

MOTOR VEHICLE AND FARM IMPLEMENT PARTS BILL

MEASURE TO ENSURE SUPPLY OF PARTS FOR PERIOD OF TEN YEARS

Mr. Elias Nesdoly (Meadow Lake) moved for leave to introduce Bill C-231, respecting the guarantee of supply of parts for motor vehicles and farm implements imported into Canada or sent or conveyed from one province to another.

Some hon. Members: Explain.

Mr. Nesdoly: Mr. Speaker, the purpose of this bill is to make certain that anyone who buys a motor vehicle or farm implement which is manufactured in Canada and conveyed from one province to another, or anyone who buys a motor vehicle, farm tractor or other farm implement which is imported into Canada, shall be guaranteed a supply of parts for a period of ten years. In this way farm tractors and farm implements in particular may not have to remain idle while the farmer loses money and waits an indeterminable length of time for a part to arrive from abroad or from some distant part of Canada.

Mr. Speaker: Order, please. I think the hon. member has indicated the purpose of the bill.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

DEPARTMENT OF SUPPLY AND SERVICES—EXPENDITURES BY PROVINCE

Question No. 2,351—**Mr. Bawden:**

How much did the Department of Supply and Services spend, by province, in each of the past five years (excluding salary expenditures) and for each of the first six months in 1973?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The figures in Appendix "A" attached refer to contracts placed for government departments and agencies, not expenditures made. They only relate to the year in which contracts were placed and not to the year or years in which the work was performed or expenditures made. They often account for the location of the administrative

office of a contracting company when the work or service was actually performed or rendered at another location. The figures cover only DSS contracts and do not include contracting by other government departments or agencies under delegation by DSS. The Department of Supply and Services was established on April 1, 1969.

Appendix "A"

Geographic Distribution of
The Department of Supply and Services Contracting

Provinces	Fiscal Years 1969/70 Value	1970/71 Value	1971/72[a] Value	1972/73[b] Value	April-June 1973 Value
	$000	$000	$000	$000	$000
Atlantic Region	33,978	48,324	73,863	76,125	17,533
Newfoundland	2,327	4,262	6,091	6,980	1,522
Prince Edward Island	168	136	316	2,028	87
Nova Scotia	22,136	31,736	49,244	53,013	10,770
New Brunswick	9,347	12,190	18,212	14,104	5,154
Quebec	380,807	274,672	307,295	336,698	90,124
Ontario	305,365	327,132	471,369	519,422	180,714
Prairie Region	54,528	84,607	93,481	107,993	28,693
Manitoba	23,879	52,488	38,315	55,978	15,184
Saskatchewan	5,412	8,169	10,261	10,197	3,047
Alberta	25,237	23,950	44,905	41,818	10,462
British Columbia	23,706	29,795	35,394	44,752	13,434
Yukon and North West Territories	690	1,053	1,204	1,405	886
Total Canada	799,074	765,583	982,606	1,086,395	331,384

[a]Revised. On March 7, 1973, *Hansard* page 1980, a reply was tabled to question No. 142. The above figures are final amounts which were not available at the time the answer to question 142 was tabled.

[b]Preliminary. These are the present available figures. Complete information has not been received and therefore these amounts will be revised at a later date.

DEPARTMENT OF EXTERNAL AFFAIRS—BUDGET FOR GOODS AND SERVICES

Question No. 2,611—**Mr. Forrestall:**

For each fiscal year since 1963, what has been the dollar amount and the percentage of the total budget of the Department of External Affairs spent for goods and services in all forms and manners (a) inside Canada (b) outside Canada?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The department's accounting system is such that expenditures are not recorded in terms of the locations where expenditures are made. The department therefore cannot answer the question.

Order Paper Questions

NATIONAL HARBOURS BOARD—EXPENDITURES OUTSIDE CANADA

Question No. 2,615—**Mr. Forrestall:**

1. Does the National Harbours Board spend funds for the purpose of promoting use of Canadian ports outside of Canada and, if so, how much has been spent in each of the past ten years and in what way specifically was the money spent?

2. Are joint promotional programs entered into with individual port commissions or authorities and, if so, at what cost and with which ones during the past five years?

Hon. Jean Marchand (Minister of Transport): The National Harbours Board has spent the following amounts in promoting use of Canadian ports outside Canada through advertising and travelling expenses of senior personnel in visits to marine terminal and shipping establishments, and meetings with major industries and traffic supervisors whose decisions affect the stability of Canadian port operations. The effort is not designed to sell one port as opposed to another but to provide the total picture of available shipping alternatives to the shipper or customer.

Year	Advertising $	Travel $	Total Expenditure $
1963	197	1,108	1,305
1964	197	413	610
1965	198	1,502	1,700
1966	208	1,715	1,923
1967	209	178	387
1968	216	1,768	1,984
1969	295	1,491	1,786
1970	282	2,158	2,440
1971	300	6,814	7,114
1972	517	2,413	2,930

2. Joint promotional programs have been entered into with the Saint John Port and Industrial Commission over the past five years whose total annual budget from the city of Saint John is in excess of $100,000. The National Harbours Board share of such costs were as follows: 1967, $1,500; 1968, $1,500; 1969, $3,000; 1970, $3,000; 1971, $3,000; 1972, $3,459; total $15,459.

OIL AND GAS EXPLORATION THROUGH SEISMIC TESTING

Question No. 2,626—**Mr. Orlikow:**

1. How many requests were received by the Department of Indian Affairs and Northern Development in the past 12 months for the right to begin the development of oil and natural gas exploration through seismic testing or actual drilling?

2. (a) How many of these requests received approval from the department (b) where are those approved located?

3. (a) Were the local communities advised of these requests (b) were they asked for their views as to the projects (c) if they were opposed to any of these projects, what were the reasons for approving the go ahead despite this opposition?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): In the 12-month period preceding July 31, 1973: 1. Seismic Programs, 107; Drilling Authorities Issued 96.

2. (a) 201.

Order Paper Questions

(b) Seismic Programs		Wells and Structure Test Holes
Southern Yukon	2	0
Northern Yukon	4	2
Southern Northwest Territories	6	8
Norman Wells	4	10
Peel Plateau	15	11
Delta and Tuk	24	24
Offshore-Delta	10	1
Arctic Islands	35	39
Davis Strait	6	0

3. (a) Communities that could be affected by land use operations (seismic and drilling) were advised of the particulars of the applications received for land use permits. (b) Yes. (c) In two cases a land use permit for seismic work was withheld because of local concern about possible environmental damage that could have an adverse effect on the hunting and trapping economy of residents. The one area was Cape Bathurst near Tuktoyaktuk, Northwest Territories and the other Old Crow Flats, near the community of Old Crow in the Yukon Territory. The objections raised in two other cases were evaluated but were not found to justify withholding development and the permits were therefore issued. The areas involved were near the communities of Fort Norman and Grise Fiord. In the case of Fort Norman the objections raised were based on land settlement claims; at Grise Fiord the objection was the risk of deleterious effects on its local hunting economy. After a formal study of the animal population it was concluded that the risk of damage was very slight and a permit was issued however with stipulations made to further reduce the risk of any adverse effect on the hunting economy of Grise Fiord. About 10 per cent of all land use permits issued have constraining stipulations designed to lessen the potential adverse effects on people living off the land. These stipulations are drawn up as a result of discussions with communities.

DND SERVICE PAY ALLOTMENT CHEQUES

Question No. 2,636—**Mr. Forrestall:**

1. What steps have been taken by the Department of National Defence and the Department of Supply and Services to avoid a repetition of the high incidence of cheques to wives of CAF personnel in the sea element for Service Pay Allotment being received on the last day of the month as was the case in August 1973?

2. What date is set as a target date for such cheques being actually received by such wives of CAF personnel on a predictable and regular basis?

3. Has this date been altered in the past ten years and, if so, on what date and for what reason?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. The Department of National Defence Queen's Regulations and Orders and Canadian Forces Procedures Manual provide for monthly allotment payments and that pay be issued at the middle of the month and at the end of the month. For many years the established practice has been that the monthly allotment cheques to servicemen's dependents be mailed by the Department of Supply and Services so that they are received at the end of the month. By arrangement, cheques to servicemen's dependents are delivered to the Post Office Department in Ottawa six banking days prior to the end of the month for delivery in all parts of the country by the last day of the month. This procedure was followed in August, 1973.

2. The target date set to deliver cheques to the Post Office Department is six banking days prior to the end of the month.

3. Target date has not been altered in the past ten years.

REFUSAL OF CLAIM FOR MEDICAL EXPENSES BY MR. ALVIN CHULY

Question No. 2,655—**Mr. Reynolds:**

1. Did the Treasury Board refuse a claim for medical expenses by Mr. Alvin Chuly and, if so (a) for what reasons (b) how long had Mr. Chuly contributed to the Employees Insurance Fund (c) was the illness contacted prior to taking out insurance?

2. Does the reason for denying his medical claim also apply as a condition for benefits under the Death Benefit Plan?

Hon. C. M. Drury (President of the Treasury Board): 1. Mr. Chuly made a claim for a monthly income-replacement benefit under the Disability Insurance Plan. This claim was rejected, not by the Treasury Board, but by the Sun Life Assurance Company of Canada, the Underwriters of the Plan. The case was referred to a public service advisory committee which has been set up to review and advise on disputed cases. The appeal was not supported by the Committee. (a) This Plan does not pay benefits for any disability related to a condition which existed at the time the member became insured unless he afterwards completes a 13-week period of active employment without absences or medical consultation related to his condition, or unless he has been insured for one year when he becomes disabled. (b) Mr. Chuly had been a contributing member for one month and 13 days when he ceased work because of his condition. (c) Yes, according to the weight of medical evidence provided by his attending physicians and the hospitals where he received treatment.

2. No; benefits are payable under the Supplementary Death Benefit Plan in the event of a contributor's death, without regard to the cause.

ALLOCATION OF LIP FUNDS TO PROVINCES FOR 1973-74

Question No. 2,688—**Mr. Dick:**

How much of the $83 million allocated to the 1973-74 Local Initiatives Program will be made available to (a) British Columbia (b) Alberta (c) Saskatchewan (d) Manitoba (e) Ontario (f) Quebec (g) New Brunswich (h) Prince Edward Island (i) Nova Scotia (j) Newfoundland (k) Northwest Territories (l) Yukon?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): (a) British Columbia, $9,096,000; (b) Alberta, $3,635,000; (c) Saskatchewan, $2,326,000; (d) Manitoba, $2,981,000; (e) Ontario, $11,527,000; (f) Quebec, $27,408,000; (g) New Brunswick, $5,016,000; (h) Prince Edward Island, $945,000; (i) Nova Scotia, $4,580,000; (j) Newfoundland, $4,507,000; (k) Northwest Territories, $509,000; (l) Yukon, $291,000.

LIP—GRANTS TO P-P JANITORIAL SERVICES, VERDUN, QUEBEC

Question No. 2,797—**Mr. Cossitt:**

1. Has a total of $444,532 been given in the form of LIP grants to P-P Janitorial Services of Verdun, Quebec since 1971?

2. Was $111,126.00 given in the form of an extension to October 12, 1973?

3. Has the project been closed down recently and, if so, for what reason?

4. Has this project been under investigation recently by the Department of Manpower and Immigration?

5. Has the RCMP made any investigations whatsoever in regard to this project, the grants in question and P-P Janitorial Services and, if so (a) who requested this investigation (b) on what date was it requested (c) what were the reasons for the investigation (d) what were the results of the investigation (e) are any charges contemplated or pending?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. The following sums were paid out: for the 1971-72 program: $157,930; for the 1972-73 initial contract: $152,110; and for the 1972-73 extension, as of October 31, 1973: $110,566.

2. An extension of $111,126 was approved. Of this amount, $110,566 had been paid out as at October 31, 1973.

3. Yes. The contract had expired.

4. No.

5. No. (a),(b),(c),(d),(e), not applicable.

RECIPIENTS OF GRANTS UNDER DEVELOPMENT OF MANAGEMENT COURSES PROGRAM

Question No. 2,809—**Mr. Rodriguez:**

What were the names of the recipients of grants under the Development of Management Courses Program (DMC), in each of the fiscal years 1972-73 (January 5, 1973 to end) and 1973-74 to date and what were the amounts in each case?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Since inception of the program in 1972, the following contributions have been approved to associations, under the Development of Management Courses program: The Society of Industrial Accountants of Canada, $50,000; Mechanical Contractors Association Ontario, $29,250; Mechanical Contractors Association— Toronto, $21,000; Ontario General Contractors Association, $17,250; Montreal Dress and Sportswear Manufacturers' Guild, $5,000; Canadian Institute of Management, $19,650; Canadian Securities Institute, $18,750; Retail Council of Canada, $24,000; Atlantic Building Supply Dealers Association, $13,000; Canadian Industrial Communications Assembly, $18,956; Ontario Road Builders' Association, $7,538; Canadian Flexible Packaging Institute, $17,500; Automotive Industries Association, $11,250; The Royal Architectural Institute of Canada, $13,838; The Manitoba Hotel Association, $20,050; Purchasing Management Association of Canada, $18,188; Canadian Restaurant Association, Ontario Region, $9,000; Housing and Urban Development Association of Canada, $12,047; Total, $326,267. In the 1972-73 fiscal year the following actual payments were made, both of them after January 5, 1973. Montreal Dress and Sportswear Manufacturers' Guild, $4,500; Canadian Securities Institute $7,125; Total, $11,625. In the 1973-74 fiscal year, up to and including October 23, 1973, the following payments have been made: Montreal Dress and Sportswear Manufacturers' Guild, $500.00; The Society of Industrial Accountants of Canada, $6,122.00; Ontario Road Builders' Association, $5,062.50; Canadian Institute of Management, $2,897.74; Canadian Industrial Communications Assembly, $9,202.52; Ontario General Contractors Association, $1,125.00; Total, $24,909.76.

HARBOUR MAINTENANCE COSTS—ELECTORAL DISTRICT OF GREY-SIMCOE

Question No. 2,826—**Mr. Mitges:**

How much money was spent for maintenance and repairs of harbours in the electoral district of Grey-Simcoe for 1969, 1970, 1971, 1972 and to October 1, 1973?

Hon. Jean-Eudes Dubé (Minister of Public Works): Department of Public Works expenditures for maintenance and repairs of harbours in the electoral district of Grey-Simcoe, by fiscal year, from 1969 to 1973 have been as follows: 1969-70, $3,711.80; 1970-71, $9,787; 1971-72, $22,214; 1972-73, $80; 1973-74 (to October 1) $27,486.57. The higher total for 1971-72 was occasioned by a major project; $12,950 for breakwater repairs and access road at Collingwood. Similarly, the higher expenditure for the period to October 1 in 1973-74 results from disbursements of $26,050 in connection with north breakwater repairs at Meaford. The figures mentioned herein do not include amounts expended by the Department of Public Works on behalf of other departments (OGD Projects).

GRANTS UNDER PHARMACEUTICAL INDUSTRY DEVELOPMENT ASSISTANCE PROGRAM

Question No. 2,833—**Mr. Knight:**

1. What were the names of corporations receiving loans and grants under the Pharmaceutical Industry Development Assistance Program (PIDA) in each fiscal year 1968-69 to 1973-74 to date?

2. In each case, what amounts of loan and grant money were involved and what terms and interest rates were applicable?

3. Has the department conducted any evaluative study of the program and, if so, what was the date of the latest report?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. The names of specific firms and the amount of assistance applied for cannot be released to preserve the commercial confidentiality assured each applicant.

2. As of October 25, 1973, 26 applications for assistance under the Pharmaceutical Industry Development Assistance Program have been received since April 3, 1968 and the following loans approved:

Year	No. of Loans	Value $
1968/69	1	196,500
1969/70	1	100,000
1970/71	2	505,850
1971/72	2	670,000
1972/73	3	560,000
1973/74	1	350,000
		2,382,350

In all cases, the term was 10 years, and interest rates ranged from 7½ per cent to 9 per cent.

3. The program is under continuous evaluation and review.

AIR TRANSPORT, NEWFOUNDLAND-UNITED STATES

Question No. 2,844—**Mr. Marshall:**

1. In the past year, how many Newfoundland passengers were destined to the United States via Air Canada and Eastern Provincial Airways?

2. In the negotiations between Canada and the United States on an agreement on new air routes, was any consideration given to establishing direct routing between the Province of Newfoundland and the United States?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission and Aviation Statistics Centre report as follows: 1. Total air passenger journeys: 16,305 Newfoundland-U.S.A., 15,115 U.S.A.-Newfoundland.

2. Yes. Origin and destination traffic was examined to determine which point pairs in Canada and the U.S.A. would generate sufficient traffic to support a direct service. However, traffic volume was insufficient to justify a direct service from points in Newfoundland to points in the U.S.A. and it was considered that it would be better for service from Newfoundland to operate via other points in Canada to points in the U.S.A. In the present Air Agreement the United States has route 15 United States-Gander-Europe and beyond, and they have designated carriers to serve the route. No carrier operates the service, however, because of insufficient traffic.

BUILDING EQUIPMENT ACCESSORIES AND MATERIALS PROGRAM

Question No. 2,976—**Mr. Broadbent:**

1. What were the names of the corporations which received cash awards for design improvements, research, development and innovation under the Building Equipment, Accessories and Material Program (BEAM) in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72, 1972-73 and 1973-74 to date and, in each case, what were the amounts of money committed and paid?

2. Have there been any changes in the specific objectives of the program since its inception and, if so, what were these changes?

3. What was the date of the latest evaluative study of the program conducted by the department?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. No corporation has received a cash award for design improvement, research, development or innovation under the Building Equipment Accessories and Materials Program.

2. There have been no changes in the objectives of the program which is to increase productivity and efficiency in the Canadian construction industry.

[Mr. Breau.]

3. The program is under continuous review.

WOOD ISLANDS-CARIBOU FERRY SERVICE

Question No. 3,056—**Mr. MacLean:**

Is it the intention of the government to provide a fourth ferry at an early date to help accommodate the tremendous increase in traffic in the Wood Islands-Caribou Ferry Service and thus provide an emergency economic lifeline to the province of Prince Edward Island, if for any reason the Borden-Cape Tormentine Ferry Service is not functioning?

Hon. Jean Marchand (Minister of Transport): A study is under way into the ferry transportation needs of Prince Edward Island and this will enable the government to determine whether a fourth vessel is required on the Wood Islands-Caribou service. In the meantime, the three vessels now operating on the Caribou-Wood Islands service are capable of providing an economic lifeline with the mainland during periods when service between Cape Tormentine and Borden is disrupted.

BORDEN-CAPE TORMENTINE FERRY SERVICE

Question No. 3,057—**Mr. MacLean:**

1. Is a new vessel for the ferry service operating between Borden, Prince Edward Island and Cape Tormentine, New Brunswick in the planning stage or in some more advanced stage and, if so, will it be a rail-carrying, icebreaking ferry with full capacity for carrying automobiles, trucks and handling railway cars all year around?

2. Is it the intention of the government to extend the length of the *Vacationland* and the *Holiday Island* operating on the Borden-Cape Tormentine Ferry Service in order to increase their automobile-carrying capacity?

Hon. Jean Marchand (Minister of Transport): 1. A study of transportation needs between Prince Edward Island and the mainland is in progress and among the terms of reference is the consideration of additional vessel requirements. At this time, it is not possible to state whether additional or replacement vessels will have rail-carrying facilities, but this fact will be determined in the course of the transportation study.

2. The question of lengthening the *Vacationland* and the *Holiday Island* will be considered in the course of the Prince Edward Island transportation study. In the meantime, the technical aspects of such lengthening are being examined and consultants are investigating certain problem areas.

WOOD ISLANDS-CARIBOU FERRY SERVICE—IMPROVEMENT TO DOCK FACILITIES

Question No. 3,058—**Mr. MacLean:**

What action is the government taking to improve the dock facilities at Caribou, Nova Scotia which are vital to the efficient handling of the rapidly increasing traffic volume on the Wood Islands-Caribou Ferry Service?

Hon. Jean Marchand (Minister of Transport): At the request of the Minister of Transport, the Department of Public Works is preparing detailed designs which would provide for construction of a second ferry slip at Caribou and reconstruction of the existing slip. These improve-

ments would provide for efficient handling of any foreseeable increases in traffic on the Wood Islands-Caribou Ferry Service.

*CBC—ABSENCES FROM CANADA OF PRESIDENT AND VICE-PRESIDENT

Question No. 3,067—**Mr. Reilly:**

1. In the 12-month period ended September 30, 1973, how many days have (a) the President (b) the Vice-President of the Canadian Broadcasting Corporation spent outside Canada?

2. What purposes have been served by the various absences of each of these officers from Canada?

3. What is the total of the expenses incurred by (a) the President (b) the Vice-President of the Corporation for trips outside Canada taken during the 12-month period ended September 30, 1973?

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. (a) 22 days; (b) 23 days.

2. As a member of the board of directors of Telesat Canada, the CBC President attended Telesat board meetings held in the U.S. in conjunction with the launching of the Anik I and II satellites. He also met with officials of U.S. networks and European broadcasting organizations and attended the general assembly of European Broadcasting Union. The Executive Vice-President attended meetings at experimental broadcasting centres in several European cities, represented the CBC on the occasion of the 50th anniversary of the BBC, and visited the Eastman Kodak film processing facilities in Rochester, N.Y.

3. It has not been customary to require the CBC to disclose such details of its internal management and administration.

PROVINCE HOUSE—CHARLOTTETOWN, PEI

Question No. 3,077—**Mr. Macquarrie:**

1. As a result of agreements signed in Charlottetown on October 26 last, what is the nature and extent of the commitments made by the government towards the maintenance and restoration of Province House, Charlottetown?

2. What is the estimated amount of expenditure involved?

3. Does the agreement provide that those persons employed in Province House are employees of the government?

4. Would such employees have the right to strike and peacefully to picket the premises if legally strike bound?

5. Will the government pay the expenses for maintaining the Chamber of the Legislature of Prince Edward Island, including its employees?

6. Does the government own, in any other provinces, the building in which the provincial legislature holds its sessions?

7. Has any department or official of the government knowledge of any legislative body anywhere in the world which holds its sessions in a building which is the property of a government in or of another jurisdiction?

8. For what reason or reasons did the government assume ownership and control of the meeting place of the Legislature of the province of Prince Edward Island?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. The document signed on October 26 last was not an agreement but rather a Memorandum of Intent undertaking to enter into an agreement effective April 1, 1974.

2, 3, 4 and 5. Because the final agreement has yet to be negotiated, it is not possible to provide responses at this time.

6. No.

7. Information not available.

8. The government has not assumed ownership and control of the meeting place of the Legislature of the province of Prince Edward Island.

GRANT TO UNIVERSITY OF WESTERN ONTARIO RELATING TO LANGUAGE STUDY

Question No. 3,087—**Mr. Cossitt:**

1. Did the Secretary of State announce on October 30, 1973 a grant of $125,000 to the Department of Psychology at the University of Western Ontario for the purpose of financing a nation-wide study on attitudes and motivation associated with learning French as a second language?

2. Does the Secretary of State plan to announce a grant of $125,000 to the Department of Psychology of any Canadian university to finance a nation-wide study on attitudes and motivation associated with learning English as a second language and (a) if so, on what date will this grant be announced (b) if not, for what reason?

Hon. James Hugh Faulkner (Secretary of State): 1. Yes; press release of October 30, 1973.

2. The Secretary of State has not received any requests to date for financial assistance to conduct research on attitudes and motivation in the study of English as a second language. The Secretary of State, under the program to promote bilingualism in education does not commission research projects, but rather, is authorized to award grants to groups or individuals submitting research projects on the teaching or learning of the official languages.

VALUE OF IMPORTS FROM CUBA

Question No. 3,091—**Mr. Cossitt:**

What was the total value in dollars of imports to Canada from Cuba for the last year for which figures are available?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Total Canadian imports from Cuba amounted to $11,076,000 in the calendar year 1972.

COMMERCIAL AIR SERVICE BETWEEN CANADA AND CUBA

Question No. 3,092—**Mr. Cossitt:**

Has the government made any assessment of the need for commercial air service between Canada and Cuba and (a) if so, with what result (b) if not, is the government prepared to make such an assessment and to consider opening negotiations with Cuba for such a service if deemed advisable?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The need for a regular commercial air service between Canada and Cuba has been assessed on different occasions in the past. It was found that in view of the limited traffic charter services could fulfil most of the

existing needs. The matter, however, is being kept under review.

VALUE OF CANADIAN EXPORTS TO CUBA

Question No. 3,094—**Mr. Cossitt:**

What was the total value in dollars of exports from Canada to Cuba during the last year for which figures are available?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Total Canadian exports to Cuba amounted to $58,943,000 in the calendar year 1972.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

LIP APPLICATIONS

Question No. 1,279—**Mr. Rowland:**

1. By federal constituency, for the yar 1973, what is (a) the number of LIP applications received (b) the number of LIP applications approved (c) the number of jobs created by approved projects (d) the total amount of money involved in approved projects?

2. Which constituencies lie within, or have within their boundaries, designated or special areas?

Return tabled.

CARS PROVIDED FOR USE OF CANADIAN EMBASSIES

Question No. 2,213—**Mr. Stackhouse:**

1. How many cars were provided for the use of Canadian embassies and other foreign missions during (a) 1970 (b) 1971 (c) 1972?

2. How many of these cars were purchased for prices ranging (a) from $5,000 to $6,999 (b) from $7,000 to $10,000 (c) in excess of $10,000?

3. What was the total cost of maintaining and operating these cars during (a) 1970 (b) 1971 (c) 1972?

4. How many drivers for them were hired during (a) 1970 (b) 1971 (c) 1972?

5. How much was paid for rental of cars used by embassies and other foreign missions during (a) 1970 (b) 1971 (c) 1972?

Return tabled.

LIP—GRANTS TO CONSTITUENCIES OF HIGH UNEMPLOYMENT

Question No. 2,689—**Mr. Dick:**

Has the Minister of Manpower and Immigration announced that proportionately more money will be made available from the Local Initiatives Program to constituencies of high unemployment and, if so (a) what is the formula to be used (b) in what constituencies is high unemployment so designated to exist (c) what amount is earmarked for each constituency?

[Mr. Sharp.]

Return tabled.

TORONTO INTERNATIONAL AIRPORT—TERMINAL 2

Question No. 2,740—**Mr. Blenkarn:**

1. Who was the architect who designed and supervised the construction of Terminal 2 at Toronto International Airport?

2. Who was the Deputy Minister of Transport at the time the design for Terminal 2 was accepted by the Department of Transport?

3. Who were the senior officers in the Department of Transport, at the time the design for Terminal 2 was accepted?

4. Who was the contractor and what was the original tender price for the execution of the the original tendered contract for the construction of Terminal 2?

5. What was the final cost price paid for work done to date at Toronto International Airport by the Department of Transport, or by the Department of Public Works?

6. Who prepared designs for the proposed extension of Terminal 2 and what is the anticipated cost of the proposed extension to the facility in Terminal 2?

7. What rent is Air Canada paying for Terminal 2 and what is the term of the Air Canada lease?

8. What are the total rents collected from all other airlines at Terminal 1 at Toronto International Airport?

9. (a) What alterations and repairs were required to Terminal 2 that had to be made before Air Canada was able to occupy the space (b) who paid for these alterations, repairs and changes (c) what was the total cost of the alterations, repairs and changes?

Return tabled.

PARKS CANADA—SUMMER STUDENT EMPLOYMENT

Question No. 2,796—**Mr. Clark (Rocky Mountain):**

What was (a) the name (b) the place of normal residence (c) the educational institution attended by each summer student employed by Parks Canada for the summer of 1973?

Return tabled.

CONTRACTS AWARDED TO ACTON RUBBER LTD. AND ACTON SHOE CO. LTD., 1970-73

Question No. 2,801—**Mr. Rondeau:**

1. In each fiscal year 1970 to 1973 inclusive, how many contracts were awarded to (a) Acton Rubber Ltd., Acton-Vale, Quebec (b) Acton Shoe Co. Ltd., Acton-Vale, Quebec?

2. On what dates were they awarded and what was the amount involved in each case?

Return tabled.

FASHION DESIGN ASSISTANCE PROGRAM—MONEYS SPENT 1970 TO DATE

Question No. 2,814—**Mr. Rodriguez:**

1. What are the total amounts which have been spent under the Fashion Design Assistance Program in each of the fiscal years 1970-71 to 1973-74 to date?

2. Of these amounts, how much has been spent each year on (a) Designer Development (b) Fashion/Canada (c) administration (d) other?

3. What are the names of recipients benefitting under the scholarship, grant or other provisions of this program?

4. Has the department conducted any evaluative study of the program and, if so, what was the date of the latest report?

Return tabled.

PROSPECTORS ASSISTANCE PROGRAM RECIPIENTS

Question No. 2,834—**Mr. Firth:**

1. What were the names of recipients benefitting from the Prospectors Assistance Program (PAP), in each of the fiscal years 1972-73 and 1973-74 to date and what were the amounts of money involved in each case?

2. Has the department conducted any evaluative study of the program and, if so, what was the date of the latest report?

Return tabled.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 261 is acceptable to the government.

[*Translation*]

Mr. Speaker: Is it the pleasure of the House that motion No. 261 be deemed to have been adopted?

Some hon. Members: Agreed.

Mr. Speaker: Shall the remaining notices of motions stand?

Some hon. Members: Agreed.

[*English*]

COPY OF CORRESPONDENCE RELATING TO DISPOSAL OF PROPERTIES OF E. B. EDDY COMPANY

Motion No. 261—**Mr. Isabelle:**

That an Order of the House do issue for a copy of all telegrams, correspondence or other documents exchanged between the E. B. Eddy Company or the Weston Company and the National Capital Commission, as well as the Minister responsible for the NCC concerning the disposal of the remaining properties of the E. B. Eddy Company in Hull and the intentions of said Company to relocate its plant in the immediate vicinity of Hull.

Motion agreed to.

Mr. Speaker: Shall the remaining notices of motions stand?

Some hon. Members: Agreed.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

MEASURES TO CONTROL INFLATION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. Given the report just made public by an economist that the rate of inflation in Canada, which was the fifteenth in the world for the period 1970-72, in the last three months has increased so much that Canada has a faster rate of inflation now than only two other countries in the world, Greece and Japan, may we expect the government and the Minister of Finance to bring forward measures to deal with inflation before Christmas so that this terrible problem in the Canadian economy may be dealt with?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think the hon. member is being selective in his statistics. If he will look at the longer term he will see that our record compares favourably with the other industrial countries of the world.

Mr. Gillies: Every economist in Canada is predicting that the inflation rate will continue next year. The energy policy guarantees it will continue next year. We now have a faster rate of inflation than any country except Greece and Japan.

Mr. Speaker: Order, please. The hon. member for St. John's East.

Mr. Gillies: May I finish my question, Mr. Speaker?

Mr. Speaker: Order, please. The hon. member did not give me the impression he was going to ask a question. I thought he was making remarks. That is why I intervened and recognized the hon. member for St. John's East. If the hon. member has a supplementary question, he will be recognized for that purpose.

Mr. Gillies: What is the government going to do about the runaway rate of inflation we have in Canada at the present time?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, when the main force of inflation happens to be an imbalance of supply and demand, as the hon. member has admitted on some occasions, then the ways to handle inflation in this country are to increase supply and moderate the impact of that inflation on incomes of Canadians, particularly those on low and fixed incomes.

FOOD PRICES—STEPS TO IMPLEMENT REVIEW BOARD RECOMMENDATIONS CONCERNING RETAIL STORES TO PROTECT CONSUMERS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct my supplementary question to the Minister of Consumer and Corporate Affairs. In view of the recommendations contained in the Food Prices Review Board report on retail food stores which was released today, what immediate steps are being taken to protect

Canadian Consumers from the abuses that are taking place in the market place as listed in the report?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, the government has acted in some of the areas touched on by the report through the amendments proposed in the bill I tabled in the House a week or two ago. In addition, I can inform the House that some charges were laid in Montreal late last week arising out of the government's study of field reports from the board and it is expected that further charges will be laid over the next couple of weeks. I have also asked that the recommendations of the board in other areas be studied very actively so we can consider what further appropriate action we can take on the recommendations at an early date.

Mr. McGrath: In view of the fact the board outlines the shortage of adequate inspection services to enforce existing laws such as the Weights and Measures Act, the Agricultural Products Standards Act and so on, what immediate steps is the minister taking to increase inspection capability in the field to ensure that the existing laws of his department are properly enforced?

Mr. Gray: Mr. Speaker, I will ask the hon. member to support the passage of my supplementary estimates.

Mr. Speaker: The hon. member for Winnipeg North Centre.

Mr. McGrath: Mr. Speaker, I rise on a point of order. I apologize for doing so, but the minister's answer cannot go unchallenged. The supplementary estimates of the minister now before the committee have nothing whatsoever to do with the fact that he has been negligent in his duties as Minister of Consumer Affairs.

* * *

● (1420)

VETERANS AFFAIRS

LAND ACT REGULATIONS RESPECTING ACQUISITION OF SMALL HOLDINGS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. In view of the unanimous decision reached by the House on November 9 asking the minister to give urgent consideration to possible changes with respect to the Veterans Land Act so that veterans applying for loans, even if mainly for the purpose of solving their housing needs, might get assistance, may I ask the hon. gentleman whether he has completed this consideration and whether he is yet in a position to report thereon to the House?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): No, Mr. Speaker, I have not yet completed my consideration of this matter.

REQUEST THAT DEADLINE FOR APPLICATIONS UNDER LAND ACT BE EXTENDED

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question to the same minister. In view of the fact the deadline for applications by veterans for holdings is March 1, 1974, about three months hence, can the minister advise the House what he intends to do for the 125,000 veterans who are still waiting and who will be denied their rights because of the absence of amendments to the regulations?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): I am not sure the hon. member is correct in saying these applicants will be denied the privilege of building. I think applications by most of these people will be entertained.

Mr. Marshall: Suppose the 125,000 veterans were to apply today. Could the department cope with the applications?

Mr. Speaker: The hon. member's supplementary is obviously hypothetical.

* * *

[*Translation*]

BILINGUALISM

REQUEST FOR BILINGUAL PERSONNEL ON CANADIAN NATIONAL OTTAWA-MONTREAL TRAINS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, in the absence of the Minister of Transport, I should like to direct a question to the right hon. Prime Minister.

Last Tuesday I used the Canadian National services to go to Montreal and I noted that on the 12:55 train, the conductor and the rest of the train personnel spoke only English. Will the government take some action so that both official languages may be spoken on the Canadian National trains, at least on itineraries such as between Ottawa and Montreal?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I shall inquire into the facts mentioned by the hon. member and discuss the matter with the Minister of Transport. For the moment, I wish simply to add that after the decision by Parliament several months ago to support the language policy of the government, I have personally written not only to all deputy ministers but also to the heads of Crown corporations such as the Canadian National in order to request that they apply the bilingualism policy. I shall therefore inquire to see what is the truth of the matter.

If I may say so, our policy would obviously be stronger if we had obtained the support of the Social Credit Party of Canada on this point.

Mr. Caouette (Témiscamingue): Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: Order. The hon. member for Témiscamingue is rising on a question of privilege.

Mr. Caouette (Témiscamingue): Mr. Speaker, earlier, after my question, the right hon. Prime Minister suggested that my party had not supported the government when the bilingualism resolution was introduced. I think the Prime Minister is a man of intellectual honesty and I would draw his attention to the fact that if we did not support the government then, it was not because we were against the two official languages, but because we felt the resolution was not going far enough. So much so, Mr. Speaker, that last Tuesday I myself realized how inefficient it is within the Canadian National.

[*English*]

Mr. Frank Howard (Skeena): May I direct a supplementary question to the Prime Minister. Will he move with the same speed and alacrity with respect to the fact that Canadian National Railways is not supplying sufficient boxcars to move British Columbia lumber?

* * *

THE CANADIAN ECONOMY

INFLATION—POSSIBILITY OF INCENTIVES TO INCREASE PRODUCTION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question to the Minister of Finance supplementary to the question asked by the hon. member for Don Valley. The minister quite rightly replied to that question by saying that inflation will only be brought under control if national production is greatly increased. I ask the minister whether he has plans to introduce production incentives in the near future to bring about this necessary increase in national production?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, it just so happens that the Department of Industry, Trade and Commerce published today the intentions for business expenditures which will run in 1974 21 per cent over the level for this year, which was 15 per cent over that of 1972. The incentives that the government has introduced already are having this effect.

Some hon. Members: Hear, hear!

Mr. Hees: Mr. Speaker, since that is the kind of answer that has been leading the country into the mess it is in today, again I ask the minister, does he intend to introduce production incentives to bring about this necessary increase in production? A statement like he has made will do nothing to bring about that end.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a supplementary question for the Minister of Finance. On what evidence does the minister base his opinion that the rapid decline in the stock markets in Canada and the United States is an over-reaction to the energy crisis?

Mr. Turner (Ottawa-Carleton): That was a matter of opinion, Mr. Speaker.

Oral Questions

ENERGY

SUGGESTED BRINGING OF PIPELINES UP TO STANDARD TO TRANSPORT OIL TO QUEBEC

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Prime Minister a question dealing with the energy crisis. In light of the fact that tankers are leaving Vancouver with Alberta crude and sailing through the Panama Canal, would the Prime Minister take the lead and see to it that transportation facilities, particularly pipelines to Montreal, are brought up to standard so that oil that is transported to Ontario can be transported to Quebec in the same manner?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member is pointing out areas where we have taken the lead and where we will continue to take the lead.

Mr. Woolliams: I wonder whether the Prime Minister would enlighten the House. The Prime Minister says that he has taken the lead, but our pipelines are totally inadequate to transport crude petroleum to Montreal. At the moment it has to be transported around almost all of North America. Would the Prime Minister give an undertaking to the country that our pipelines will be brought up to standard so a sufficient supply will be delivered to the province of Quebec?

Mr. Trudeau: Mr. Speaker, I think the hon. member is indulging in a bit of hindsight. It is true that certain pipeline facilities do not exist, but this is a result of the Ottawa Valley line policy which was introduced by a Conservative government many years ago.

* * *

PENITENTIARIES

PRINCE ALBERT—TREATMENT OF INMATES IN SEGREGATED AREAS—REQUEST FOR INVESTIGATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, that last gratuitous remark is not what I rose to speak about but it indicates that the Prime Minister still forgets—

Mr. Speaker: Order, please. The right hon. gentleman has been recognized for the purpose of asking a question.

Mr. Diefenbaker: Mr. Speaker, I would ask the Solicitor General about the situation in Prince Albert penitentiary, where inmates in the segregated areas are locked up in their cells for all but half an hour a day, are given mattresses for their beds only at night, and where in two of the three ranges of cells there are no electric lights. As Mr. Harridence, a great supporter of the government, has said, they are caged like animals. I ask the Solicitor General whether he will have an independent investigation made into these allegations, which are clearly established, to the end that these conditions shall not be permitted to continue, for there is the basic reason for the recent outbreak in that penitentiary.

● (1430)

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I must say I am surprised at the allegations. I have a report dated November 20, yesterday, which states that conditions are normal at the Prince Albert penitentiary, but I will certainly investigate these allegations and report to the hon. member as soon as possible.

Mr. Diefenbaker: Mr. Speaker, I thank the minister. The very intelligent prisoners recently engaged there in counterfeiting, realizing how inflation is using up the Canadian dollar, have restricted themselves to the production of $100 bills.

* * *

FOOD PRICES

REQUEST FOR COMMITMENT BY GOVERNMENT TO ACT ON REVIEW BOARD RECOMMENDATIONS

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In view of the fact that in establishing the Food Prices Review Board the minister then and consistently since has refused to give the board any powers to act itself, preferring rather to act on recommendations of the board, will the minister, now that the board has brought in specific recommendations, give the House a commitment today that the government will act upon these recommendations?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have already said to an hon. member of the Conservative party that in fact we have given that kind of commitment and we are studying the report very actively to see what further action we can take in light of the recommendations. Second, but equally important, we have indicated we are already taking action in some areas mentioned through the legislation introduced in the House just a week or two ago.

Mr. Hees: And on, and on, and on.

REQUEST FOR EARLY CONSIDERATION OF BILL AMENDING COMBINES INVESTIGATION ACT AND LEGISLATION TO BREAK UP CONCENTRATION IN INDUSTRIES

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I have a supplementary question. At least those of us on this side of the House are able to make a distinction between study and action.

Some hon. Members: Hear, hear!

Mr. Grier: In view of the board's recommendations, will the minister speed up second reading consideration of his amendments to the Combines Investigation Act and other legislation introduced recently and, further, will his department accelerate the consideration and introduction of legislation to break up the concentration in the food and other industries which is injurious to the consumer?

[Mr. Diefenbaker.]

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would be very happy to see second reading of the competition policy bill introduced a few days ago brought forward as soon as possible. I would also be happy to see further policy decisions taken in this area by the government and announced in the House.

Mr. Speaker: The hon. member will be recognized on a last supplementary, and then the Chair will recognize the hon. member for Hillsborough.

Mr. Grier: Thank you, Mr. Speaker. In view of the fact that the decision as to when second reading of this legislation will take place lies in the hands of the minister and his colleagues and not in the hands of the House, will the minister make representations to the government House leader to the effect that this legislation be proceeded with before Christmas?

Mr. Gray: Mr. Speaker, I have already been doing that and, with my hon. friend's support, perhaps we can continue the discussion on a different level.

* * *

HEALTH

REPORTED VIOLATION OF STANDARDS BY RETAIL FOOD STORES

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Having regard to the Food Prices Review Board survey teams' opinion that a surprising number of stores have violated health and cleanliness standards, what remedial and effective steps will the minister take to assure that health inspectors will check on these allegations, and do so right quickly?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I apologize for being slower than my hon. colleague. I have not read this report, but I will appear tomorrow before the committee and I will be glad to answer the questions of my colleagues.

* * *

[*English*]

FOOD PRICES

STEPS TO ENSURE RETAIL FOOD STORES WILL NOT RAISE PRICES OF ITEMS ALREADY ON SHELVES

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I should like to direct a question to the Minister of Consumer and Corporate Affairs. Having regard to the agreement made by Dominion, Food City, IGA, Canada Safeway and Woodwards that prices of any food items on store shelves, which prices had already been marked, would not be raised any more, and the fact that the survey found that none of these organizations had fully followed through on this agreement, what specific steps will the minister take to assure that retail stores will follow this decision and thus protect the consumer?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have already anticipated this point—

Some hon. Members: Hear, hear!

An hon. Member: What jail are they in?

Mr. Hees: He is alive.

Mr. Gray: —having placed in the competition policy bill the proposal that this practice be banned in the terms reflected by the bill, and my hon. friends will recognize that—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST THAT GRANTS BE MADE FOR CONSTRUCTION OF RETAINING WALLS ON ST. LAWRENCE RIVER

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the Minister of Public Works.

Considering that the minister has often answered members' questions in the House by saying that the present rules of his department concerning the maintenance and construction of retaining walls along the St. Lawrence do not allow him to give favourable answers to riparian residents' requests on this matter, has he recommended or will he recommend to his colleague, the Minister of Manpower and Immigration, the acceptance of LIP projects submitted in reference to maintenance or construction of retaining walls?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, I am convinced that my colleague, the Minister of Manpower and Immigration, has noted the suggestion of the hon. member. It will be his decision.

* * *

[*English*]

NATIONAL DEFENCE

JERICHO LANDS, VANCOUVER—INQUIRY AS TO ACCEPTANCE BY GOVERNMENT OF PAYMENT IN AMOUNT OFFERED BY CITY

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I have a question for the Minister of National Defence. Will he tell the House whether it is the government's intention to accept the cash offer of approximately $400,000 received from the city of Vancouver covering the property generally known as the remaining 38 acres of the Jericho defence lands in Vancouver and, if so, when will the transfer of the property be completed?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, these negotiations are continuing.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a supplementary question for the Minister of National Defence. Will the minister advise the House whether the government has reconsidered its earlier position that the city must pay for the land, or does the government now support the Conservative and opposition position that the land should be returned to the city of Vancouver for $1?

Mr. Richardson: Mr. Speaker, as I indicated in my reply to the first question, this subject is still under negotiation and the government's position is not being announced at this time.

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EXTERNAL AFFAIRS

HUMAN RIGHTS IN SOVIET UNION—SUGGESTION THAT GOVERNMENT RAISE QUESTION AT UNITED NATIONS

Mr. Barnett J. Danson (York North): Mr. Speaker, my question is for the Prime Minister. In view of the refusal of the Soviet Union to discuss the question of human rights involving individuals and groups within that country with the Secretary of State for External Affairs, will the government consider raising the question further in the United Nations as both Canada and the U.S.S.R. are adherents to the United Nations declaration on human rights, the twenty-fifth anniversary of which is on December 10?

Right Hon. P. E. Trudeau (Prime Minister): Before answering that question, Mr. Speaker, I would want to have a report from the Secretary of State for External Affairs on exactly what happened at the meeting at which he raised that subject, and I would want—

An hon. Member: We all want to hear it, too.

Mr. Trudeau: All right.

* * *

[*Translation*]

BROADCASTING

ADVERTISING DIRECTED TOWARD CHILDREN—REQUEST FOR RESTRICTION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs.

Can we expect the minister to take immediate steps to restrict the excessive advertising aimed at children and parents before Christmas so as to comply with the wishes of all hon. members?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, the hon. member brings up an important question but I think the minister responsible is the Minister of Communications, since it is a matter of broadcasting.

[*English*]

PENSIONS

REQUEST FOR LEGISLATION TO ELIMINATE POSSIBLE CONFLICT OF INTEREST ON PART OF PRIVATE PLAN DIRECTORS IN MAKING INVESTMENTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Finance of which I have given him notice. In view of the possibility that directors of private pension plans may be investing pension plan funds in ways which do not give the best possible return to those who have contributed to these funds because of conflict of interest on the part of directors, as illustrated by the recent purchase by the Canadian Pacific employees pension fund of almost 800,000 shares of Algoma Steel, I should like to ask whether the minister and his department are giving consideration to possible amendments to the Pension Benefits Standards Act which would eliminate any possible conflict of interest on the part of directors of private pension plans?

● (1440)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I want to thank the hon. gentleman for having given me notice of his question. I am informed that the three pension funds for employees of Canadian Pacific own a total of 394,000 shares in the Algoma Steel Corporation and that none of the pension funds have bought any such shares since September 24, 1971. This represents 3.4 per cent of the outstanding shares of the Algoma Steel Corporation. I am also informed there are no purchases or sales of any shares between the pension funds and any of the Canadian Pacific Companies, so there does not appear to be any conflict with the regulations under the Pension Benefits Standards Act. We are reviewing the regulations, however, to see whether any improvements can be made.

Mr. Frank Howard (Skeena): Mr. Speaker, in the survey or study that the minister is going to undertake, will he make an examination of the Canadian National Railways pension fund to see that the board of directors of that corporation is not misusing the pension funds by directing the investments of that fund to the ends of the CNR at low interest rates?

* * *

[*Later:*]

[*Translation*]

BROADCASTING

ADVERTISING DIRECTED TOWARD CHILDREN—REQUEST FOR RESTRICTION

Mr. Speaker: Does the hon. member for Saint-Hyacinthe wish to put a supplementary question?

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to put to the Minister of Communications the question I asked a while ago to the Minister of Consumer and Corporate Affairs, to wit whether we can expect the minister to take immediate steps to restrict the excessive advertising aimed at children and parents before Christmas so as to comply with the wishes of all members.

[Mr. Gray.]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, in my opinion the member for Saint-Hyacinthe is badly or inadequately informed as regards radio and television. I had the opportunity to say in the House—and this created an incident with another member—that the CRTC had encouraged radio and television broadcasters to agree on a self-imposed code. The CRTC opted for that voluntary solution because the passage of formal regulations would have taken too much time for any effect to be felt during the Christmas season.

[*English*]

RECOMMENDATION THAT TELEVISION ADVERTISING DIRECTED EXCLUSIVELY TO CHILDREN BE PROHIBITED—GOVERNMENT POSITION

Mr. James A. McGrath (St. John's West): Mr. Speaker, may I ask the minister what he proposes to do about the unanimous recommendation made by the House that the CRTC immediately bring in regulations to prohibit advertising directed exclusively to children on television?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I made a very detailed study of this report and I think that the hon. member should do the same, for on the points he has just raised the report is contradictory, recommending now the establishment of a code, now new regulations, now the complete abolition of publicity, and now the preservation of private stations interests, which are perfectly incompatible objectives.

* * *

[*English*]

IMMIGRATION

CIRCUMSTANCES IN WHICH STAGE B OF SECURITY CHECK NOT ABSOLUTELY NECESSARY UNDER RECENT ADJUSTMENT ASSISTANCE PROGRAM

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In light of the minister's recent statement that there are circumstances in the recent amnesty period in which the stage B performance of the RCMP security check is not absolutely necessary for granting of landed immigrant status, will the minister tell the House what these special circumstances are?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, there are really three stages to the judgment whether a person should or should not be landed under that program. The first was under the relaxed criteria which is simply a judgment whether the person under consideration would fit into Canadian society in terms of employment. The second was the requirement of a health and medical examination which took a little longer but is being conducted in every case. The third was a background inquiry as to the person's record in terms of criminal and other matters. All those investigations will go forward on all people who applied. In the meantime they sign an attestation declaring their position with regard to any criminal record. If it turns out in subsequent

investigations that the information given was not correct, then the law will be applied.

Mr. Beattie (Hamilton Mountain): Can the minister inform the House as to the need for urgency in granting landed immigrant status when these applicants had been in the country almost a year or more and had to be flushed out of hiding?

Mr. Andras: Mr. Speaker, approximately 36 million tourists come to Canada every year. With these, and Canadians leaving Canada and coming back there are about 76 million border crossings each year. There is no way in the world any bureaucratic system could or should be set up to examine every one of those in such detail—

Mr. Speaker: Order, please. The hon. member rises on a point of order.

Mr. Beattie (Hamilton Mountain): Mr. Speaker, the minister is completely confusing the issue. I am not referring to visitors going back and forth across our borders every year. I am referring to the 50,000 people who declared themselves during the recent 60-day amnesty period—

Mr. Speaker: Order, please. That is hardly a point of order.

* * *

CANADIAN BROADCASTING CORPORATION

DISPUTE WITH WIRE SERVICE GUILD EMPLOYEES— POSITION OF NEGOTIATIONS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Secretary of State in the absence of the Minister of Labour in respect of the dispute between the Canadian Broadcasting Corporation and the Canadian Wire Service Guild. Can the minister inform the House how negotiations are coming along and, particularly, why the CBC in effect refused the conciliation commissioner's report on October 5, which was a new procedure implemented by the Minister of Labour, when the union and the CBC negotiator accepted the report? Could the minister bring the House up to date in this regard?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I do not want to comment on the substance of the negotiations because the collective bargaining process is being carried on. The dispute is presently being mediated by Mr. Charles Poirier of the Department of Labour and I am hopeful that it will be resolved shortly.

Mr. Alexander: Mr. Speaker, I do not believe the minister is up to date. Be that as it may, he still did not answer my question why the conciliation commissioner's report was not accepted by the CBC. I shall ask that again, but to bring the minister up to date it is my understanding that mediation proceedings have completely broken down and that the mediator—

Mr. Speaker: Order, please. The hon. member should ask a question. I think he will recognize that he should not at this point attempt to convey information either to the House or to the minister but should seek information by way of a question.

Mr. Alexander: Thank you, Mr. Speaker. I just thought I would lay a little groundwork for the minister. Can the minister now advise the House what further steps are being taken by himself or by his colleague in order to see that negotiations are continued and that this dispute is handled amicably in such a way that we can expect a very early settlement?

Mr. Faulkner: Mr. Speaker, I will not comment on future steps but I will certainly make sure that objective is met.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I have a supplementary question. Since there has already been one work stoppage, does the Secretary of State intend to use the prestige of his office to encourage CBC management to abandon its present intransigence so another costly strike such as the one in respect of NABET can be avoided?

Mr. Faulkner: No, Mr. Speaker.

Mr. Speaker: The hon. member will be recognized for a last supplementary, following which I will recognize the hon. member for Cape Breton-East Richmond.

Mr. Rose: Mr. Speaker, I should like to direct my question to the Parliamentary Secretary to the Minister of Labour or perhaps to the minister replying on behalf of the Minister of Labour. In spite of the excellent work of the commission and the co-operation by the Canadian Wire Service Guild and as the differences between the guild and the CBC have not been resolved yet, since the new commissioner concept has failed in respect of a Crown corporation, what steps does the Department of Labour or the minister intend to take to enhance the success of this system—

Mr. Speaker: Order, please.

* * *

THE MINISTRY

DIRECTION OF DEPARTMENTS BY MINISTERS

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Prime Minister. Now that a public statement has been made by a Liberal member of the House and Privy Councillor to the effect that some cabinet ministers run their departments and others are prisoners of their departments, will the Prime Minister take steps to ensure that cabinet ministers representing the people in this parliament will run their departments?

● (1450)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we will try to do a little better in this regard than the Conservative opposition obviously is doing with so

many of its members, because it obviously has the wrong policies.

Mr. Speaker: Order, please. I am not sure what will be served by that kind of question and exchange.

* * *

HEALTH

SHORTAGE OF PITUITARY HORMONE

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. In view of the extreme shortage of pituitary glands—

Some hon. Members: Oh, oh!

Mr. Nowlan: In the cabinet.

Mr. Rynard: —and the number of patients now going without treatment, which can be tragic, particularly for children, would the minister look into this to see if, by pituitary banks or other means, this treatment could be made available and shortages avoided?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the federal government, through the Medical Research Council, is supporting research and development in this area. I am advised that the supply of this hormone is very limited. Since it takes about 100 pituitary glands to produce the necessary hormone for one treatment, it would appear that there will need to be concentrated effort by provincial governments and hospital administrators in particular with regard to services available in this respect in order to have a sufficient supply.

* * *

INDIAN AFFAIRS

REQUEST FOR ASSURANCE BY MINISTER THAT LAND CLAIMS OF JAMES BAY NATIVES WILL BE RECOGNIZED IN NEGOTIATIONS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development. Will the minister assure the House that in negotiations with the native people of James Bay he will recognize their land claims based on aboriginal rights, and that he will resist attempts to have a quick cash settlement substituted?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Indians of James Bay enjoy more than a simple definition of their native rights, for their rights have been specified in the treaty of 1912. In the present negotiations, we want to maximize the social and economic benefits of the Indians and try to reach an agreement as soon as possible, for the Indians are not systematically opposed to the development of James Bay.

[*English*]

Miss MacDonald (Kingston and the Islands): Will the minister give his assurance that there will not be a repeat performance of the discussions which occurred yesterday when attempts were made to force the native people of James Bay into a quick cash settlement rather than negotiate their land claims?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I do not accept the allegation made by the hon. member. I have met with the Indians, as is my duty; we had long discussions yesterday and we have made progress. I think that I have always shown my interest in protecting the rights of Indians and in finding satisfactory solutions to their problems.

[*English*]

NEGOTIATIONS WITH YUKON NATIVE BROTHERHOOD—REASON FOR SUSPENSION

Mr. Erik Nielsen (Yukon): Mr. Speaker, I wish to direct a supplementary question to the Minister of Indian Affairs and Northern Development with respect to the negotiations which were scheduled to have been carried on last Friday with the Yukon Native Brotherhood but which were delayed as the result of the delay of his own official in getting to the negotiations. Can he tell the House why those negotiations were suspended and whether or not the reason for the suspension of the negotiations last Saturday was in order to enable the brotherhood to consider an offer made by the federal government?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the negotiations on the dispute in the Yukon were interrupted because the officials representing me made a proposition on the status of the Indian in the Yukon. The chiefs representing the Indians then asked to consult with their members before making a decision. It is as simple as that.

[*English*]

Mr. Nielsen: Can the minister inform the House whether any offer was made by the federal negotiating team with respect to either cash or land, or a combination of both, to the Indian side?

[*Translation*]

Mr. Chrétien: No, Mr. Speaker, the negotiations have not reached that point yet.

* * *

[*English*]

TRANSPORT

SHORTAGE OF RAILWAY FREIGHT CARS—SUGGESTED AMENDMENT OF CNR FINANCING BILL TO PROVIDE FUNDS TO PURCHASE ROLLING STOCK

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a question to the Minister of Finance relating to a matter that has been raised repeatedly in this session and for a number of decades. In view of the chronic shortage of railway rolling stock to move a variety of products, lumber, livestock, potatoes, grain and so forth,

and in view of the fact that the CNR financing bill is presently before the transport committee, would the minister consider bringing in amendments to that bill to provide for additional capitalization for the purchase of rolling stock required to move Canadian products on Canadian National Railways?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I can certainly discuss that with my colleagues, but I would wonder whether that would be beyond the scope of the current measures in the financing bill.

Mr. Benjamin: Mr. Speaker, in view of the absence of the Minister of Transport and the busyness of the Prime Minister I will direct my supplementary question also to the Minister of Finance. Since the CNR financing bill already has provisions in it for the purchase of railway rolling stock his answer is incorrect—

Some hon. Members: Oh, oh!

Mr. Hees: Misleading the House.

Mr. Benjamin: —but will he and the Minister of Transport prevail on Canadian Pacific, in view of the fact it has ample capital to finance high rise buildings, shopping centres and other activities—

Mr. Speaker: Order, please. I suggest to the hon. member that is argument, not a question. We are running short of time. The hon. member has had a question and has attempted to ask a supplementary. Perhaps he might ask his supplementary quickly, and then I will try to see two or three more members before the end of the question period.

Mr. Benjamin: Thank you, Mr. Speaker. Would the Minister of Finance and the Minister of Transport prevail upon the Canadian Pacific Railway to place a higher priority on capital allocation for the purchase of rolling stock than for its other operations?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I believe that is a representation, and it will be noted.

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FISHERIES

REQUEST THAT NEW LICENSING POLICY FOR EAST COAST FISHERMEN BE REFERRED TO STANDING COMMITTEE

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, may I ask the government House leader a question relating to the licensing program announced last week by the Minister of Fisheries. If he has not already done so, can he give us the assurance that this program will be referred to the Standing Committee on Fisheries and Forestry and, if so, say when it will be referred?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I have not given final consideration to this suggestion but, aside from the importance of the subject, there are quite a number of committees meeting at the moment and I am very hesitant at the present time to add to the work load of any of the committees. It is in that light that the decision will be made.

Mr. Lundrigan: Mr. Speaker, I guessed what the answer would be. There is no reference before that committee yet. May I ask the Minister of Fisheries whether—

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): Will you believe him?

Mr. Lundrigan: —if in view of the fact that the program does have very sweeping implications for the people of the Atlantic region in particular, he would be prepared to hold the program in abeyance until it does have a proper hearing before the fisheries committee and subsequently, hopefully, it does have proper public hearing?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, there is no intention of modifying the salmon licensing program as announced and put into effect two years ago, but I would be very happy to discuss this matter or answer any questions in committee if the hon. member wants to attend.

Mr. Lundrigan: Mr. Speaker, I want to get my question cleared up.

Mr. Speaker: Order, please. I will recognize the hon. member for a supplementary question, but we have reached the end of the question period.

Mr. Lundrigan: With regard to the program announced last Wednesday, with specific reference to licensing of fishermen, boats and gear and the like, would the minister be prepared to hold that program over until we have a chance to have public and committee hearings?

Mr. Davis: No, Mr. Speaker.

Mr. Lundrigan: That was the question.

* * *

● (1500)

EXTERNAL AFFAIRS

GARRISON DAM DIVERSION, NORTH DAKOTA—GOVERNMENT ACTION TO REMOVE THREAT TO BOUNDARY WATERS—POSSIBLE REFERENCE TO INTERNATIONAL JOINT COMMISSION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of the Environment. In view of the Canadian government's request for a temporary halt to the Garrison dam diversion project and the consequent serious degradation of the waters of the Red and Souris Rivers flowing into Manitoba, what other steps is the minister taking to remove this threat to communities along these vital boundary waters?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, as the hon. member knows, a submission has been made through the appropriate channels to the government of the United States in this connection. We have yet to hear from Washington officially in this regard.

Mr. Dinsdale: Because the downstream damage violates the Boundary Waters Treaty, is the International Joint Commission seized of the issue and, if not, will the minister refer this matter to this agency which is charged with the responsibility of resolving boundary disputes?

Mr. Davis: Mr. Speaker, the International Joint Commission is watching this situation carefully.

Mr. Speaker: Orders of the day.

Mr. Peters: Mr. Speaker, I rise on a point of order. I noticed a number of members rising, as I did myself on several occasions today, and I wish to protest, Mr. Speaker, against the practice of recognizing people on the official lists. Each member of the House is, if I understand correctly, equal under the Standing Orders. The parties are separated for certain purposes under several sections of the Standing Orders, but one of them is not the question period. I suggest, Mr. Speaker, that the use of these lists is both dishonest and unfair to you. I suggest that each member should be given recognition. I did not continue to rise and I do not intend to, Mr. Speaker, but I noticed, for instance, that the hon. member for Brome-Missisquoi did and was not recognized. The hon. member says he was not on the list. Mr. Speaker, that is the point.

It may be that in your discretion you are willing to accept a number of people on the list as well as a number of people not on the list, but these questions by members on the list are questions being asked collectively by parties in the House through the research people who are being provided by the House.

Some hon. Members: Oh, oh!

Mr. Peters: These questions must be causing you some concern, Mr. Speaker, because they are long, they have a preamble and they are not necessarily shortening the question period to allow other members to participate.

I am aware that a committee is seized of this matter and I have had, on occasion, the opportunity to sit on that committee. However, on behalf of many members, Mr. Speaker, I protest the importance that the lists are receiving and the impossibility of the individual member, even though he rises only occasionally, gaining recognition. The less often you rise the less likely you are to be recognized. I think this is unfair to many members of the House, and I would ask Your Honour to give less consideration to the lists and more consideration to your own inclination.

Some hon. Members: Hear, hear!

Mr. Bell: Mr. Speaker, I should like to speak on this same point of order. I do not want to prolong the matter because it is being considered elsewhere. I hope the hon. member used the plural, "lists", because there is not just one list.

Mr. Turner (Ottawa-Carleton): On the same point of order, Mr. Speaker, if the allegation of the hon. gentleman is correct I wonder if the rules of the House should not require that these written questions and lists of questions, upon which members of the opposition are relying, be produced.

Some hon. Members: Hear, hear!

[Mr. Davis.]

Mr. Fairweather: What about the answers?

Mr. Trudeau: Alternatively, Mr. Speaker, if the questioners are genuinely seeking answers, perhaps they might extend to us the courtesy that we do to them by giving us the questions in advance in order that we can prepare answers.

An hon. Member: Like questions on the order paper.

Mr. Speaker: Order, please. I see at least six hon. members who would like to take part in this debate. Order please. May we have order, please. I bring to the attention of hon. members that this is a matter which has been referred to a committee. It is before the committee now, so I see no point in having a debate on the subject at the present time.

The point made by the hon. member for Timiskaming originally is a valid one in the sense that the Chair should not be expected to be bound in any way by suggested questioners. Hon. members know that when a list is submitted to the Chair it is very seldom that the Chair follows it strictly. I think today is a very good example of the situation. But I have personally found it helpful for the different parties to suggest to me who might be recognized first or second or if there is priority. This may be wrong, but I think it facilitates the task of the Chair. If it is the feeling of the committee that this system should be abandoned, and that such suggestions should not be made to the Chair because they are improper, I would, of course, discontinue this practice which has been followed in previous years and has not worked too badly.

Mr. Hellyer: On the point of order raised by the Prime Minister—

Mr. Speaker: Order, please.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I would not want to miss this opportunity to repeat the same protest I often make, namely that it is true that there may exist lists within certain parties; it might be because there is little discipline or too few members stand up in those parties but the fact remains that the abuse in the question period lies in the great number of supplementaries. I think that the problem stems much more from that level than from the lists with respect to the discipline of a party.

The situation would be much improved if all parties stopped abusing supplementaries.

It seems to me, Mr. Speaker, that you are the best voice in Parliament to convey that request to the committee and that should be put on the order of the day of the committee so a way can be found to curb the abuse of supplementaries and allow all hon. members to voice their views.

As to the hon. member for Timiskaming (Mr. Peters), if he were in a party where there is no party discipline but where the member counts he would not have the problems he has now.

[*English*]

Mr. Hellyer: Mr. Speaker, the Prime Minister suggested that it would facilitate matters if we gave notice of some of the questions. On July 19, I put 12 easy questions on the

order paper asking for simple information, none of which have been answered yet. Under the circumstances one wonders how it facilitates matters to give notice. This government is hopelessly inadequate—

Some hon. Members: Hear, hear!

Mr. Hees: Let's have an answer to that one.

Mr. Trudeau: Mr. Speaker, I heard the hon. parliamentary secretary to the House leader indicate just a few days ago that the percentage of questions on the order paper which had been answered was in the area of 85 per cent. I would think that if hon. members opposite wanted to institute the practice which is followed in Great Britain of submitting questions to a ministry for oral answer in the House of Commons, and if they were looking for information rather than some cheap publicity—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. May I appeal to hon. members. Order, please. My original thought was that we should not discuss under a point of order a matter which is before a committee. The hon. member for Trinity persisted in pursuing the matter, the Prime Minister spoke a second time on the same point of order and now the hon. member wants to do the same thing. It seems to me that we are certainly not going to solve any difficulty by this kind of debate.

Mr. Hees: On a point of order, Mr. Speaker, the Prime Minister has a duty to members—

Some hon. Members: Oh, oh!

Mr. Hees: —I ask him to withdraw—

Mr. Speaker: Order, please. Order, please.

Mr. Trudeau: I think the hon. member has just given an example of seeking cheap publicity.

Mr. Horner (Crowfoot): What about your motorcycle days?

Mr. Trudeau: Did you ever drive a car? Are you looking for publicity?

● (1510)

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I, personally, would be happy to accept the Prime Minister's recommendation that members should provide written questions in advance. I would accept it on the basis that he provide me with the list of the ministers who are responsible for each department.

Some hon. Members: Oh, oh!

Mr. MacInnis (Cape Breton-East Richmond): Former privy councillors have made public statements to the effect that many ministers are run by their departments.

Mr. Trudeau: Mr. Speaker, I think we have something going. Unless that last suggestion is going to be—

Mr. Speaker: Order, please! I have some doubts as to whether the Prime Minister should speak again on the point of order which was raised by the hon. member for Timiskaming. It is the same point of order which was discussed a few minutes ago and for members to speak more than once on the same point of order is irregular, I think. I suggest to hon. members once again that perhaps it might be better if we left the consideration of any difficulty which relates to the question period to the committee which has been charged with this responsibility.

Mr. Hees: Simon Fraser, here he comes. Goodbye, Pierre.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

FOREIGN INVESTMENT REVIEW BILL

PROVISIONS RESPECTING ACQUISITIONS OF CONTROL OF CANADIAN BUSINESS ENTERPRISES AND ESTABLISHMENT OF NEW BUSINESSES

The House resumed, from Tuesday, November 20, consideration of the motion of Mr. Gillespie that Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, be read the third time and do pass.

Mr. Ross Whicher (Bruce): Mr. Speaker, I had not intended speaking on this important bill until I heard a couple of the speeches made last night by members of the NDP, and the outstanding speech made by the hon. member for Crowfoot (Mr. Horner).

The speech made by the hon. member for Crowfoot was completely at variance with the speeches made by our socialist friends. Their speeches were speeches of gloom and doom. They suggested that because of the activities of multinational corporations, of big business and of people in private enterprise, the average Canadian is unhappy and economically bankrupt.

I feel that is the wrong impression which this House ought to leave with the citizens of Canada. I will be the first to admit that there are many things which should be rectified in our society. The fact remains, however, that the average Canadian today never had it so good.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Whicher: Yes, he never had it so good. A few weeks ago, on November 11, some of us attended at the cenotaph in remembrance of the thousands of Canadians who lost their lives in the battles of the two great wars. I wonder what would happen if those whom we honoured on that day could come back to Canada, look over the situation today and compared it with the situation existing when

they, unfortunately, lost their lives. Would they be happy, or not? Although there are many faults in our society, I suggest they would be extremely happy.

I remind my socialist friends that, no matter what they think of our society, when they return to Canada after having left it for a visit to another country, they are always glad. I remind them, those who live in this city, that when they get up in the morning and look out of their windows, they will see the finest housing available anywhere in the world.

Since Confederation, this country has been governed by the Liberal and Conservative parties, that is, by so-called free enterprisers. Let me say that it was not socialism which produced the finest housing in the world in this country; it was free enterprise.

An hon. Member: Tell that to the Indians.

Mr. Whicher: I could give many examples. It seems to me that the speeches of my socialist friends, and I advise all members to read them, were little else but condemnation of Canada and the citizens who live here. We have much to be proud of in Canada. Let me make this suggestion to my socialistic friends: if they can sing at all, let them go to some quiet room and sing, "O, Canada".

Some hon. Members: Hear, hear!

Mr. Whicher: That song is sung quite often in this country; it will be sung at the Grey Cup game, soon to take place. Its words are significant. I remind hon. members that we Canadians live in the finest country in the world. It has been made so, not by any socialist party, but by people who are willing to work, by businesses, big and small, and by those who are willing to invest their money in Canada.

In addition to seeing fine housing, you will see hundreds of thousands of cars if you live in Canada. You will see them in Montreal, Toronto, Vancouver and elsewhere. The cars are owned by the workers of this nation. They could buy them because of our system of government.

Mr. Hellyer: Ross, you are on the wrong side of the House.

Mr. Whicher: We have more refrigerators, more stoves and more amenities than almost any nation our size. Medical care is almost free for Canadian citizens across Canada. It seems to me, Mr. Speaker, that we should sing of the advantages of being a Canadian instead of constantly condemning this country, as some people do, pointing to some weak spots, minimizing what is good and emphasizing what is bad. We should not do that. Again I say, show me the socialist who, after visiting another nation, does not say, after crossing the border of Canada, "Thank God I am back in this private enterprise country!" Show me the socialist country which in any way compares with our great country, in which the average citizen enjoys such a high standard of living.

An hon. Member: How about Sweden?

Mr. Gilbert: Boy, you are going to be swept out of power.

Mr. Paproski: You are right on, Ross; carry on.

[Mr. Whicher.]

Mr. Whicher: Mr. Speaker, when the great architect of the universe created this earth, he gave Canada something special. I am sure that the people of Vancouver, and of British Columbia generally where much growth has taken place, are proud of the Rockies. I am sure the people of the Prairies are proud of the millions of acres of grain they can harvest. Some of the greatest grain crops in the world have been taken from that area. I, as a citizen of Ontario, am proud of Ontario. As a citizen of Ontario, of course, I have the right to think that perhaps Ontario is the finest place in the world. On the other hand, my friends from Quebec, with the great natural resources of that province and the things they have done, may think their province is the best. For example, some of us have been critical of the fact that the Olympics will be held in Montreal. Let me tell hon. members that it took Quebecers and the mayor of Montreal to bring the Olympics to that city. I do not blame them for being proud of that fact.

• (1520)

Then, we go to other areas in the Maritimes. When we look at beautiful Prince Edward Island, we must surely admit it is something special in this world. More than that and more than the Maritimes, western Ontario, Quebec and so on, when the Great Architect of the universe created this earth, he put into Canada people who were willing to work hard. Our forefathers were not looking for a 35 or 40 hour week. They were not looking for an old age pension of $200 a month or $20 a month for each child. They were only looking for the opportunity to work hard. They certainly did work hard to make this country what it is. In so doing, they were happy.

Much has been said about this bill, the terrible Americans and the fantastic amount of money they have invested in Canada. I listened to the leader of the New Democratic Party. He said there is no reason why we should have an energy crisis in Canada because we are lucky in having all the oil we need. Who could disagree with him? Of course, we are lucky. We are also mighty lucky the Americans invested hundreds of millions of dollars in western Canada. Otherwise, we would not have any oil in Canada.

Some hon. Members: Hear, hear!

Mr. Whicher: If a person is unwilling to face that fact, there is something wrong with him. What would be the advantage of building a pipeline from western Canada to Montreal if we did not have any oil to ship through it? Where would the oil come from if it were not for the American dollars that were used to drill for the oil 10 or 15 years ago?

A couple of years ago I had the opportunity to visit Sept Iles, Quebec. If I recall correctly, the wage earners of that community are the second highest paid in all of Canada. The people in Oakville are first. Twenty-five years ago there were perhaps six or seven shacks there. You could not really say anyone lived there. Today, Sept Iles is one of the most modern cities in Canada. Over 20,000 people live there. It has one of the highest standards of living in the world. One American laid out the town and developed the two mines that are there. Every single dollar that was spent was an American dollar. Every single labourer who

worked on that project was a Canadian, except the man at the top. They paid 100 per cent Canadian taxes. If the Americans had not come, there would still only be six or seven shacks in Sept Iles.

An hon. Member: There would be 50.

Mr. Whicher: That may be true. When I was a member of the Ontario legislature, I had the privilege of listening to a man whom I regard as the great Canadian, the Hon. Leslie Frost, who was then premier. He was speaking in an offhanded way. He said that in his opinion, there is not much difference between an American dollar bill and a Canadian dollar bill. He said if you go to the grocery store, you can buy just as many groceries with one as with the other. I will agree that things have certainly changed since the days of Leslie Frost.

There is no doubt that, as Canadians, we should have the control of our destiny and assets that are in Canada. On the other hand, we need the help and assistance of the United States and other foreign countries. We must be very thankful for the help we have received. I have the highest respect for my friends who are referred to as being "to the left" here in Canada. One thing is certain, they are sincere. They are sincerely wrong. Nevertheless, they are sincere and really believe that what they are doing is right.

The hon. member for Winnipeg North Centre (Mr. Knowles) is a man whom I really appreciate. He is a devoted, honest politician. When he was honoured for the length of time he has been a member of the House of Commons, he mentioned that when he came here there was no old age pension or, if there was, it was $20 on a means test. Today, it is substantially higher. I am in favour of old age pensions. I believe in assisting people who need assistance. However, you can only have the social security programs the country can afford. Somewhere along the line you must stop. What worries me about the hon. member for Winnipeg North Centre is now that the pension is $150 a month, he will want it to be increased to $200 a month. When it gets to $200 he will want it to go to $250. When it gets to $250, he will want $300.

I ask my socialistic friends, who made it possible to pay pensions at the level at which they now are? Who made it possible to give free medicare within reason across Canada? These things have been made possible through the development of this country by Canadian business and foreign business which invested here. It has been made possible by the individuals who pay the taxes. My friends to the left must remember that when pensions are increased substantially every year, the tax load goes up and up. They must remember that 85 per cent of the personal income tax that came from Canadians was paid by people who earned less than $15,000 a year.

In conclusion, I am glad this bill has been introduced by the minister. I have never really worried as long as foreign business interests have obeyed Canadian laws and hired Canadian labour. That is what is important. If this bill is not strong enough, and if we find the odd foreign enterprise which is not willing to do what we as legislators wish them to do, under our democratic system we can change the law so they will do what they should do for us as Canadian citizens.

Foreign Investment Review Act

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, it is always a pleasure to follow the hon. member for Bruce (Mr. Whicher). He used to sit across from me when the Liberals were in the position of having a rump on this side of the House. As one of my colleagues said, perhaps we converted him because there was much in his speech with which I personally agree.

An hon. Member: He will be joining Paul Hellyer.

Mr. MacKay: With the different kind of rump we now have in the House, the NDP, I am sure the hon. member for Bruce will not sit there. While I am sure the hon. member for Bruce is happy about the concept embodied in this legislation, I believe that like many of us he would be happier still if the minister were not so intransigent and if he had been more agreeable to allowing for more consultation with the provinces. However, much has been said on this point and I do not wish to go over old ground. The hon. member for Bruce has reminded us of the wonderful nation in which we live. I think he would agree, though, that the traditional free enterprise system which has made Canada such a great country has been badly eroded in recent years, and I am sure he is a little concerned about the alliance between his party and those in the New Democratic Party who are so left wing they would make the late Salvador Allende look like Ronald Reagan. Even so, there are differences of opinion within that party and, indeed, no party is entirely undivided when expressing opinions on this subject of foreign investment.

● (1530)

It seems to me, as the hon. member for Cumberland-Colchester North (Mr. Coates) said yesterday, that during the period in which Liberal governments have been in control of the country, that is to say for 32 of the last 38 years, we have seen evidence of a deterioration in many aspects of our society. Perhaps this was to be expected. The present administration pays lip service to the idea of controlling foreign investment, but I am not at all confident that they are sincere in their promise of action to carry it out. Anyone who takes the trouble to look back in *Hansard* and refer to some of the promises which have been made by government spokesmen from time to time will understand the reason for this lack of confidence. I will cite just one example from the *Hansard* of March 14, 1972. The then minister of transport, now the Minister of Regional Economic Expansion (Mr. Jamieson), is reported as saying:

> I agree with the claim that a reorganized structure is necessary in order that members and the country generally can obtain more information, and obtain it more easily, about all aspects of transportation. With this objective in mind, I propose to bring before the House in the next session three important pieces of legislation on which work is proceeding at the present time. The first of those is a bill designed to reconstitute Air Canada as a separate Crown corporation, thus divorcing it, as it were, from the CNR. I will also introduce a Canadian National Railways Revision Act and a companion piece of legislation covering amendments to the Railway Act. Hon. members will know how involved and far reaching these changes are; they have been asking for them for the last two or three years. These changes have entailed a great deal of work, which is still proceeding. I believe, however, that these bills are essential and I will bring them forward as soon as they are ready.

This is the type of thing the country and the House has grown to expect from the government opposite. I sincerely hope we shall not see an example of foot dragging in the

case of the bill now before us, comparable to the example I have just cited. There are many other examples I might have used. Looking back on the record of the government during the last 32 out of 38 years, as far as examples of initiative and progressive action are concerned, and bearing in mind the situation today, I am bound to say I am reminded of the remark by Winston Churchill in his book "Great Contemporaries" when he said of Lord Roseberry: "He had outlived his past by 20 years and his future by 10." That comment could be directed with some justification toward the present administration, because it has been given no end of time in which to accomplish something.

Much has been made of the fact that in 1961 the Ottawa Valley Line was instituted to provide eastern Canadians with a source of oil other than western Canada. The Minister of Energy, Mines and Resources (Mr. Macdonald) said not long ago, that for years eastern consumers benefited from this decision. We have seen no essential change made in these arrangements, since 1961 though during the intervening years a man has been put on the moon and the economic condition of the entire world has changed. This government did not possess enough initiative to make any change in the policy set in 1961 as far as energy is concerned, although the situation changed.

To get back to the question of foreign investment in this country, I would again ask the minister to show a desire to be open, fair and frank in his administration of this legislation. In this way, those who have to deal with this policy would know in advance the criteria to be met. It is true the minister told us he would provide certain guidelines. He has told us that various circumstances would be taken into consideration. But once he has made a decision he is under no obligation to build up, as it were, any jurisprudence, or to give reasons for his decision. I believe he should keep this aspect in mind when administering the act; disclosure is necessary. I fail to see how this legislation can have its full impact unless Canadians are given an incentive to invest in their own country, to take a few risks and be rewarded for doing so. As long as tax anomalies exist which afford certain advantages to foreigners at the expense of Canadians, the type of legislation we are now considering will not be as advantageous as might otherwise be the case.

Like the hon. member for Bruce, I want to refer to another party in this House, the socialist party, the New Democratic Party to my left. It is interesting to listen to what some members of that party have to say, because in that party just as in my own, there is a considerable divergence of opinion. This applies not only to the particular piece of legislation we are now considering but to many other subjects as well. It is apparent to me that the NDP understands perfectly well some of the negative aspects of foreign investments. Speakers for that party have drawn attention to the fact, as, indeed, speakers from my party have done, that in some cases when a large consortium invests in Canada there are certain undesirable side effects. Sometimes a corporation tries to bring in its own employees and technicians. Sometimes it tries to make certain that much of the heavy equipment is supplied by firms with which these financiers have close ties.

[Mr. MacKay.]

A situation of this type is bad, and this legislation, as far as it tends to reverse it, is certainly good. The government, as many of us have stated, is to be commended for bringing the bill forward at this time. We are not denigrating hon. gentlemen opposite for bringing it forward. We think it is a constructive step, possibly one of the few constructive steps hon. gentlemen opposite have taken.

Mr. Breau: Don't get political.

Mr. MacKay: I see the parliamentary secretary partly agrees. I say to him: Go a little further. Let him seek to persuade some of the policy-makers in the cabinet to give a tax break to Canadians who are running family businesses, to Canadians who are in business in a small way.

Mr. Breau: We did.

Mr. MacKay: Well, the government has not gone far enough. It is not sufficient to adopt a negative approach and curtail foreign investment unless one is prepared to encourage Canadians to pick up the slack and take the risks which must be taken if this country is to be developed. A capital gains tax has been introduced. This is a fact of life. Although many people on the extreme right politically were against this tax, I felt it was time a capital gains tax of some kind was enacted. But in our tax law no consideration has been given to the position of the investor who sets aside money systematically over the years, and invests it over the years, for the purpose of building up a fund for the education of his children. No consideration is given to this investor when he sells his securities. He is hit with the same kind of capital gains tax as the wealthy speculator who cleans up on the Toronto stock exchange and makes $20,000 in six months. This is wrong.

● (1540)

There are many other modifications that the government must make in taxation policy. Kicking and screaming, they finally agreed that they were wrong about taxing family farms and corrected the situation; I commend them for that. But I say with all sincerity that they have to go a lot further than that if they want to promote Canadian nationalism and encourage Canadians by giving them a break, in so far as taxes are concerned.

The New Democratic Party recognizes the problems that are implicit in foreign ownership, but they are very negativistic, if I may use that word, in looking at the corollary to which I have referred. They do not concede, for example, that the provinces need to be consulted, as we have suggested should be provided for in this legislation. At least, if they do, then they have not shown that to be the case. I suggest that the New Democratic Party has certain members who are very uncomfortable, as are some of us, about some of the provisions in this bill.

Just so that I will not be accused of making idle references, I had occasion not too long ago to refer to an interesting speech made by the hon. member for Waterloo-Cambridge (Mr. Saltsman) on a different issue, unemployment insurance. I have always admired my hon. friend from Waterloo-Cambridge, and I realize that in many ways he is probably an ideological prisoner of the NDP. I should like the House to listen to what he said about unemployment insurance, which is one of the "holiest of

holiests" as far as socialists are concerned. As reported at page 5892 of *Hansard* for July 23 last he said:

> What is the point in fishermen being included under the provisions of the act?

He advocates taking fishermen off unemployment insurance, apparently, because he goes on to say this:

> Insurance is supposed to take care of unpredictable hazards. What is unpredictable about fishermen being unemployed?

I will not comment on that observation; I merely use it as an illustration that certain members of the New Democratic Party have strong opinions. It makes me chuckle when I hear them in this House day after day taking the sanctimonious approach that everything they propose is an example of, shall I say, complete and utter unanimity within their party. The other day the hon. member for Timiskaming (Mr. Peters) proposed an amendment, but his party did not support him on it. Nothing much has been said about that, though it is of interest that when that sort of thing happens to the Conservative party, where there is a little more freedom to be individuals, the NDP, attempt to make a great deal of capital out of it.

It is also very interesting, when talking of the members of the NDP, to examine some of the comments made recently regarding some other contradictions in their official policy. I have in mind a very interesting article by a journalist named John Nichol, in which some of the NDP economic theories were attacked. The hon. member for Oshawa-Whitby (Mr. Broadbent) in a speech not too long ago in this chamber made mention of various provinces and took issue with some provincial administrations, their history and background. This particular article, which I am prepared to table if you wish, Mr. Speaker, goes on to say, in part:

> Headline: Looking for hard cold cash?
>
> Picture: Cash register with its drawer open.
>
> Text: Come and get it!
>
> You'll have to put it to use by locating within this province. But it'll be worth it. Look at the facts. Resources, labour force, markets—East, West and South, all at your fingertips.
>
> If you're in manufacturing or processing industry looking to expand . . . take a hard look at Saskatchewan. If you qualify, we can help you greatly.
>
> How much in hard cold cash? Write us. We'll come to you.

This advertisement was placed by the deputy minister of the department of industry and commerce of the province of Saskatchewan, the Saskatchewan Power Building, Regina, Saskatchewan. The article points out:

> This conflicts directly with the views of the national NDP leader David Lewis.

I do not want to read this fairly lengthy article into the record in its entirety, but it goes on to say this:

> The campaign of the NDP in the recent election campaign was one of very narrow focus. The only spokesman who got any attention was David Lewis, and he confined himself to his themes of "corporate rip-offs" and "corporate welfare bums" and the "phony incentive society".

Then, Mr. Nichol has this to say:

> It is important to note that there are many dedicated supporters of the NDP who do not support Mr. Lewis on this issue.

I mention this not to be unkind to the leader of the New Democratic Party, a very able parliamentarian but one who, I think, sometimes degenerates into some sort of parliamentary "Pushme-Pullion" of Dr. Doolittle fame. He is pushing here, pulling there, all the time with great vigour, supposedly trying to topple the government, huffing and puffing but being completely ineffective and manifestly insincere. What John Nichol is pointing out is this:

> The Manitoba Development Corporation, a Crown agency of Premier Schreyer's NDP government, loans tens of millions of dollars a year to private enterprise.
>
> In short, these NDP supporters accept the fact that industrial incentives are an essential tool of government in desperately important tasks of finding jobs.
>
> The premiers and the officials of the Canadian Labour Congress have active responsibilities for jobs. David Lewis does not. Therein lies the difference.

Looking once again at the ramifications and implications of this particular piece of legislation, just as the hon. member for Bruce indicated he was proud, so I too am very proud of being a Canadian. Indeed, I am sure all hon. members of this House are. We have a great deal of respect for the efforts that our forefathers made in building this nation. They did it, as the hon. member pointed out, with hard work and they were not unduly concerned with socialist doctrine. A lot of people from socialist countries who have voted with their feet, as the saying is, by crossing the border have come to Canada because they feel they have a chance under a free enterprise system. When I hear New Democratic Party members denigrating private enterprise, saying it has not done what it should and that the only answer is some magical solution to be found in socialism, I sometimes think that my hon. friends opposite on the government benches must be very uneasy indeed about associating themselves with such remarks and acceding to some of the policies to which they have been forced to accede in order to retain their precarious hold on power.

The day will come, Mr. Speaker, when there will be a reckoning. I have no doubt that in the not too distant future some of the provisions of this particular bill will be modified. They will be modified by a Progressive Conservative government. Hopefully, they will be modified before some of the more obscure and bureaucratically oriented provisions have damaged the economic climate in Canada to a very great extent.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I want to begin by making a few comments on the speeches of the two members who have preceded me. The hon. member for Bruce (Mr. Whicher) spoke for some 20 minutes, and it was not until the last minute of his speech that he said he was going to support this bill. The whole tenor of his remarks was a defence of the greatness of the free enterprise system, a defence that led me to believe he felt that the free enterprise system was so effective in meeting the needs of the people of Canada that we really had no need for the kind of legislation that his minister introduced and which the members of this party are going to support. However, the reason the hon. member for Bruce is going to support a bill which he spent 99 per cent of his time criticizing by implication I will leave the hon. member for Bruce to explain.

I want to say a few words about the speech made by the hon. member for Central Nova (Mr. MacKay) who has just taken his seat. It was a speech that I could listen to with a

good deal more comfort than I could yesterday when I heard the speech made by another Conservative member, the hon. member for Crowfoot (Mr. Horner). If the hon. member for Central Nova does not agree with members of the New Democratic Party that does not surprise me. If he did agree he would be over here as a New Democrat, and if we agreed with him we would be sitting somewhere near him, but certainly not near the hon. member for Crowfoot (Mr. Horner).

● (1550)

There is one thing the hon. member said to which I want to take sharp objection. If I misunderstood him I apologize in advance. He said that many people in Canada had showed what they thought of socialism by leaving socialist countries. If the hon. member for Central Nova implied that the people who came to Canada from communist countries because they did not like their systems felt there was any resemblance between the systems of those countries and the NDP and its policies, I reject that out of hand. If the hon. member did not imply that, then what I have said does not apply to his speech.

An hon. Member: What do you stand for then?

Mr. Orlikow: The NDP is associated formally and informally with the Labour Party of Great Britain, which has been and will be again the government of that country; it is associated with the Social Democratic Party of Sweden, which has been the government of that country for 40 years; it is associated with the Labour government of Norway, and that party has formed the government of that country for the better part of the last 30 years, and it is associated with the Social Democratic Party of the government of Willie Brant of West Germany. Those are the parties with which we are associated both in philosophy and through membership in the Socialist International. If the hon. member for Central Nova or any other member wants to criticize our position on this or on any other question they are welcome to do so. This is a democratic country and we are prepared to let the people of Canada, by their votes and in other ways, show what they think of our position. I want to say in the strongest terms that any suggestion by any hon. member of this House that our program has anything to do with or anything in common with countries in the communist world is simply not true, is unfair and a completely unfounded allegation.

We are discussing a bill which we hope, for the first time, will permit Canada to deal with one of the most important problems faced not only by this country but by every country in the western world. We have often heard it said here in the House and outside that we ought to look for examples of a country which has had the finest growth record since the end of World War II, and I suggest that country is Japan. For years now Japan has had legislation which requires that no foreign firm shall own more than 50 per cent of the company in Japan in which it has invested. This legislation was adopted years ago. It is not surprising then that we are for the first time beginning to think about what can be done in this country regarding foreign control.

The huge corporations of the world are, year by year, becoming bigger. The annual output of the 300 leading

multinational, transnational, or whatever you want to call them, companies which are today doing $300 billion worth of business a year will by 1990, if their present rate of expansion continues, be doing $2,000 billion worth of business. They will be responsible for 50 per cent of the gross national product of the free world. Those companies do not really produce and sell in the countries in which their factories happen to be located, their mines, their wells and other things. They set up branches and subsidiaries in other countries, import and export between each other and decide where they will get their raw materials and where they will produce their finished goods.

The hon. member for Bruce talked about visiting Sept Îles and referred to how prosperous a city it was. I suggest that Sept Îles is the port through which the iron ore taken out of northern Quebec and Labrador is shipped. There are some 10,000 miners digging iron ore in Quebec and Labrador. They are getting good wages, but that iron ore is shipped to Sept Îles and most of it is exported to the United States where probably 200,000 U.S. workers are getting very good wages turning that iron ore into finished steel as well as processing that steel into manufactured goods such as cars, refrigerators, you name it, which are then sold in the United States, in Canada and in other countries. I suggest those workers in the United States are reaping the benefits of that iron ore, not the Canadian workers in Sept Îles or in the iron ore mines of Quebec and Labrador.

In an article which appeared in the Toronto *Star* sometime ago Walter Stewart referred to the question of who makes the decisions in these multinational corporations. He quotes from the head of a British owned multinational corporation as follows:

"There is no such thing as a multinational firm. We have plants in half a dozen countries, trade in dozens more, but if you want to know who runs us, look where the control is—in London. That's where the budgets are approved, that's where the policies are laid down."

We should not be critical of the multinational corporations. They operate under the laws we have passed, and if we have failed to pass laws which assure that multinational corporations operate in the interests of the Canadian people rather than in the interests of their shareholders then we are at fault, not those corporations. Their objective, and it is legitimate from their point of view, is to make more money. The important thing is how they can make more money, where is the best place to provide jobs and where is the best place to locate their major plants? The answers to these questions in most cases are very simple. For political and economic reasons, the best places are not in Canada but in the country in which these companies have their head offices, where the real decisions are made. In most cases as far as Canada is concerned that is the United States.

It may be that because of the current crisis in the energy field resulting from decisions of the Arab states to cut back on the production and export of oil there will be a precipitous slowdown in economic activity, and I certainly hope that is not the case. However, when times are difficult, United States owned firms naturally tend to keep U.S. plants open at the expense of plants located in Canada. This has already happened in respect of certain industries. Westinghouse, for example, closed a plant in

London, and General Electric shifted its purchasing of T.V. tubes from Toronto to a plant in Japan. One could go on and on with examples, but this is the reason Canadians are concerned about foreign ownership.

● (1600)

This government has dithered and "dothered" about this for years. First, it had a study made under the former minister, Mr. Gordon, headed by Professor Watkins of the University of Toronto. Then, there was another study which they attempted to hide and which was finally made public. This was done under the present Minister of Consumer and Corporate Affairs (Mr. Gray). Then, last year a bill was brought in which did not begin to deal with the question. It was not proceeded with because we indicated very strongly that we would not support it. This is why we now have a bill which will give the government an opportunity to begin to deal with the question. There are many things which we believe should be contained in the bill which are not included. In earlier discussions we have suggested things which we believe should be included in the bill which are not. Some amendments and some improvements have been made, and because of this we will support the bill.

I want to say to the minister that we are very skeptical. In such a situation, the Americans would say they were from Missouri. I do not know what the Canadian equivalent is to being from Missouri.

Mr. Knowles (Winnipeg North Centre): Manitoba.

Mr. Orlikow: My colleague the hon. member for Winnipeg North Centre (Mr. Knowles) says the Canadian equivalent is Manitoba. I can accept that as a Manitoban. However, I should like to say we are very skeptical about the real intentions of this government and this minister. One can have the best legislation in the world, but if a government does not want to use it and does not want to enforce it, then the legislation will not be much used. One could not have a better illustration than the fact that for almost 50 years anti-combines legislation has been on the statute books, and for 50 years nothing effective has been done to control the ever-growing power of monopolies in Canada, to disperse or break them up.

So, I say to the minister that, of course the first step in doing anything about this question is the passage of legislation. The second step, however, about which we are skeptical and in respect of which we will be watching very carefully the performance of the government, and particularly of the minister, is the use of the legislation when enacted, to police the situation and to do whatever can be done to ensure that the continued takeover of Canadian industry by multinational corporations be, if not halted, at least slowed down.

Let me point out to members of the House that the extent of control of foreign corporations in this country is fantastic. It is of an order which has not been duplicated in any other country in the western world. Over 90 per cent of the oil and gas resources in this country are foreign owned. Over 80 per cent of the mining resources are foreign controlled. I think over 60 per cent of the manufacturing industries are foreign controlled. The percentage of that control has been accelerating rather than slowing down. According to Statistics Canada, in 1970 the last year for which it had figures, foreign investment in Canada increased by a record $2 billion. United States firms account for $1.6 billion of that $2 billion increase in 1970. Their total holdings amount to $21.5 billion, a 7.7 per cent increase over their interest in 1969. That is what foreign control means.

I suppose one of the worst examples to indicate that we cannot afford to manage this country without foreign investment is in the speeches of the hon. member for Crowfoot (Mr. Horner). The speech he made yesterday was by its nature a classic example of the type of speech he makes. It is the kind of argument which, if not endorsed by all members of the Conservative Party, seems to be supported certainly by every member of parliament from Alberta, everyone of whom, of course, is a Conservative. The hon. member for Crowfoot heaped scorn on us. According to him public ownership does not work. We believe in public ownership. He suggested that without private capital there would be no oil industry, no expansion and so on.

I wish to deal for a few moments with the illustration he used, the industry he used, as his clinching argument to show the fallacies in respect of public ownership and the fallacies concerning the position taken by the New Democratic Party. It is interesting to look at what has happened to the oil industry worldwide in recent years. I am sure I do not have to tell members of parliament what has happened in the countries which own the overwhelming majority of the proven oil reserves in the world. In virtually every country in the Middle East the situation has changed fantastically in recent years. From a time when the multinational oil corporations, such as Exxon, Shell and Gulf, owned the oil and paid a small royalty to the countries in which they extracted the oil, you have a situation now where in many cases the countries themselves have taken over and now own the producing oil wells. They have made arrangements with the multinational corporations to market the oil and so on but they now own it.

In other countries there has been a takeover to the extent of joint ownership, ownership on a 60-40 basis and so on, but increasingly the oil producing countries with the largest oil resources own the oil themselves or in partnership with private enterprise. The day when private enterprise was given free and exclusive rights to develop the oil resources in those countries is gone. What about the western world? In Great Britain, the largest company I believe is the British Petroleum Corporation. BP is almost 50 per cent owned by the British government. I am not sure whether that share of BP was acquired while the Labour Party formed the government or while the Conservative Party was in power. The Conservatives have been in office now for several years, and to my knowledge there has been and is no proposal that the state divest itself of its share. In France, the French government has a 35 per cent interest in CFP which is the eighth largest integrated oil company in the world. It also has a 100 per cent interest in the ELP oil company which was set up to exploit the crude oil deposits in those areas which operate with the French franc as their monetary standard.

• (1610)

The Italian government owns 100 per cent of the only oil corporation in the country, ENI, and incidentally it is the largest national oil company in the world, operating in Italy and many other countries. I have completely excluded countries which are communist controlled, and I give these illustrations simply to prove that more and more countries in the western world are finding it to the advantage of their people to have the state involved in the oil business and energy business. That is precisely what we have been advocating here.

Let me turn to the other point which was made so effectively last night by the hon. member for Crowfoot (Mr. Horner), and I mean effectively if one thinks in terms of making a case for the oil companies. As I listened to the hon. member I was sorry I did not have a bucket with me to catch the tears which poured from his eyes as he told us about the plight of the poor, defenceless oil companies if the rights which we have given them to find oil in this country, to own oil, to sell oil at current prices, were not continued. He told us also that if they were not allowed to increase their prices, they would be bankrupt tomorrow. Somebody has to answer that kind of argument put forward by the hon. member for Crowfoot. As I say, it was an extremely effective argument if one were only interested in the welfare of the oil companies. I want to put the facts on the record about the poor oil companies which, to listen to the hon. member for Crowfoot, are virtually going bankrupt. Let me take just three of those companies.

Gulf Oil in the five years from 1968 to 1972 in round figures made profits of $522 million. That is over $100 million each year. In deferred taxes, that is, taxes which it did not have to pay because of the kind of encouragement which governments have been persuaded oil companies need if they are to do business in Canada, to look for oil, and so forth, from 1968 to 1972 Gulf got over $109 million. Its actual profits for those years, and by actual profits I am talking about net income plus deferred taxes, were over $588 million. If you look at the return to the shareholders, which is shown as a percentage of net income, you see that between 1969 and 1972 that income was never less than 6.9 per cent in any year, and went up to a high of 8.7 per cent in 1972. If you include the deferred taxes as part of their earnings, their earnings for 1972 were 11.1 per cent. Need I tell hon. members of the House that because of increases in prices and increased use of oil, profits of the oil companies for the first nine months of 1973 are running at somewhere between 30 per cent and 40 per cent higher than they were in 1972?

Let me now turn to Shell Oil, another one of the companies about which I presume the hon. member for Crowfoot is concerned. In the ten years from 1962 to 1972, Shell Oil had a net income of $478 million. Its net income in 1972 was $79 million, an increase of 27 per cent over 1970 and, as I say, this year its profits are up probably by another 30 per cent. In 1971, Shell Canada had deferred taxes of over $8½ million, and in 1972 its deferred taxes were over $10 million. Its actual profits with deferred taxes in 1971 were just under $71 million, and in 1972 they were over $89 million. The return on shareholders' investment capital in 1972 was 10.4 per cent. That is a pretty good profit for any shareholder. I am not saying there is anything illegal or improper from their point of view. They are interested, and so they should be, in making as large profits as possible.

Now, what about the giant, the largest company—Imperial Oil? Between 1963 and 1972, Imperial Oil made $1,010 million in profits after taxes. In 1972, its profits were $151 million, an increase of 11 per cent over 1971. In 1971, its profits were $136 million, an increase of 29½ per cent over the previous year. So far in 1973, its profits are running in the neighbourhood of 35 per cent more than they were in 1972. But, Mr. Speaker, that was not enough. In 1971, Imperial Oil was able to defer payment of taxes to the amount of $11 million, and in 1972 was able to defer payment of taxes to the amount of $26 million. Is it any wonder that members of this party cannot feel very sorry for the oil companies? They are doing very well for themselves, Mr. Speaker. If you look at the return on equity to the shareholders in percentage terms, through the years 1963 to 1972 you see that Imperial Oil never made less than 9.7 per cent, and in 1972 the return was 13.9 per cent. These were unconscionable profits.

This country faces an oil shortage in the maritime provinces and in Quebec. Why is that? It is not because of a shortage of oil. We have more than enough oil in western Canada to meet the needs of the eastern provinces. But we cannot supply those needs because there is no oil pipeline to carry the crude oil from Sarnia to Montreal. Why is there no such oil pipeline? The reason is simple. In 1961, the then Conservative government decided that the best way to meet the oil needs of the people of Canada was to adopt a policy under which oil for Nova Scotia, Newfoundland, New Brunswick, Prince Edward Island and Quebec would be supplied by imports from Venezuela and the Arab states, and that the rest of Canada from the Ottawa River west would be supplied with oil from Alberta sources. Mr. Speaker, until this year crude laid down in Montreal and purchased from Venezuela or the Arab states was cheaper than crude shipped from the west, so that is what the user got. The price of oil west of the Ottawa River was set by the oil companies in Alberta and that was what the consumer had to pay, even though it would have been cheaper to bring oil from Venezuela into Toronto. The Toronto-Hamilton-Ottawa user had to use western oil.

• (1620)

The price of oil has gone up now, and I do not blame the Venezuelan government for that. They are going to charge what the traffic will bear, but the eastern user is going to have to pay more. Had we built a pipeline, as members of this party and representatives of the independent oil producers have been recommending for years, western oil could now be shipped to Montreal to meet the needs of the eastern user. But that did not suit the western oil producers who had set the price so that they could make high profits. It did not suit them to have that pipeline built and former Conservative and Liberal governments went along with that.

It is not bad enough that homes and industries in the eastern provinces are going to have to pay more for oil because they have to pay the price which the Venezuelans and Arab countries want, but it is now proposed by the oil

companies, by the government of Alberta and their friends the Conservative members of parliament from Alberta, and also for reasons which I find impossible to understand by the Liberal party, that not only will the eastern user be held for ransom but that as of the end of January 1974 the price freeze imposed by the federal government will be removed. That will mean that the price of oil produced in western Canada will be as exorbitant as the price which has to be paid in Montreal.

The hon. member for Crowfoot talks about the interests of the western people. If the Parliament of Canada permits the oil companies to charge what they want, and if the Parliament of Canada permits the premier of Alberta whose brother by the way—and I do not know whether or not this is a fact—is vice president of an oil company—

Mr. Andre: That is a cheap, cheap, cheap, statement.

Mr. Orlikow: If the government of Canada permits that increase in the price of oil to take place—Mr. Speaker, somebody interjected from the corridor to the effect that what I said about the relationship between the premier of Alberta and his brother was a cheap thing to say. If the hon. member who made that statement says that it is not true, then I will withdraw the statement. However, if the statement is correct Mr. Speaker, there is nothing cheap about it; in fact, it is a very expensive thing for the Canadian people.

There is one thing which should be noted today, Mr. Speaker, and I hope it will be kept in mind by the constituents of the hon. member for Crowfoot when the price of gas goes up. If the government of Canada lets the price of oil go up the way the oil companies want, and certainly the Conservative party and certainly the hon. member for Crowfoot want, the price of gasoline will increase by 10 or 12 cents a gallon early in 1974.

Mr. Horner (Crowfoot): Mr. Speaker, I wonder if the hon. member would permit a question.

Mr. Orlikow: Certainly.

Mr. Horner (Crowfoot): My question to the hon. member is this: if there were a shortage of school teachers and if you were to freeze their wages would you get more teachers? He seems to understand school teachers' language, and that is a simple question.

Mr. Orlikow: The hon. member for Crowfoot was not in his seat until a few seconds ago, Mr. Speaker. I saw him sit down a little while ago, but I do not know whether he was here when I began to make my speech. I have already put on the record the profit statements of Shell, Gulf and Imperial Oil. As far as I am concerned, Mr. Speaker, the profits of the oil companies are high enough that they can afford to do the exploration that may be necessary.

Mr. Horner (Crowfoot): They will go to the North Sea! They will go to Indonesia!

Mr. Andre: Do you know how much they make on their investment? Seven per cent.

Mr. Orlikow: Mr. Speaker, I am no more bothered by the interjections of the hon. member for Crowfoot than was my leader the hon. member for York South (Mr. Lewis) the other night.

Mr. Horner (Crowfoot): Well, you are telling a little more of the truth than he did the other night!

Mr. Deputy Speaker: Order, please. The hon. member only has one minute more, so I suggest that he be allowed to complete his remarks.

Mr. Orlikow: Mr. Speaker, in calculating my time I hope you will not deduct from it the time taken by the interjections of the hon. member for Crowfoot. In my view, and I think I documented this pretty closely and conclusively, the oil companies operating in Alberta are making a very good return on their investment. I put the facts on the record, and their returns are more than sufficient to meet the needs, the desires and the legitimate—

Mr. Horner (Crowfoot): Buy some of their shares then.

Mr. Orlikow: —requirements of their shareholders. I say they have the ability to do the exploration for new resources which are needed and if they do not, the people of Canada through their government can put up the money. We can put up the money if we can continue to collect the export tax which the federal government imposed some time ago. I say there is no reason for an increase in the price of gas. I drive a car, though not very often, and an increase of 10 or 12 cents a gallon will not affect me very much.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired. However, he can continue with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is agreed.

Mr. Orlikow: Thank you, Mr. Speaker. I will not abuse the privilege you have extended. Let me simply say that the hon. member for Crowfoot may have to answer to the farmers he represents when they come to buy the fuel for their tractors, their combines and all the other farm equipment they need. If they have to pay 10 or 12 cents a gallon more to the oil companies which, in my view, are already making exorbitant profits and then wonder what hit them, they can do no better than look at the speech made by the hon. member for Crowfoot, to find the reason.

• (1630)

Mr. Horner (Crowfoot): And when all farmers in this country have run out of oil, perhaps they will read the hon. member's speech.

Mr. MacKay: Mr. Speaker, with your indulgence, I wonder if I might raise a point of order. The hon. member for Winnipeg North (Mr. Orlikow), in his speech, suggested that I was trying to imply something unfair about his party. I want to assure my hon. friend that I had no intention of associating his party with international communism, because that would be like associating a cold sore with lip cancer. Also, I wonder if I may ask the hon. member a question.

Mr. Deputy Speaker: Only if the hon. member has the unanimous consent of the House, as the hon. member's time had expired, been extended, and has expired again.

An hon. Member: No.

Mr. Stan Schumacher (Palliser): Mr. Speaker, before beginning my main remarks I wish to refer to the closing of the debation the report stage on Monday evening. As Your Honour is aware, I had an amendment to this bill which was listed last on the order paper. At six o'clock that day the Acting Speaker, then the hon. member for Beauharnois-Salaberry (Mr. Laniel) suggested that it might possibly be out of order. As it was six o'clock, he suggested that perhaps comments could be made on the matter.

At the time I was unfortunately absent in Alberta, attending the funeral of our late colleague, Harry Kuntz. I only regret that the hon. member for Saint John-Lancaster (Mr. Bell) and the hon. member for Trinity (Mr. Hellyer) were in such a mood at that time that they felt this bill needed very speedy passage. I felt that the acting speaker at the time could have chosen some better precedent for ruling my amendment out of order. I believe His Honour expressed the feeling that the amendment interfered with the legislative procedure which we have grown accustomed to in this country. I am not saying my amendment was completely in order; I would not have been surprised if it had been ruled out of order. However, I should not like to see that ruling, which did not evoke any response, to become the precedent for future rulings on amendments of that kind.

It seems to me that the legislative procedure has been adopted whereby we allow the provinces to accept or reject federal legislation in many areas. As an example, I can think of the Criminal Code, which allows provinces to hold lotteries or not hold them, as they will; I think of the Canada Pension Plan, under which we require provincial consent if the plan is to operate; I think of the medicare legislation, which a lot of provinces did not accept immediately. We needed the club of the federal spending power to bring them into line and participate in that federal legislation.

In 1964-65, this House passed special legislation setting up a procedure for allowing provinces to opt out of what is primarily national legislation. So, I do not know whether the ruling was well founded; however, I want to point out to the House that it was not—

Mr. Deputy Speaker: Order, please. I understand the hon. member's difficulty. It arose because he was not here that evening to defend something which he proposed to do at the report stage. I think his point has been noted by the Chair and by the officers present. Nevertheless, the ruling was made in good faith by the occupant of the chair at that time. Perhaps the hon. member would be good enough to drop the subject and proceed with his speech on third reading.

Mr. Schumacher: Mr. Speaker, I want to make it perfectly clear that I am in no way critical of the hon. member who was Acting Speaker at that time, because he was the one who invited comments. I am complaining of hon. members of this House who failed, in my view, to live

up to their duty and give him some assistance. That is the point.

The hon. member for Don Valley (Mr. Gillies) said, when speaking on this bill at the report stage, that in his opinion this is the most important piece of legislation the present parliament has so far considered. I agree. This legislation will have far reaching effects on the economic and social life of this country. I do not apologize for the time I shall take in dealing with it. Perhaps I will use my 40 minutes; perhaps I will not. I will do my best to cover the situation, and I apologize in advance if some of my remarks appear somewhat disjointed. As has been pointed out, this bill will have far reaching effects. It will be of concern to every part of the country and therefore deserves full and complete discussion.

The hon. member for York South (Mr. Lewis) suggested that Canadians are concerned about foreign investment in Canada. I suppose he meets more people than I meet in his perambulations around the country. I think all members do a fair amount of travelling and talk to many people. I must say I have not noticed any burning concern across this country about foreign investment. Perhaps there is a burning concern in a certain select, elite group in Toronto, concentrated probably most heavily in the editorial rooms of the Toronto *Star*. I know that Hon. Walter Gordon has had certain ideas on this question for a long time. I suppose he is using his influence with the Toronto *Star*, and of course he has some influence. I suggest that the main thrust behind this legislation comes from there. Of course, the Toronto *Star* influences commentators, newscasters of the CBC, and others. The main news gathering and public opinion promoting facilities of the corporation are based in Toronto. That city is also the headquarters of the Canadian television network, of *Maclean's* magazine and of other great makers of Canadian public opinion. I suppose, as a result of cross-fertilization among these entities, there is now a strong pressure for controls over foreign investment in Canada.

We did not hear too much on this subject from that area when investment was needed to make it what it is now. People like Eddie Goodman of Cadillac Development Corporation—many call him Fast Eddie—support this type of legislation. Let me say that the system which allowed Fast Eddie to arrive where he is today could work well in other parts of the country. Mr. Goodman and his friends are not offering any of their profits for the development of, say, the Atlantic shelf, that is, for the development of energy in that region. I do not know how great a risk he and his friends would be prepared to take in investing profits, derived in large measure from the activities of people who have utilized money from outside Canada, in the development of that particular area.

I want to spend most of my time trying to relate this legislation to the energy field. As a member from Alberta, I am probably most acquainted with the relationship of this legislation to that particular field of endeavour. I was surprised to hear the hon. member for Winnipeg North (Mr. Orlikow) so blatantly state the facts when referring to the problem of the great oil companies. However, it is important to note that the facts should be set out in a little different way.

● (1640)

I wish to refer to a story that appeared in the infamous newspaper the Toronto *Star* on November 14 under the heading "Imperial Oil tells employees its profits are not excessive". I quote:

In the current oil crisis, gasoline prices have been going up. Are the oil producers getting a larger share?

No, contends J. A. Armstrong, president of U.S.-controlled Imperial Oil Ltd.

Here's how he puts the company's position in a report to employees: "On the average the price Imperial receives for gasoline—the wholesale price at which the company sells it to the dealer, exclusive of federal and provincial taxes—has increased 21 per cent since 1948. In the same period . . . average weekly wages and salaries have increased by almost 400 per cent.

That does not sound like gouging.

"To put it another way. In 1948 the Canadian wage earner had to work 25 minutes to buy a gallon of gasoline. Today, he works eight minutes and today's gasoline is vastly superior to the product he bought in 1948."

Armstrong concedes that Imperial's profit has been increasing and has drawn some criticism. He mentions the high cost of exploration—$23 million spent by the industry during 30 years of exploration—

I question that. I think the reporter or typesetter left a zero off that figure. That should probably be an annual figure rather than the figure for 30 years. I am sorry, Mr. Speaker. I should have read a little further ahead.

—$23 million spent by the industry during 30 years of exploration in the Prairie provinces before discovery of the Leduc field in 1947 and $300 million risked in searching for oil on the Atlantic shelf since 1960.

We all know there has not been a find of commercial quality off the Atlantic shelf in that period.

"The Canadian oil industry made an after-tax profit in 1972 of 7.4 per cent on the money it used in its business. The after-tax profit in manufacturing generally that year was 7.3 per cent—essentially the same return in an industry that, by normal standards, is considered to face less risk."

Imperial last year had a profit of $151 million but, says Armstrong, these figures "tell nothing about the size of the investment on which it is based."

"A more meaningful way to look at a company's profit is in terms of how much it earned in total revenue. In 1972, Imperial's profit on each dollar was 7.3 per cent, which is just about the company's average of the past 25 years."

We have to realize that much capital is required in the resource industry. It is certainly a risky business, as I will attempt to show later. As indicated in Mr. Armstrong's statement, $300 million has been spent in the last 13 years off the east coast of Canada without a commercial find. We will not get people to put up that kind of money unless there is some hope for a better return if and when something is found. It is not the same as making widgets in Montreal because if that does not work, the company can go into something else. There is not the same risk over a long period of time.

Reference was made by the hon. member for Winnipeg North to other countries. He mentioned British Petroleum, a company in France and an Italian company. It should be pointed out that none of those companies were formed for operations within the territorial boundaries of those countries. British Petroleum was formed under the auspices of the late Sir Winston Churchill when he was First Lord of the Admiralty prior to World War I. He realized Britain needed a secure source of fuel for its navy. He felt it necessary to have a company in which the government had an interest in order to ensure national security. Since that time there has not been any operation by that company within the territorial limits of Great Britain, except possibly in the North Sea where a great number of companies are operating. The North Sea has certainly not been closed to foreign companies.

We now find more Canadian companies changing the emphasis of their exploration from Canada to the North Sea, yet the NDP say that we have a situation in Canada where there is no risk. They say there is no need to worry, you can drill anywhere and find anything you want. If that is so, why is interest being lost in Canadian operations? Why are exploration companies moving from Canada to the North Sea and the American Gulf coast? It is primarily because they do not know what the climate will be here. They do not know whether restrictions will be placed on future access to foreign money markets or whether the federal government will have policies to artificially keep the price down. They do not know whether there will be a change in the tax policy, the competition act or any number of things that are making the people engaged in that industry pull out their hair.

There is too much concern about the financial side. We have to look at the human side of the problem. After all, these Canadian companies employ Canadians, as do the foreign-controlled companies. Canada has developed a large body of scientifically trained personnel who are engaged in this industry. If the present situation continues much longer, we will lose them. The minister said yesterday that this legislation is necessary in order to get Canadians involved. I can say that in the energy industry we have an indigenous group of research people and highly qualified technicians who are liable to disappear if the policies of this government and its socialist friends are followed much longer.

I do not think members realize what the energy industry does for employment in this country. I wish to put some facts on the record. For every oil or gas well drilled, there are 16 people employed directly on the rig as well as two employees from a testing company, two employees of a logging company, two from a coring company, one welder, four camp caterers, two mud suppliers, two cementing company employees, two casing company employees, two bit supplier employees, three employees of the fuel dealer who supplies the fuel for the operations of the rig, three water haulers, eight employees of a trucking company, three rathole-conductor contractor employees and three lease construction employees. There are two surveyors as well as between 15 and 25 people employed in electrical, plumbing, hardware, rental, grocery, fishing and other occupations. For every oil drilling rig, between 70 and 80 people are employed.

● (1650)

I have listened to Eric Kierans. As far as he is concerned, the oil and gas industry does not employ anybody. It does not really deal with labour at all. Well, why is it that the unemployment rate in Alberta and Saskatchewan has been lower over the past number of years than in any other part of the country? Why is it difficult to find people

to take jobs available in those areas if it is not because of the operations of the oil companies? In addition, the oil drilling industry is a totally Canadian industry. It is 95 per cent Canadian owned. Granted, it depends on two types of customers—oil companies which are not Canadian controlled, and oil companies which are. But this drilling industry, which employs a vast number of people, is 95 per cent Canadian owned and controlled. We do not always keep these things in mind. It seems to me we are sometimes so concerned about controlling foreign investment that we ignore some of the human consequences which may follow when some of these bureaucrats start fiddling around, as bureaucrats are apt to do, unsupervised by someone who has the interest of the whole country at heart.

The minister turned down every effort to get increased provincial participation in this area. He is convinced, it seems, that the job can be done just as well by some board which he intends to appoint in the interests of the whole country. I believe it is well known, however, that the interests of the whole country have not been well served up to the present time. This is why the party opposite me was turned down so resoundingly last year in every province but one. It is because hon. gentlemen opposite do not have a feeling for the whole country. They have a feeling for the triangle, Montreal-Toronto-Ottawa, and in this case I think it is Toronto which is calling the tune to which the government is dancing. I am not prepared to allow that type of interest to be injected into the national life of the country if I can possibly prevent it.

I should like to say something about the practical effects of this legislation. Here is a piece of legislation which will control every business and economic undertaking in the country right down to small businesses having $250,000 in assets and $3 million in turnover. Sometimes I think we become dazzled by figures. We must believe this is an awful lot of money and that these are large undertakings. I want to give hon. members an example of the kind of business these figures cover. I am thinking of the local Oldsmobile-Chevrolet-Cadillac dealership across from my office in the City of Drumheller. It employs a dozen people. It has assets of $150,000 and its turnover last year, in the second year of its operation under the present ownership, was $2 million. As things are going at present, it will not be long before its turnover exceeds $3 million in volume. Is it at all reasonable that a bunch of bureaucrats in Ottawa should be placed in the position of deciding whether or not it would be all right for someone from Montana to buy that business? What are we coming to when a government is so grasping that it wishes to exercise that kind of control?

I was about to mention that a rapeseed processing plant is presently proposed for the Town of Sexsmith in Alberta, a short distance from Grand Prairie. A report on this undertaking appears in the *Albertan Business Report* for November 13. I should like to quote from it:

> This sleepy northwestern Alberta village where the main industry now consists of six grain elevators employing six people is about to get a shot in the arm from a $10.3 million rapeseed processing plant.
>
> Sod for the plant, which will employ more than 60 people and have an annual pay roll of more than $450,000 will be turned shortly . . .
>
> Nora Holscher, Village Secretary-Treasurer, says more than half the employees will come from Sexsmith, which has a population of 622, and the rest from the City of Grand Prairie, 12 miles to the south. "The plant will be the lifeblood of the village", Mrs. Holscher said.

[Mr. Schumacher.]

The difficulty here is that money put up by Swedish and West German interests will finance the construction and operation of this new industry. What would happen if this development were proposed after the implementation of the legislation we are now discussing? There is a rapeseed crushing plant located in or close to the City of Montreal. Do you think, Mr. Speaker, that the bureaucrats would say it was of significant benefit to establish this new plant in Alberta when it might possibly have an adverse effect on employment in the City of Montreal? I wonder what the answer to that question would be.

I, for one, do not think it would be favourable to Alberta, especially in view of the fact that the minister wishes to retain political control over all these decisions. If he wishes to give us clear proof of his bona fides he would be advocating a screening office one step removed from his own office and not subject to his dictates. After all, he is going to appoint people who will do as he says. I think this screening board should be given a measure of independence and that there should be representation from all parts of the country among its members. As things are, perhaps there will be one member from the far west, one member from the Atlantic provinces and four or five from the centres of Ontario and Quebec, directing all the new investment which is to be allowed to flow into this country. I am not optimistic about how this thing will work, if it ever is allowed to work, which I hope will never be the case. As far as I am concerned, the minister has not shown his complete bona fides in the way he is handling the situation.

● (1700)

Mr. Caccia: What about saying something positive now?

Mr. Schumacher: Very well, I will say something positive. What this country needs is money to build. I would rather see Canadian money used before any other, but we will never develop this country completely by using our own financial resources. No other country has done so. The United States did not reach its present exalted position by building from within; it borrowed money extensively from Great Britain, France and other countries.

Mr. Caccia: Is that where you want to borrow?

Mr. Schumacher: If the hon. member can tell me of any country that has been built up entirely by using its own resources, then I would be glad to hear from him. Indeed, I hope he is going to participate in this debate. If there is one country, I suppose it might be Saudi Arabia. We have great resources in this country, as I think all members of the House will agree, but they do not magically fall from trees. You do not gather them up with a rake. You have to build buildings and dig holes. Incidentally, I would remind the hon. member for Winnipeg North (Mr. Orlikow) that you do not dig for oil, you dig for coal. But he does not know too much about the industry.

The fact is that there is a lot of work to be done and it will take a lot of money. I completely agree we should use

Canadian money first, but when you have a coalition of socialists and semisocialists you are never going to have sufficient funds. All of the money will be wasted on grandiose, bureaucratic plans that take most of the thrust from the use of this money. The federal government itself is setting a bad example by paying higher and higher salaries. Look at our deputy ministers today. Certainly, they look after themselves very well. But you cannot have everything; you must have some sense of priority. If the federal government wastes money, then this sets a bad example to the provincial and municipal governments. They are just about as wasteful, but they have a good master to follow.

As I say, a lot of money will be required to develop this country. As Canadians, we should at least be given the same opportunity as foreigners to invest in our resources. This is what I have been requesting since I came here five years ago, but this bunch of so-called brains sitting on the treasury benches cannot seem to grasp the message that they should give Canadians a little bit of a break, or at least parity with foreigners, in the matter of investment. In this way you would be taking positive action. You say to Canadians: "We will give you a chance to invest in your country". But as long as we have something like the Benson tax bill that is going to take everything from our citizens or the great unemployment insurance rip-off, spawned by the hon. member for Verdun (Mr. Mackasey) and costing billions of dollars that could be better spent on developing the resources of this country, our citizens will never have sufficient investment funds.

Let me put on the record some figures that relate to the energy situation today. Over the next ten years, $1,000 billion will be required to be spent to find new sources of energy. The industry itself can put up about 60 per cent of that, or $600 billion. This leaves a shortfall of about $400 billion. What I am fearful of is that, far from having too much foreign investment in this country, we will soon be reaching the situation where we will not have enough money to develop our resources. In Canada alone during this period about $30 billion will be required. The industry will be able to supply between $20 billion to $25 billion from their own resources, though the amount can vary, of course, with government policy. This leaves a balance of $5 billion to $10 billion which must either be raised in Canada or brought to Canada from abroad in order to make sure that we have a secure supply of energy. Thank goodness the policies we have followed to date have provided a good source of energy supply. It is fortunate, as the hon. member for Central Nova (Mr. MacKay) pointed out, that federal government policies have ensured that this safe source of supply will be available to all Canadians. Nevertheless, we have to admit that shortsightedness is a human frailty which is found in all people, and I suppose in Canadians in particular.

I was disappointed to hear, in these days of shortage of supply, that when the province of Alberta offered to make sure that Canadian interests would be served first a spokesman for the province of Quebec said: "Well, if you insist on building a pipeline to supply us with the oil that we need, we might take it on the clear understanding that it is a two-way pipeline. Then, if circumstances change, we can send oil out west through this pipeline". I do not regard that as the type of statement that produces a great feeling of national unity in this country. I am happy, however, that the province from which I come has recognized its duty, as a partner in confederation, to ensure that Canadians from coast to coast will have oil and gas made available to them in this time of difficulty, even perhaps to the extent of damaging permanently the fields from which those resources come.

Whether or not the government is going to do anything along this line, we do not know. I have to admit that when such a proposal was first made in 1959 and 1961, the Conservative party was in office. Representatives of the Alberta petroleum industry came to Ottawa to see whether they would be permitted to supply their products to Montreal. At that time western oil was too expensive so the idea was dropped. Just four and a half years ago, in June of 1969, the offer was repeated, and again the door was slammed in the face of western oil interests. I think the offer was renewed in January of 1972, but a lack of interest was still shown. I hope that the opportunity will be given Albertans to assist their fellow citizens in this time of difficulty. However, the fact is that if we follow the line of thinking embodied in this bill we are not going to have sufficient known sources of supply in Canada, even though we know they are there. It seems that a number of people in the federal bureaucracy, the opinion makers in this country, think you can turn on oil and gas supplies the way you turn on the water faucet, but this is just not so. It takes a long time to discover reserves, and I am afraid that unless action is taken now to encourage exploration activity we will not have the known reserves required for the future.

● (1710)

At this time I should like to say something about the composition of the Canadian energy industry. This is a very technical and high risk industry requiring large amounts of risk capital. The industry is composed of over 600 different companies ranging in size from the major international companies with assets in the billions to one-man geological operations. In the past number of years there has been increasing development of Canadian-owned firms. This is really amazing when you consider the tax and other difficulties which have been placed in the way by this federal government. These small firms have been influential in generating a large body of expertise in all phases of this operation, but I am afraid this expertise will be lost as a result of the attitude of the present government. The development of this expertise has been inhibited to a large extent by our tax policies. Our policies do not encourage Canadian companies or individuals to carry out exploration for oil and gas in this country.

It is interesting to note that while we are happy to have our known reserves, we must recognize the fact that these are known reserves because the U.S. government has in its wisdom subsidized U.S. exploration to the extent of 90 per cent.

The Acting Speaker (Mr. Boulanger): I regret to interrupt the hon. member but his allotted time has expired.

Mr. Horner (Crowfoot): Perhaps he could have more time.

Some hon. Members: Continue.

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

Mr. Horner (Crowfoot): Mr. Speaker, I think you misunderstood me.

The Acting Speaker (Mr. Boulanger): Order, please. I did not see any other hon. member rise to speak.

Mr. Horner (Crowfoot): The hon. member for Dauphin (Mr. Ritchie).

Mr. Schumacher: Mr. Speaker, I did not realize there was consent for me to continue.

An hon. Member: Oh, yes.

The Acting Speaker (Mr. Boulanger): Order, please. Do I understand the House gives unanimous consent to the hon. member to continue?

Some hon. Members: Agreed.

An hon. Member: It is such a beautiful speech.

The Acting Speaker (Mr. Boulanger): Does the hon. member rise on a point of order?

Mr. Nystrom: Mr. Speaker, I rise to ask whether the hon. member for Palliser (Mr. Schumacher) would entertain a question? I understand that the House has agreed to extend his time.

Mr. Schumacher: Sure, go ahead.

Mr. Nystrom: It is my understanding that the hon. member hopes this bill never comes into effect. I wonder if he would tell the House, in the few minutes left at his disposal, how he intends to vote; whether he will vote with the hon. member for Don Valley (Mr. Gillies), who thinks it does not go far enough, or with the hon. member for Crowfoot (Mr. Horner), who thinks it goes too far? We would all be interested in knowing how he will vote on third reading.

Mr. Schumacher: Mr. Speaker, in answer to the question, I think the hon. member will have to wait to see. There may never be a vote, one never knows.

Some hon. Members: Oh, oh!

An hon. Member: A Conservative filibuster.

Mr. Schumacher: Mr. Speaker, I thank hon. members for the opportunity to continue, and I undertake not to impose on their goodwill for too long. I am afraid I have not progressed very quickly, as I still have a lot of material I should like to put on the record, but perhaps I might just finish this phase of my discussion.

It seems that recently there has been an increasing development of small independent operations in the oil exploration field in western Canada. Perhaps it would be useful to again look at some of the figures when dealing with this matter. In 1972 there was a total of 325 dry wells drilled in Alberta, of which there were 66 drilled by major companies. In addition 11 producing wells were drilled. It is interesting to note that you do not get a producing well every time you put down a hole. During the same period of time, there were 259 dry wells drilled by independent oil companies, as well as 66 producers. Almost 81 per cent of the wells drilled in Alberta were drilled by small independent oil companies rather than by those major bogey-men my friends from Toronto seem to fear so much.

There was not the same degree of activity in Saskatchewan, but almost 92 per cent of the oil wells drilled there during the same period were drilled by small Canadian independent companies. The situation in British Columbia was somewhat different. The major companies seemed to have more confidence in the new government there, with the result that only 39.1 per cent of the wells drilled during that period were drilled by independent companies. At the same time all the wells drilled in Manitoba were drilled by independent companies. In total activity, 81.9 per cent of wells drilled in 1972 were drilled by small companies.

Considering the number of wells drilled one must realize that a great deal of money is required to carry out this activity. I am happy to see that Canadian companies are taking part to such a great extent in this activity, but I remind hon. members that they depend for their lifeblood on sources of funds outside Canada. These companies cannot operate without access to foreign investment. We must bear in mind that the financial communities of Montreal and Toronto are not free and easy with the money they control. An example of this is the fact that the premiers of various provinces, notably socialist premiers such as Premiers Barrett, Blakeney and Schreyer, immediately upon being elected ran off to New York, Switzerland and London for money. If there is so much money at such favourable terms in Canada why are these premiers not tapping this source? I know that members of the NDP will say that this is debt money rather than equity, but the fact is that the companies to which I have referred require debt money as well. That is the type of money we need in order to keep the cost of Canadian money competitive. There must be free access to foreign investment because Canadian investors have not shown any great ability to handle the job.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa East): Mr. Speaker, a review of the progress of social, political, and economic thought since ancient times shows that interventionism evolves in spirals. This is the point I wish to deal with because I think that Bill C-132 relates to some kind of state intervention in very important areas.

We must accept this process not because we lack defensive means but because of our realism and understanding of the domestic and external economic and political environment of this country. If I were to give a name to this century, from an economic point of view, I would call it the "century of interventionism".

Interventionism is beneficial where it is well adapted. It is not surprising then to see states with the most liberal socio-economic ideas recognizing the principle of intervention and applying it in key areas of their society.

● (1720)

This is not the place to promote this principle but we should sensitize our leaders to this increasingly serious phenomenon in order to make everyone realize that this is not a magic panacea but rather a liberal principle that we should, in my opinion, not relinquish but modernize and adjust.

In liberal societies like ours, the intervention of governments is essential to regulate our activities. We must re-instate through government legislation the essential activities that will then become ordinary and timely.

The subject matter is very interesting and I could say, Mr. Speaker, that the present and former leaders of the government have implemented in the last years several interventionist plans in some very important fields. I could mention hospital insurance, the Canada Assistance Plan, unemployment insurance, family allowances, old age security, regional development incentives, social security, under which 50 per cent of all social security in Canada is paid by the federal government to the blind, the needy, the widows, the disabled, the welfare services and so on. Then the government intervenes in the areas essential to the quality of Canadian life.

Bill C-132 is merely intended to protect the high interests of the country and also to check in a certain way the economic problems caused by international operations.

Before dealing with the bill it could be useful to speak about the whole economic situation. Canada is a young country, a developing country, one of the largest territories in the world whose population is spread over 10 territorial entities and concentrated mostly in large centres.

Thus, the Canadian mosaic is characterized by population, geography, culture and economic voids. Political efforts consist, consequently, in rectifying the existing lack of balance between regions, areas, cities and urban centres, and also between fisheries and agriculture, between commerce and services, between communications and cultural laws governing the life style of Canadians.

The primary effort, I believe, should bear at first on the elimination of obstacles to development, while preparing welcoming structures to be used as solid foundations to the construction of a strong and united Canada.

The economic philosophy of the country and the noble nationalistic worries have left, in previous years, a free field to foreign societies and to capable businessmen, so that they were able to mold the Canadian economy in accordance with their own criteria.

As a matter of fact, during this stage of national construction and cultural harmonizing, Canadian leaders noticed that Canada's resources had passed into foreign hands, meaning that these resources were not used directly for Canadian needs, but in the interest of foreign countries.

Thus, Canada has become a raw material supplier, in the same way, maybe, as a few underdeveloped countries, which constitute a group of poor countries in front of the group of industrialized countries. The consequences of this situation on the Canadian economy are easy to forecast. Power no longer belongs to Canadians, but to those who own vital and economic interests, which causes a shift of the economic and political power.

Second, we have an economy sensitive to any socio-political change, hence the loss for all Canadians of the control over their social and economic destiny.

Third, the bridle of the Canadian economy is in the hands of foreigners and runs through the pulleys of foreign metropolises. I am talking here about multinational corporations.

In such a situation the effects of any economic chaos are easily felt because that close dependence ties us to economies enjoying far greater production and consumption capacities.

Fourth, the fact that Canadian products are destined to serve foreign interests results in a lack of jobs for Canadians. That is because those resources are channeled through a processing method without the Canadian economy, something which benefits in various respects to outside economies both in terms of employment, income, and market.

Fifth, that processing of resources moved outside our territory results in our infrastructure being incomplete and stopping at the limit of our frontiers.

The problems resulting from previous situations have the main effect of deteriorating exchange rates. Canada, a country rich in raw materials has to produce more, invest more, work more, and use more machinery to end up receiving in return the same service or the same machinery that cost increasingly more.

I could go on adding to that list, Mr. Speaker, but I think that the problem is well understood by the average Canadian citizen. We must now concentrate our priorities on curbing a situation unfair to Canadian interests.

This bill is undoubtedly a step in the right direction. It ensures a flexible Canadian attitude that I find wise and reasonable.

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, during this debate on third reading of this bill, we again are discussing the problem of foreign ownership of our economy and national life. It is too bad that, in respect of this bill, the minister did not see fit to accept some amendments, particularly the amendments dealing with the input the provincial governments should have with regard to the decision-making process of this tribunal which is being established. Without this possibility of the provincial governments having some input, the way the bill is set up makes it possible they would not even know that a takeover problem existed or that a company was being formed or being taken over until after the event. So, after listening to considerable debate, I am more than ever of the opinion that the effect of this legislation will not be what was intended because of its substantial deficiencies.

● (1730)

The first defect is that Canada should have expanded its approach to sector control of the economy, something which has already started in certain areas. But this legislation does not deal with that. In the beginning, I was of the opinion that there were certain significant areas of our

economy that should have been protected from foreign ownership. We are involved in communications, yet sometimes when I listen to the CBC I wonder if it was worthwhile trying to protect that part of the economy from outside influences.

There were other areas, and I mention one, uranium. But it should be remembered that uranium is found in vast quantities around the world. We must also remind ouselves, when we are thinking of these things, that we have substantial stakes in other parts of the world. We have a large Canadian aluminum industry, and according to the papers the other day a survey indicates that the aluminum industry will probably grow much more rapidly than any other metal industry. But where does most of the raw material for that industry come from, Mr. Speaker? It comes from outside Canada. Would we be so happy if people in other countries insisted on that raw material being processed there before being exported?

But having decided on what I would call this second best course of controlling foreign investment, basically we are falling back on a tribunal of civil servants who will impose their will on each and every business, with the sanction of the cabinet. What more autocratic or more bureacratic decision making process could there be to decide on whether the person who wants to buy the corner store or the little gravel hauling industry is entitled to do so?

These civil servants live in Ottawa. One of the great failings of people who live in this atmosphere in the centre of the country is that they grow insensitive to the surrounding regions with which they are not familiar. This is a very understandable human trait. We all share it. But in a country like Canada civil servants living in Ottawa take the country to include an area 100 miles around Ottawa. They are conscious of the strong influences of Quebec and Ontario. As a result, I think the rest of the provinces are in for a pretty rough time at the hands of this tribunal. Perhaps we would have been more fortunate if we had had our national capital in Prince Edward Island, a small province, where it would not be subjected to such great pressures, from the larger provinces, economically and politically. But this is an idea I would not want to discuss at great length with P.E.I. members.

There has always been a large degree of foreign ownership of our economy. This has been due to the fact that we have wanted a high standard of living, and we failed to invest in our own country to the extent required. I suggest we have failed, not because we have not wanted to develop our country, but because we have not had the investment money to do so. Without foreign investment, we would be without jobs for our rapidly growing labour force. We must remember that each time we complain about high unemployment, the answer we get from the Minister of Finance (Mr. Turner) and the Minister of Labour (Mr. Munro) is that Canada has the most rapidly growing labour force in the world. Without foreign investment, it would be impossible for us to give our people the high standard of living they demand. All of us want to live as well as the Americans, as well as the Europeans, and through our social services we are making a strong effort to do so. But it is interesting to note that the Americans, with whom we compare ourselves and who have a somewhat similar economy, have not developed the welfare state concept to the extent that we have, although their economy is considerably richer and more mature than ours and basically they could afford a much higher welfare state than we can afford.

Because oil and gas are so important at this period in our national life we should take a look at investment in this industry. We may not like the American companies, just as the NDP do not like them. We may be anti-American. We may deplore the fact that they are here. But, let us face it, without the American oil companies most of Canada would be pretty cold today, including B.C. and Ontario, because no oil of any consequence was found in western Canada before 1954 when the Leduc field was opened. I can remember my family living on a farm in which they invested $1,300 back in 1937, at a time when that was a lot of money, and all they got out of the Alberta oil fields was a little bit of paper. In the main the American investors drilled the holes. Those who tell the story of the finding of Leduc in 1954 can recount how the premier of Alberta at that time brought certain people down to Montreal and Toronto to see if eastern financiers were interested in investing in oil. The answer he got was, "So what? You have a hole in the ground with a little oil in it. We are not interested in investing in that." It is fair to say that probably they did not have enough money. They had other things in which to invest.

As a result the Americans took over the oil industry to a large extent, mainly because of their investing habits. It was not a question of the large oil companies in the beginning. Many small American individuals, the professional people, the lawyers and doctors, people who were willing to put $1,000, $5,000 or $10,000 into betting on a hole in the ground. It was just like betting at a race track. They were the ones who originally opened up the oil fields. And what did the American government do? It allowed these people to write off their investments against their personal income tax. Even yet, in the three western provinces where intensive drilling is carried on, most of it is done by small independent companies financed by similar types of American investors. It is only in the Arctic islands that the large oil companies are actually involved in drilling. After the holes are drilled, then the large oil companies take over.

● (1740)

In 1948 or 1949 a group of people in my town wanted me to join with them in an enterprise in which each put in a couple of thousand dollars to form a small oil company. In those days it took $10,000 to drill a hole in the Lloydminster area. I did not get any results, so I suspended the operation. A year later I asked one individual if he was still involved in the Lloydminster oilfield. He replied that the federal government had changed the tax law so he could not now deduct his losses from his income tax, and he was not going to risk his money any further. It took 20 years for amendments to be made to the income tax law to provide that losses could be written off, and even then there was a maximum of $1,000 a year. So if you lost $5,000 it would take five years to write it off. Mr. Speaker, with inflation the way it is you should be able to write it off in six months if the amendment is to be of any value. This action by the federal government, however, does not seem

to have been any inducement for investment in the small oilwells.

Some people have said that the Maritimes and Montreal do not have any oil because of the Ottawa line. Perhaps the people in Ontario have paid slightly more to assure themselves of a supply of oil, but without this they would be pretty cold this winter. Until recently the attitude of the Americans has been that they did not want our oil, but after the Suez crisis in 1967 they saw Canada as a secure source of supply. For years the Venezuelans demanded that the Americans take a certain amount of oil from them but the Americans refused although at that time oil was a dime a barrel all over the world. One cannot help thinking that they would have been no worse off if they had dealt with the Venezuelans instead of the Canadians.

The *Globe and Mail* today carries a report to the effect that Mr. Bourassa is not enthusiastic about a pipeline to Montreal. He wants it if necessary apparently, but wants the federal government to pay for it. He also wants the federal government to pay for the oil that is transported through the line. According to the article he wants to continue to rely on offshore oil for the factories and refineries that he hopes to build in Quebec. I think this indicates the feeling that we will eventually return to normal conditions.

It has been said in this House by the Leader of the New Democratic Party (Mr. Lewis) that we will have to hold the line on gas and oil prices, and that after the end of January he will bring down the government unless this is done. I do not know how this fits in with the fact that Westcoast Transmission in British Columbia, encouraged by the B.C. Energy Commission, has raised the price of natural gas by 81 per cent. This fact was admitted by the Minister of Energy, Mines and Resources (Mr. Macdonald) in answer to a question I put to him a couple of days ago.

A report was carried on the radio last weekend to the effect that Premier Blakeney of Saskatchewan told the New Democratic Party convention there that the dwindling oil reserves in that province would last for about 16 years, but he added that if no exports were allowed the supply would last for 50 years. Does this mean that he intends to keep the oil at home, Mr. Speaker? Where would we be if we all adopted this attitude, that our resources must be kept within our provincial borders and not sold on the open markets of the country. There seems to be a great deal of inconsistency within the New Democratic Party.

If we deplore the foreign investment in our country, we should realize that there are many countries in a similar situation. In the last century the United States was largely financed by British capital. It is always stated that capital in the form of loans and bonds is better than capital in direct investment because of the possible conflict of interest between decisions made in local head offices and decisions made in corporate head offices outside Canada. I think this theory is greatly overrated because, although it is often indicated that decisions by parent companies outside Canada are not good for Canada, very little evidence of this has been produced that I have seen.

When this bill was in committee, the management of a small oil company with 28,000 U.S. shareholders was asked what influence the shareholders had on company policy. The management of this company was Canadian I might add. The answer given was that there was no evidence of influence, that all the shareholders wanted was a reasonable return on their money. They wanted some profit and the only time they were likely to interfere was if they did not get it.

There seems to be substantial evidence that we are buying back control of our economy. So long as the shares of large companies are traded freely on the stock exchanges, Canadian investors will be able to buy these companies back. I suggest, Mr. Speaker, that many Canadians are not greatly interested in this. In effect, so-called Canadian ownership will depend largely on whether Canadians as a whole are interested in saving for this possibility. These savings in the final analysis are a matter of individual preference.

We have only to study the effect of the new Canada Pension Plan, which has a new cost of living clause built into it, to realize that for many Canadians in the lower income brackets it is almost foolhardy to have any personal savings. With complete medicine, hospital and nursing care for our citizens over 65 years of age, and with old age pensions and escalating Canada Pension Plan benefits, there is no need for the lower income Canadian to suffer. He may, of course, want to buy some article that will be helpful or gratifying in his daily life but in fact with the old age pension and the Canada Pension Plan available to him, the average individual could not save as much money as would give him a comparable annuity in his old age. Considering present inflation rates, why would any person want to save, say up to $500 per year, especially as the return on the money would be so small as to make the saving hardly worthwhile. I am reminded of the person who took an airplane trip to Hawaii; he said that at least the income tax man cannot take away that experience.

● (1750)

There is substantial evidence that investment money, at least from the United States, will recede in the immediate future. Passage of the American DISC program, the fact that there is a distinct possibility that Canadian provinces and municipalities may be shut out from the New York market, the surcharges of a year or so ago and changes in the investment picture all point to the fact that the Americans want their capital to come home. We had the funny experience of seeing Canadian unions trying to show their American counterparts the folly of supporting the Burke-Hartke bill presently before Congress.

The other day the hon. member for Oshawa-Whitby (Mr. Broadbent) was complaining that American auto companies had not invested enough money in auto plants on the Canadian side of the border. We are now witnessing the fact that at a time when the demand for oil and gas is at its height and we are running short of supplies, drilling is decreasing in the western provinces. It has decreased in B.C. and Saskatchewan. Last week, Winnipeg newspapers reported that Canadian expertise is flooding over into Montana. Apparently Canadian experts are active in all the oil fields of the world. Significantly, an analyst in a Montreal newspaper said the other day that if you want to invest in oils, invest in Canadian companies which are active outside Canada; do not invest in a company whose

main drilling rights are in Canada, because we do not know what their future will be.

Two or three years ago we passed legislation in this House aimed at controlling the manufacture of drugs in this country, in the interest of lower drug prices. That legislation wiped out their patent protection. It may have lowered drug prices. That is difficult to say. We are paying for that lack of protection in other ways. New drugs are being mentioned in the medical literature of the United States, of western Europe and of England. Those drugs do not seem to be available in Canada. I think, without any doubt, the drug legislation, which may have lowered drugs costs, has also discouraged the introduction of new drugs into Canada. The drug industry shows what foreign investment can do. Expertise in drugs is not confined to one country. Knowledge about drugs stretches beyond the borders of the United States, beyond the borders of western Europe, and extends to the communist world as well.

Turning to the instrument by which this government hopes to control foreign investment, its obvious weakness is its autocracy. Businesses will be controlled down to the value of $250,000. That means that a great many businesses will need to be screened, and often the seller will not know who the buyer is to be. In effect, this provision means that any business with three or more employees will have to be screened. I can see that the small businessmen will undergo considerable strain in trying to find out whether or not a buyer will come under the definition of foreign owner. I submit that the seller often will not know.

Let me refer to an article carried in the *Globe and Mail* of November 20, 1973, entitled, "Proposed investment review act comes under strong criticism." The investment review bill was strongly criticized by a former official of the department. The article reads in part:

> The proposed federal Foreign Investment Review Act has come in for some strong criticism at the University of Toronto Faculty of Administrative Studies Issues at Interface Seminar.
>
> Andrew Kniewasser, president of the Investment Dealers Association of Canada, said the difficulty with such legislation arises from the fact that 'its real effect will turn largely on the administrative performance of the agency.'
>
> The act provided for creation of a review board reporting to the Minister of Industry, Trade and Commerce with power to prohibit takeovers unless they are found to be of 'significant benefit to Canada.'
>
> Mr. Kniewasser, a former deputy minister of Industry, Trade and Commerce said:
>
> 'I doubt very much if it would have been possible to limit administrative discretion by putting more criteria in the bill.'

In other words, the weakness of the bill is this: how are you to decide the criteria on which decisions should be based? You might as well toss a coin. You are as likely to be right as wrong.

The article continues:

> Canada is still regarded by foreign investors as an interesting place to commit funds, with first rate economic propects and a rather moderate degree of government red tape . . .

If this bill passes, that may no longer be so. Mr. Kniewasser then said:

> If the administration of the Foreign Investment Review Act does become restrictive or cumbersome or if it should lead to serious confrontations and additional uncertainties between the Government of Canada and the provincial governments, we would quickly be in trouble.

Mr. Horner (Crowfoot): Six o'clock.

Mr. Gillespie: Question.

* * *

BUSINESS OF THE HOUSE

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if someone on the government side of the House, perhaps even the hon. member for Saint John-Lancaster (Mr. Bell) who is talking to someone on the government side, will tell us what we shall be doing tomorrow.

Mr. Bell: Mr. Speaker, I was just trying to get confirmation of that from the government. Word has been passed, through the page boys, that we may take the wiretapping bill. That is all I know.

At six o'clock the House adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, November 22, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

INDUSTRY

NEWSPRINT SHORTAGE—PROPOSED REFERENCE TO COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to seek unanimous consent under Standing Order 43 to present a motion of urgent and pressing necessity to my own constituency and, I am sure, to many other constituencies throughout Canada. In view of the fact that newsprint shortages are seriously jeopardizing the existence of many of the smaller newspapers in the country and as these newspapers often present the only alternative to large newspaper monopolies, I ask leave of the House to move, seconded by the hon. member for Grenville-Carleton (Mr. Baker) the following motion:

That the question of newsprint shortage in Canada be referred to the Standing Committee on Finance, Trade and Economic Affairs forthwith for immediate consideration.

Mr. Speaker: The hon. member's motion requires the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

INDIAN AFFAIRS

ABORIGINAL RIGHTS, JAMES BAY INDIANS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise to seek the consent of the House to move a motion pursuant to Standing Order 43 in a case of urgent and pressing necessity. The decision rendered by an appeal court in the province of Quebec setting aside the injunction obtained by the Indian people with respect to the James Bay project has effectively removed the leverage that the Indian people had in any negotiations and has created a situation where there is now no compulsion on the James Bay Development Corporation or the province of Quebec to negotiate in good faith or to attempt to come to a fair settlement with the Indian people.

I would therefore move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House instruct the Minister of Indian Affairs and Northern Development to lend every assistance possible to the Indian people in the province of Quebec in order that the negotiations relating to the James Bay project will result in a recognition of the aboriginal rights of the Indian people and bring for them a respect for their way of life and the fullest measure of benefits.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

LABOUR CONDITIONS

JOB VACANCIES AND UNEMPLOYMENT INSURANCE RATES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43 to seek leave to move a motion. In view of the way small businesses in metro urban areas are having difficulty getting help at rates of $2.50 and $3 per hour, in view of the reported high job vacancy rate and in view of the way the Minister of Manpower and Immigration (Mr. Andras) has announced an increase in unemployment insurance rates, I would move, seconded by the hon. member for Peel South (Mr. Blenkarn):

That this matter be referred to the Committee on Labour, Manpower and Immigration.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

* * *

ENERGY

TAKING ON OF BUNKER OIL BY AMERICAN SHIP AT VANCOUVER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Paddy Neale (Vancouver East): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. In view of the present oil shortage and

in view of the fact it has been reliably reported to me that a ship of American registry, the *Alaskan Mail*, was smuggled into the port of Vancouver last weekend, took on 313,000 gallons of bunker oil, and then left the harbour without loading or unloading any cargo and without paying any wharfage fees, I move, seconded by the hon. member for New Westminster (Mr. Leggatt):

That this House instruct the Minister of Transport to conduct an immediate investigation as to the facts of this situation with a view to putting a stop to this practice and to determine who is responsible for the virtual blackout of information regarding the coming and going of the *Alaskan Mail*.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion cannot be put. Introduction of bills.

* * *

● (1410)

PRIVILEGE

MR. LEWIS—MAKING OF STATEMENT BY PRIME MINISTER ON BROADCAST MEDIA RATHER THAN IN HOUSE

Mr. David Lewis (York South): Mr. Speaker, I rise on a question of privilege which affects this parliament and every member of the House. I appreciate that I did not give Your Honour notice, but I could not until now. This is the first opportunity of raising the matter.

As everyone in the House knows, the Prime Minister (Mr. Trudeau) is scheduled to make a statement of some sort, so we are informed, on energy policies this evening at 9:30 over the media of this country. I waited during the period of motions to see whether the Prime Minister would rise to make a statement to the House with regard to anything he intends to announce at 9:30 this evening.

The Prime Minister has often been accused of disregarding parliament. I can think of no more basic example of that disregard of parliament than the Prime Minister is showing today.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lewis: I remind the Prime Minister, and I suggest this is a most legitimate point of privilege, that we do not yet have a presidency in this country.

Some hon. Members: Hear, hear!

Mr. Lewis: The Prime Minister does not have to imitate President Nixon in every respect. At least, Mr. Speaker, we are sure of getting the tapes of the broadcast.

I suggest to Your Honour that if there is going to be a statement regarding energy policy of any sort it ought to be made in the House first. It seems to me that the Prime Minister is showing not only disregard for parliament but a lack of courage to face the members of the House.

Some hon. Members: Hear, hear!

[Mr. Neale.]

Some hon. Members: Oh, oh!

Mr. Lewis: It is obvious to every member of the House as well as to every Canadian that the energy problem is one of the most serious facing this country not only this winter but for years to come. It is the duty of parliament, not only the government, to decide on the policies to be pursued. The Prime Minister has no right to disregard parliament and go on the air at his convenience. I suggest this is not only disregard of parliament in the technical sense but it is an abrogation of his responsibility to parliament and to the people of Canada.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is difficult for me to understand the strong language used by the leader of the New Democratic Party and these various catcalls which are arising from the Conservative party in his support when we are merely dealing with a statement I might be making tonight which might have nothing to do with the kind of fear the hon. gentleman has just been expressing.

The assumption is that I am going to make some major policy announcement to the nation tonight on the media. If that assumption were correct, perhaps the question of privilege might have some basis. Perhaps tomorrow the leader of the New Democratic Party might have some cause to raise a question of privilege if, in fact, the hypothesis under which he is working fulfils itself tonight. But I went out of my way to indicate to those members of the press who caught me before I entered the chamber that this was not to be a policy statement, that I was merely going before the nation in order to explain the situation with regard to energy in Canada, the measures the government has taken and the explanations we have for those measures. I do not intend to make any major announcements but I do intend to clarify a lot of the muddled thinking which has its residence on the other side of the House.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

ORAL QUESTION PERIOD

[*English*]

ENERGY

NATURE OF STATEMENT TO BE MADE BY PRIME MINISTER OVER BROADCAST MEDIA TONIGHT

Hon. Robert L. Stanfield (Leader of the Opposition): I have a question for the Prime Minister, Mr. Speaker. Without getting involved in any controversy about whose thinking is muddled and without, I hope, offending the Prime Minister in any way by pursuing this matter, may I ask him whether he intends to outline any policy or plan

that has not been previously announced in the House when he speaks to the nation tonight?

Right Hon. P. E. Trudeau (Prime Minister): I am afraid the Leader of the Opposition will have to wait until he hears my statement.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Stanfield: I express the hope that the Prime Minister will live up to the traditions of the House and of his office and present to parliament any statement of policy which is being made for the first time.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for York South. Order, please. If the hon. Leader of the Opposition is rising to ask a supplementary he will, of course, be recognized for that purpose, and then the hon. member for York South.

Mr. Stanfield: I was proceeding to the supplementary, Mr. Speaker. I was simply expressing my confidence in the Prime Minister.

Some hon. Members: Hear, hear!

Mr. Stanfield: I should like to ask the right hon. gentleman whether he has any new information with reference to supplies of petroleum from overseas and the kind of shortages we may expect this winter. Does he intend to give any such information to the country tonight and, if so, will he advise the House as to this information this afternoon?

Mr. Trudeau: I have no information to give beyond that which has already been conveyed by the Minister of Energy, Mines and Resources or other members of the government. If, indeed, I have such information which comes to me before tonight—

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, surely there can be no objection to my answering that very question by the leader of the catcallers on the other side. Do they want me to answer the question or not?

• (1420)

Mr. Stanfield: I hope the Prime Minister will appreciate that I am trying to be very polite and courteous to him, despite his provocations.

Some hon. Members: Hear, hear!

Mr. Stanfield: I should like to ask the right hon. gentleman whether it is his intention to give the Canadian people tonight any information as to what may be the effect of the energy crisis generally on the Canadian outlook with respect to international trade and, if so, whether he proposes to provide that information to the House also?

Mr. Trudeau: Mr. Speaker, I think my answer can only be in general terms. I intend tonight to explain the situation in the energy field to the Canadian people. I do not intend to convey to them any major, shattering, new announcement. I cannot interpret the possible feelings of opposition members after they have heard my speech tonight. If tomorrow they think I have done something that is unparliamentary, I will be prepared to answer for it. In the meantime, I think they will have to realize that once in a while the Prime Minister of the nation can talk to the Canadian people—

Some hon. Members: Hear, hear!

Mr. Trudeau: —about subjects which are of great concern to the people from coast to coast. In view of my respect for parliament I will do my best not to introduce into my speech tonight anything that might be considered by the opposition as a major announcement which would have been better made to the House of Commons. I repeat, I hope that they and all Canadians will be listening to the speech tonight, and if their fears of today are justified I will be prepared to answer to the House tomorrow.

Mr. David Lewis (York South): Mr. Speaker, I should like to suggest to the Prime Minister that muddled action is worse than muddled thinking.

Some hon. Members: Question.

Mr. Speaker: Order, please. The hon. member for York South was recognized a moment ago on a question of privilege at which time he made certain suggestions. The hon. member is recognized during the question period for the purpose of asking a question.

Mr. Lewis: Personally, Mr. Speaker, I am no more impressed by the catcalls of the Liberals than I am by the catcalls of the Conservatives. For one thing, they are the same. I noted that the Prime Minister in his answers emphasized that he would not be making any major or earth-shattering announcement of policy this evening. I should like to ask the Prime Minister whether that means that there will be some policies announced which have not yet been announced in parliament? If not, are we to take it that he is merely going to give a little story to the people of Canada to justify the inaction of the government?

Mr. Speaker: Order, please. A question asked in those terms is clearly out of order.

[*Translation*]

Does the hon. member for Témiscamingue wish to ask a supplementary?

Mr. Caouette (Témiscamingue): No, Mr. Speaker.

[*English*]

Mr. Speaker: I recognize the hon. member for York South.

Oral Questions

PETROLEUM—RESULT OF DISCUSSIONS BY MINISTER WITH ALBERTA GOVERNMENT—INTENTION RESPECTING LIFTING OF PRICE FREEZE

Mr. David Lewis (York South): Mr. Speaker, may I turn to the Minister of Energy, Mines and Resources on a supplementary. Will he inform the House briefly as to the results of his discussions in Alberta, and indicate particularly whether it is still his intention to lift the price freeze on January 31 permitting prices of petroleum and petroleum products to go up as of February 1?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I had the opportunity of meeting with the Alberta Minister of Intergovernmental Affairs. We had a discussion about the consultative process, in the course of which it was agreed that with the rapid movement of events consultation in both directions had not been as effective as it could be. We have agreed upon a procedure to make it more effective in the future. I am pleased to say that the minister will be participating in the federal-provincial meeting tomorrow, and I expect to meet him at a bilateral meeting later the same day.

Mr. Baldwin: How did you get your foot out of your mouth long enough to say that?

Mr. Lewis: Mr. Speaker, may I ask the minister to answer the second part of my question, whether it is still his policy and the policy of the government to lift the price freeze on January 31 and permit prices of petroleum and petroleum products to go up to the import price at Montreal as stated earlier?

Mr. Macdonald (Rosedale): Mr. Speaker, there have been suggestions from a number of quarters as to the appropriate manner of indexing the Montreal price, and we are studying these. In general terms, however, it remains my view that the international market mechanism should determine the Canadian basic price.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Témiscamingue and then return to supplementary questions on this subject.

[*Translation*]

POSSIBLE CONSTRUCTION OF HEAVY WATER PLANT AT GENTILLY

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to direct a question to the hon. Minister of Energy, Mines and Resources.

We have learned that a heavy water plant will be built in Gentilly. Have the department or the government finalized the decision to build a heavy water plant in Gentilly?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have not finalized our decision in this matter. We have established that another heavy water plant is needed, but some conditions must still be determined before we can make the final decision.

Mr. Caouette (Témiscamingue): Mr. Speaker, I should like to ask a supplementary.

[Mr. Speaker.]

Since the government has already spent considerable sums in the Montmagny area, is the minister also studying the possibility of building a heavy water plant in Montmagny?

Mr. Macdonald (Rosedale): Mr. Speaker, I am not aware of these expenditures in the Montmagny area. Perhaps I could investigate this matter, but that remains to be seen.

[*English*]

OIL—NATURE OF RESTRICTION BY ARAB STATES ON SHIPMENTS TO CANADA—REASON THEREFOR

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask the Prime Minister whether there has been any information available to the government concerning the embargo on oil which has been imposed in respect of shipment to various countries by the Arab states? I mention particularly the United States, to which reference was made yesterday by Secretary of State, Dr. Kissinger and also by Mr. Porter, the Under Secretary of State. Has that embargo by the Arab states been applied in any way to Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, beyond what I said a few days ago in answer to a similar question I have no new news. Perhaps the answer might be supplemented by the Minister of Energy, Mines and Resources, if he has anything to add.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, at the moment we have had no further indication of the intentions of the various states in this regard except that at least two of the principal exporting states have indicated their refusal to export to Canada by way of the Portland pipeline. Other shipments are being allowed to come to Canada, although there is an indication there will be a reduction in the over-all supply to the world community, a reduction in which we would share.

● (1430)

Mr. Diefenbaker: Mr. Speaker, will the minister say which Arab states have applied an embargo against Canada, and is the reason for that embargo that which applies to Holland, the United States and the other countries that have been placed in that position because of their suspected support of Israel?

Mr. Macdonald (Rosedale): I can say that the position taken by the Arab countries with regard to Canada is different from that taken with regard to Holland and the United States. The position taken with regard to the Portland pipeline is due, of course, to the fact that it is a destination in the United States and the Arab embargo applies to any shipments to that country, whether for consumption there or in transit. The basic position taken with regard to Canada is that we are not in the same category. Shipments will be made to Canadian ports such as Halifax, Saint John or Montreal, but there will be an over-all reduction in production and we will share in that.

Mr. Diefenbaker: Is it clear that so far as the Arab states are concerned the minister has been in touch with

them and there will be no reduction in the amount of oil exported to Canada?

Mr. Macdonald (Rosedale): No, Mr. Speaker, there will be a reduction, as there will be to the world community generally.

Mr. Diefenbaker: But other than that?

Mr. Macdonald (Rosedale): My present information is that there is no total embargo on Canada as there is on the United States.

PETROLEUM—TANKER TRANSPORTATION FROM VANCOUVER TO EASTERN CANADA—PROPOSED PIPELINE EXTENSION TO MONTREAL—GOVERNMENT PREFERENCE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to put a question to the Prime Minister. Everyone in Canada is concerned about the cost of crude petroleum and its by-products to the consumers and security of supply. Will the Prime Minister state clearly at this time whether it is the policy of his government to prefer the tanker route transportation of crude petroleum from Vancouver through the Panama Canal rather than the installation of an additional pipeline because the problem is not one of supply at the present time in Canada but one of transportation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it seems to me the two courses have different time spans. The tanker route at this time is meant to try to meet shortages in eastern Canada; the pipeline to Montreal will only be operable in perhaps a couple of years time.

Mr. Woolliams: I should like to follow that up with another question, Mr. Speaker. The Prime Minister said that another two years will elapse before the pipeline is ready. Will he categorically and unequivocally make it clear that the policy of the government now is to go ahead with the project and either motivate industry or find funds in another way to ensure that construction of the pipeline is started at this time?

Mr. Trudeau: I did indicate on September 4, indeed, before the Middle East crisis broke out, that our intention was to seek ways of having this pipeline to ensure security of supply in eastern Canada. Concrete measures to that effect will be announced in the usual way in the House of Commons by the Minister of Energy, Mines and Resources or by the Minister of Industry, Trade and Commerce.

An hon. Member: Several years too late.

PRICE OF CANADIAN CRUDE OIL AFTER EXPIRATION OF PRESENT PRICE FREEZE—POSSIBILITY OF STATEMENT AND LEGISLATION FOLLOWING MEETING WITH PROVINCIAL MINISTERS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. In the course of discussions he has been having in recent days with representatives of the government of Alberta, did he reach an understanding with them that the price of Canadian crude oil will be raised by $1.50 a barrel after January 31 when the present price freeze expires?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): We have reached no agreement with the government of Alberta on the matter of the crude oil price in the next year. That is one of the questions I would expect to be discussing when we meet tomorrow.

Mr. Douglas: In light of the minister's reply that these matters will be discussed at the meeting which begins tomorrow of energy ministers from across Canada, may I ask the minister if, following that conference, he intends to make a statement to the House on Monday and does he intend at that time or soon thereafter to introduce legislation enunciating the government's oil policy?

Mr. Macdonald (Rosedale): I think I have already indicated to the House that I will be making a statement on Monday with regard to the emergency interruption of supply situation, and that would comprise any legislative measures that the government thinks, appropriate to deal with that situation. I cannot be certain that the statement will also cover the question of the long-term reconstruction of the Canadian oil market.

GOVERNMENT INTENTION RESPECTING POSSIBLE HEAVY WATER PLANT IN MANITOBA

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the Minister of Energy, Mines and Resources. In view of the minister's answer to the hon. member for Témiscamingue that no definitive decision has been made regarding the construction of a heavy water plant in Quebec, can the minister inform the House whether a decision has been made concerning the construction of a heavy water plant in Manitoba and what is the projected construction date?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the decision with regard to heavy water plant policy will be announced as a whole and will clearly cover the situation in western Canada as well.

Mr. Epp: My supplementary question is directed to the Minister of National Defence.

Some hon. Members: Oh, oh!

Mr. Epp: May I ask the minister whether he has a statement to make on whether Manitoba will be the site of a future heavy water plant or, if not, a statement as to his resignation from the cabinet?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member knows that a question asked of a minister other than in his ministerial capacity is out of order.

Oral Questions

GOVERNMENT POLICY—POSITION OF PROPOSED MACKENZIE VALLEY GAS PIPELINE—TANKER SITUATION ON WEST COAST

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of his statement in Calgary that rapidly changing events in the international energy scene have prompted some rethinking of former federal positions and views on energy matters, will the government be scrapping last week's energy policy and, if so, when will they be giving us the features of the new policy?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think I have dealt with this very adequately in the presence of the hon. gentleman in the committee last week.

Some hon. Members: Oh, oh!

Mr. Bawden: I have a supplementary question.

Mr. Speaker: Order, please. Will the hon. member resume his seat for a moment. I will recognize him on a supplementary. Hon. members know that there are quite a few members seeking the floor for supplementaries on this subject. Perhaps we should give some thought soon to turning to another subject. For the moment I see the hon. member for Calgary South.

Mr. Bawden: I think the minister owes it to the House to answer questions for hon. members. I should like to ask him if he would reconsider and perhaps answer the question.

Mr. Macdonald (Rosedale): I set out the position of the government as recently as last Wednesday, I believe, in the standing committee.

Mr. Bawden: That is a week old.

Mr. Macdonald (Rosedale): The hon. gentleman may not have understood, but that will come as no surprise.

Some hon. Members: Oh, oh!

[*Later:*]

Mr. Bawden: Mr. Speaker, I hope the minister will answer this question. I asked a sensible question which is of interest to the country. I hope he will not again take the opportunity to preface each answer with an insult. In view of the minister's further statement in Calgary that recent events have opened up—

Mr. Speaker: Order, please. The hon. member can ask the question directly without bringing in statements made outside the House. He is recognized for that purpose.

Mr. Bawden: Mr. Speaker, I should like to ask the minister what fresh areas of discussion have been opened up with the United States? Is the Mackenzie Valley gas pipeline now dead, and will the minister state what the tanker situation is on the west coast? Are we beginning to fight or is the fight over?

Mr. Macdonald (Rosedale): Mr. Speaker, with regard to the position of the United States, we are anticipating an early meeting at the official level to follow on the meetings with Governor Love when he was in Canada earlier in the autumn. With regard to the tanker question, my colleague, the Secretary of State for External Affairs, has, I think, dealt adequately with this in the House in past answers.

[Mr. Speaker.]

POSSIBILITY OF CONSTRUCTION OF NUCLEAR REACTOR IN MANITOBA

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): Mr. Speaker, I am sure that all the applause is on your behalf, not mine.

Some hon. Members: So are we.

Mr. Guay (St. Boniface): Through you, Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources.

Mr. Nielsen: Call him on the phone.

Mr. Guay (St. Boniface): My question is whether or not the Manitoba provincial government has approached the federal government or the office of the minister indicating that there is a possibility—er—

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): I am so used to watching the opposition I am getting into the same habit.

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): I wish to ask the minister whether an approach has been made by the provincial government of Manitoba indicating that they are prepared to implement the construction of a nuclear generator plant in Manitoba?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, Manitoba officials and the Manitoba minister have indicated their interest in the possibility of a Candu reactor for that province but not until quite a bit later in this decade.

● (1440)

Mr. Speaker: The Chair recognizes the hon. member for Regina-Lake Centre.

* * *

GRAIN

LACK OF RAILWAY BOXCARS FOR MOVEMENT—GOVERNMENT ACTION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I change the topic to another crisis that occurs almost yearly. I should like to direct a question to the Minister of Justice in charge of the Canadian Wheat Board. In view of the fact the Canadian Wheat Board is experiencing

extreme difficulty in meeting delivery requirements and has to resort to shuffling contracts and orders because of the failure again of the railroads to provide sufficient boxcars for grain movement, what action has the minister taken to require the railroads to provide increased rolling stock and locomotive power immediately for the movement of grain?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, hon. members know that the railways face a problem in respect of allocating cars in a booming economy with demands at higher than usual levels in almost every area. The railways have come very close to the level of unloading they had anticipated, and we are looking with them at the question of whether they can indeed bring more boxcars into service. There are, of course, some cars which are available but need repairs. This might be expedited. We are looking at other means of trying to improve the situation. It is, of course, a fact that in a peak economy like this one can expect a certain stretching of the rail services just as one can the availability of steel and almost every other product.

Mr. Benjamin: Mr. Speaker, I am glad the minister gave that kind of answer which leads to the next question. In view of the fact that terminals in Vancouver are less than half full and those at Thunder Bay have only about 30 million bushels of grain in store when their working capacity is double that, can the minister advise whether it is correct that over recent weeks the railways have had fewer cars in grain movement than they did several months ago or at the same time last year?

Mr. Lang: Mr. Speaker, I believe it is correct to say there are fewer cars in the movement of grain at this particular point in time than there were a year ago because a year ago it was possible for our railways to divert to grain movement cars ordinarily dedicated to the movement of potash. However, because of the tremendous movement of potash from Saskatchewan this year these cars are remaining in that movement.

* * *

TRANSPORT

GOVERNMENT PLANS RESPECTING OBTAINING OF MORE RAILWAY ROLLING STOCK AND LOCOMOTIVES TO MEET NEEDS

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, might I direct this supplementary question to the Minister of Transport. In view of the fact that in the past ten years Canadian railways have reduced the number of railway cars suitable for the movement of grain and lumber from 88,000 to 48,000, a reduction of 40,000, and also in view of the chronic yearly shortage of equipment to move livestock, potatoes and other bulk commodities, does the government have any immediate program, either by requiring action on the part of the railways or by government action, to order and obtain rolling stock and locomotive power to meet the transportation needs of the country?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think I will have to verify some of the figures that have been cited. Notwithstanding that, I must say there was an effort this year to have an increase in all kinds of rail cars. Not only has the traffic increased but at the same time there was a strike that prevented the building of new cars. I will check into the figures and tell the hon. gentleman what we are doing in order to meet the needs.

Mr. Speaker: Order, please. Obviously there are a sufficient number of supplementaries on this subject to keep us going well beyond the question period. The Chair will recognize the hon. member for Mackenzie and then the hon. member for Bellechasse.

* * *

ENERGY

POSSIBILITY THAT STATEMENT TO BE MADE BY PRIME MINISTER WILL AFFECT STOCK MARKETS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Prime Minister. In view of the fact the Prime Minister will be making his statement later in the day when the stock markets are closed, may I ask him whether the statement will contain something that will affect the stock markets of Canada and, if so, whether he has had consultation on this with the Minister of Finance?

Right Hon. P. E. Trudeau (Prime Minister): Yes, I think this highly publicized television statement will affect the stock markets of Canada. I am sure investors in Canada will be pleased to learn that the Liberal government is going to stay in power for a long time yet.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Korchinski: Mr. Speaker, may I ask the Minister of Finance whether there will be budgetary adjustments as a result of this statement?

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[*Translation*]

COMBINES INVESTIGATION ACT

REQUEST FOR ACTION TO PREVENT SALE OF "LE SOLEIL" TO POWER CORPORATION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs.

As the written press is quite an old medium of information, but always effective, and as it is quite important that newspapers do not become the prey of a monopoly, can the minister tell the House if he has been informed, one way or another, of the possible sale of the daily newspaper *Le Soleil* of Quebec City to the Power Corporation of Canada, Limited, which already controls many other newspapers? If so, can the minister tell the House if he intends to use his power to prevent the Quebec press from becoming a monopoly?

Oral Questions

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am glad to make note of his question; I will answer it at a later date.

* * *

[*English*]

TRANSPORT

STUDY OF RAILWAY PASSENGER SERVICE IN SOUTHWESTERN ONTARIO BY TRANSPORT COMMISSION—LOCAL CONSULTATION

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I should like to address a question to the Minister of Transport. In light of the fact it has become very apparent this week that the Canadian Transport Commission study of railway passenger service in southwestern Ontario is far different in scope and intent from what was indicated by the minister in response to questions over the last ten months in the House, can the minister tell us if he was ever aware of the terms of reference of the CTC study before it started and, if so—

Mr. Speaker: Order, please. I have some doubt whether it is in order at this time to ask a minister if he was ever aware of a fact or a situation. That is hardly a proper way to put a question. Perhaps the hon. member might rephrase the question.

Mr. Jarvis: In light of the fact that the minister and officials of the CTC have indicated that an important part of this study would be local consultation with the people in the area affected, and in light of the fact it became apparent on Tuesday of this week that no consultation had taken place, would the minister indicate whether he approved the study being conducted and completed without local consultation?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the hon. gentleman is speaking about local consultation. I think it was stated before the standing committee by Mr. Benson that these consultations are going to take place and that the report will likely be ready in a few weeks.

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ENERGY

INITIATIVE FOR MEETING BETWEEN FEDERAL AND ALBERTA MINISTERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources who has referred to the meeting he had in Calgary with a minister of the government of Alberta. Can the minister tell the House whether the meeting in Alberta was held on the initiative of himself and his department or on the initiative of the government of Alberta?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): At my initiative, Mr. Speaker.

[Mr. Lambert (Bellechasse).]

TRANSPORT

PROVISION OF RAILWAY CARS TO SHIP BRITISH COLUMBIA LUMBER

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is directed to the Minister of Transport. In light of the fact that the lumber industry in central and northern British Columbia is losing $3 million a week and the fact that rookie Senator Ray Perrault announced in Prince George while he was representing the minister there during the opening of an airport terminal that there are a thousand brand new railway cars on the way up to Prince George to alleviate the problem, can the minister tell the House by what mode of transportation these rail cars are moving to Prince George? It has been a month, Mr. Speaker.

● (1450)

Hon. Jean Marchand (Minister of Transport): Before I answer this question, Mr. Speaker, I should like to read exactly what the senator said.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

INQUIRY RESPECTING EXTENSION OF SERVICES TO COMMUNITIES OF MORE THAN 500 PEOPLE

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I have a question for the Secretary of State.

On April 3 of this year, I asked him a question about a complete master plan for the extension of television and radio services in communities of at least 500 inhabitants The minister replied then that he was discussing these projects with the Canadian Broadcasting Corporation and would make a report to the cabinet.

Can he tell us if these consultations are finished and if he will soon announce the program approved by the cabinet?

[*English*]

Hon. James Hugh Faulkner (Secretary of State): Yes, Mr. Speaker, we are working very hard on that at the present time and I hope to be in a position to make an announcement shortly.

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INDIAN AFFAIRS

JAMES BAY POWER PROJECT—COURT DECISION ALLOWING WORK TO CONTINUE—GOVERNMENT ACTION TO PREVENT FURTHER DAMAGE TO NATIVE PEOPLE'S LIFE STYLE

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Because the temporary injunction of Mr. Justice Malouf upheld the argument of the native people of James Bay that irreparable damage would be caused to their way of life, and in view of the fact the appeal court did not refute this argument in

its decision to allow work to continue on the James Bay project, will the minister say what immediate action the government will take to ensure that no further irreparable damage is caused to the life style of these native people who come within federal jurisdiction?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the proceedings are going on. The Indians have announced that they intend to go to the Supreme Court of Canada and we cannot interfere with the courts. We will listen to the judgment of the court. In the meantime, the decision of the court today proved once more that we were right a year ago when we urged the two parties to negotiate a settlement. We are still negotiating, and I hope there will not be too many backseat drivers to interfere.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Miss MacDonald (Kingston and the Islands): Mr. Speaker, that vehicle has not got very far along the road yet. In view of the minister's expressed satisfaction with Mr. Justice Malouf's decision, will the minister undertake to appear at the appeal before the Supreme Court of Canada to support openly the Indian case if the native people request him to do so? Will he give that undertaking?

Mr. Speaker: Order, please. I doubt that a question asked in those terms can be acceptable procedurally as it is, of course, hypothetical.

Mr. Chrétien: On a point of order, Mr. Speaker, I should like to say to the hon. member that there are no witnesses at those hearings.

Some hon. Members: Hear, hear!

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EXTERNAL AFFAIRS

GARRISON DAM DIVERSION, NORTH DAKOTA—FURTHER ACTION BY CANADIAN GOVERNMENT—CONSIDERATION BY INTERNATIONAL JOINT COMMISSION

Mr. Bill Knight (Assiniboia): Mr. Speaker, I have a question for the Prime Minister in the absence of the Minister of the Environment and the Secretary of State for External Affairs. In view of the fact the diplomatic note from the government of Canada to the government of the United States concerning a moratorium on the construction of a dam and irrigation project in the state of North Dakota has been rejected by the United States government, since the construction continues, can the Prime Minister inform the House, in view of the very serious effects this could have on the rivers in Canada, what further action the government is going to take on this matter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will be glad to take notice of the question on behalf of the ministers.

Mr. Knight: In view of the fact the United States irrigation project could pollute the Red River and the Souris River within the jurisdiction of Canada, can the Prime Minister inform the House if the International Joint Commission and the Canadian members thereof have been instructed to indicate clearly Canada's opposition to the breaking of the Boundary Waters Treaty by the United States?

Mr. Trudeau: Mr. Speaker, I cannot say. Again, I will have to take note of the question on behalf of the ministers.

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AIR CANADA

CHARGES BY AIRLINE EMPLOYEES ASSOCIATION—REQUEST FOR INDEPENDENT INQUIRY

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is directed to the Minister of Transport. Due to the damaging charges made by the Canadian Airline Employees Association against Air Canada and its operations, will the minister order an independent inquiry to investigate the charges?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I should like to know what charges the hon. member is referring to.

Mr. McKenzie: The document was delivered to the minister's office this morning. In light of the criticism and complaints coming from the public, employees and members of parliament about the whole Air Canada operation, is the minister considering calling for the resignation of Mr. Pratte and his 18 vice-presidents?

Mr. Marchand (Langelier): No, Mr. Speaker.

POSSIBLE REORGANIZATION OF SENIOR MANAGEMENT STRUCTURE—APPOINTMENT OF NEW PRESIDENT

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is for the Minister of Transport. Is the minister aware of any initiatives currently being undertaken by the chairman of Air Canada to reorganize the senior management structure of the corporation, the results of which would modify the structure of the senior management so that a president would no longer be necessary?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the only thing I can say is that I have had discussions with the chairman of Air Canada.

Mr. Speaker: Order, please. Perhaps we should limit supplementary questions. There are just two or three minutes left before the end of the question period. The hon. member may ask a supplementary and then I shall see the hon. member for Cape Breton-The Sydneys.

Mr. Mazankowski: Mr. Speaker, in view of the fact the minister has had discussions with the chairman of Air Canada, is he in a position to announce a replacement for

the president when his retirement becomes effective in December of this year?

Mr. Marchand (Langelier): No, Mr. Speaker.

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CANADIAN COASTGUARD

POSSIBILITY OF TRANSFER OF COLLEGE FROM CAPE BRETON TO ONTARIO—VIEW OF NOVA SCOTIA PREMIER

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is also for the Minister of Transport. May I thank him for the one year's reprieve he has given respecting the future of the Canadian Coastguard College, which he officially announced this week. In light of the very important statement by Premier Regan in Sydney recently that he is against any move of the Canadian Coastguard College to Ontario where they have no ocean, will the hon. gentleman advise if the premier has conveyed this viewpoint to him, and in what form?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have listened with great care to the representation made by the hon. gentleman in the name of the premier of Nova Scotia.

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UNEMPLOYMENT INSURANCE

PERCENTAGE OF INCREASE IN PREMIUMS

Mr. J. R. Ellis (Hastings): Mr. Speaker, I should like to address a question to the Minister of Manpower and Immigration following my question of last Tuesday. Is the minister aware that approximately 1,160,000 Canadians will be faced with a 98 per cent increase in their unemployment insurance premiums on January 1, 1974?

Some hon. Members: Shame!

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I am so startled by the arithmetic the hon. member uses on so many different occasions that I will really have to put that through the Belleville computer.

An hon. Member: It doesn't work.

An hon. Member: You would never get it back.

Mr. Ellis: Mr. Speaker, I have a supplementary for the minister. Since the minister has not checked it on his computer or any computer, is he aware of the growing hostility to the increase and will he now institute an inquiry to clarify this situation?

Mr. Speaker: The hon. member for Brome-Missisquoi.

QUEBEC—ALLEGED DELAY IN PROCESSING CLAIMS FOR BENEFITS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is also for the Minister of Manpower and Immigration. As the backlog for evaluation of claims over one week old is now running between 25,000 and 30,000 in Quebec, can the minister tell the House what immediate action we can expect to solve this deplorable situation?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think I answered the hon. member the other day, refuting the premise of the question. Again I ask him to give me specifics, the location and details of claim problems he has, and we will be very glad to deal with them.

Mr. Grafftey: Mr. Speaker, I have a further supplementary question. If the minister—

Mr. Speaker: Order, please. The hon. member will be recognized for a supplementary and then I will see the hon. member for Algoma and call orders of the day.

Mr. Grafftey: Mr. Speaker, if the minister refuses to accept my statistics or assertion, will he inform the House if he is informed of the backlog in evaluating claims over one week old and, if so, what is the reason and what will be done about them immediately?

Mr. Andras: Mr. Speaker, I will do more than that. I instructed the chairman, following the hon. member's question the other day, to contact him forthwith to get the specifics. It is very difficult indeed to deal with generalities of this kind.

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ENERGY

REQUEST THAT FEASIBILITY OF BUILDING OIL PIPELINE FROM SAULT STE. MARIE TO MONTREAL BE STUDIED

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. In view of the advantages of building an oil pipeline through northern Ontario from Sault Ste. Marie to Montreal, will the minister ensure that a full evaluation and feasibility study of this route will be carried out before a decision is made on the location of the Montreal pipeline?

● (1500)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, that is one of the considerations that will be before the government in making its decision.

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[*Translation*]

CRIMINAL CODE

ABORTION—POSITION OF GOVERNMENT ON VERDICT IN MORGENTALER CASE

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Prime Minister.

A verdict of not guilty has been delivered recently in an abortion case. When addressing the jury the judge asked

whether abortion could be performed at the mother's request, if the attending gynaecologist believes that the pregnancy is or can become dangerous or still if it must be performed to protect the mother's health. The terms "to protect the mother's health" enjoyed a very extensive interpretation during the trial. Can the Prime Minister tell us whether he intends to amend the Criminal Code in that connection?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government would certainly not want to leave a section of the Criminal Code open to interpretation. That is why we are happy to see that an appeal has been lodged in this case, and that the Appeal Court and, eventually, the Supreme Court may have to rule on the final interpretation of this section of the Criminal Code. In addition to this, I can only repeat what the minister and his parliamentary secretary have said, namely that if need be we shall consider the possibility of referring the case to the Supreme Court so that this matter may be settled as soon as possible.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

NUMBER OF FOOTBALL PLAYERS APPLYING FOR BENEFITS FOLLOWING GREY CUP GAME

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of Manpower and Immigration who is responsible for the Unemployment Insurance Commission. Would the minister agree to alerting officers of the Unemployment Insurance Commission across the country so that they will record the number of football players applying for unemployment insurance benefits after the Grey Cup game?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. This might be a good place to call orders of the day.

Mr. Turner (Ottawa-Carleton): They will all be from one team.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, I am rising in the absence of the official opposition House leader to ask the question he would ask on Thursday. Perhaps these could be taken as his words coming out of my mouth. What is the business for the rest of this week and next week?

Mr. MacEachen: Mr. Speaker, today we will begin the report stage on Bill C-176 and continue it tomorrow. Following that we will take the foreign investment review bill, the Parole Act, in parts, and the Canada Pension Plan Bill No. 1. I should like to discuss tomorrow the business for Monday and Tuesday in order to arrive at a firm decision as to the items to be considered among this assortment of legislation.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the government House leader whether certain items are on the list for the period between now and Christmas. I refer to the competition act, to which reference was made a day or two ago by the Minister of Consumer and Corporate Affairs, to the amendments to the Canada Assistance Plan which have been agreed upon between the federal government and the provinces, and to the possibility of a petroleum supply allocation act. Will these matters, and a debate on the oil tax be before us between now and Christmas?

Mr. MacEachen: Mr. Speaker, I have already indicated items which I should like to have dealt with next week. In addition, there are a number of items before the standing committees, particularly the bill dealing with election expenses. As well, the Minister of Finance will be giving notice of a bill in the field of federal-provincial fiscal relations, and there probably will be two bills relating to the oil situation. Those bills are those I should like to see completed before we can rise for an adjournment or prorogation. I would only add the additions suggested by my hon. friend if I had some reasonable assurance that the list already on view has some chance of being cleared before that adjournment or prorogation.

Mr. Baker: On a point of order, Mr. Speaker, I note that the hon. member for Winnipeg North Centre rose as if he were the opposition House leader. I wish to point out that, although the opposition House leader is absent today, the deputy House leader of the only opposition in the House is here today and was on his feet.

Mr. Yewchuk: Mr. Speaker, I rise on a point or order. The question I asked was interpreted as a joke. It really was not a joke. A few days ago I had this question on the order paper and the minister indicated that the commission did not keep statistics of that kind. I suggest that is an area which must be investigated.

Mr. Danson: On a point of order, Mr. Speaker, I am sure the hon. member for Cape Breton-The Sydneys did not mean to make disparaging remarks against the people of Ontario when he said they did not have an ocean. May I point out to him that we have more international shoreline than any other province, with the possible exception of British Columbia.

Mr. Muir: On the point of order, Mr. Speaker, in reply to my good friend I can only say that I can understand why he has never gone farther than being a parliamentary secretary.

GOVERNMENT ORDERS

[*English*]

PROTECTION OF PRIVACY BILL

CREATION OF OFFENCES RELATED TO INTERCEPTION OF PRIVATE COMMUNICATIONS BY CERTAIN DEVICES

The House proceeded to the consideration of Bill C-176, to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, as reported, (with amendments) from the Standing Committee on Justice and Legal Affairs.

Mr. Speaker: As hon. members know, a large number of motions appear on the order paper relating to Bill C-176. There will have to be consulations, I am sure, between representatives of the parties as to how these motions might be grouped and how votes might be taken from time to time.

As a preliminary thought and, of course, subject to what hon. members may want to agree on later, I suggest that motions Nos. 1 and 2 be considered separately, and that votes be taken on each of them eventually; that the third item of business in relation to this bill should be motions Nos. 3, 4, 11, 12, 15 and 18, which might be grouped together for debate, subject, of course, to individual votes being taken on each one of them. Because these motions are so complicated and as there is such a close relationship between them, I suggest that they should be grouped as mentioned for purposes of debate. However, it would be helpful for the Chair if consultations were to take place in due course. For the moment, I suggest to hon. members that we might proceed with motion No. 1, in the name of the hon. member for St. Paul's (Mr. Atkey). When that has been disposed of we will go to Motion No. 2. That ought to keep the House busy for some time, at least.

Mr. Lang: On a point of order, Mr. Speaker, I appreciate the comments Your Honour has made about complications in relation to these motions. It would seem to me, however, that there is a certain order of priority which it might be reasonable to consider in relation to these motions. In particular, Motion No. 1, standing in the name of the hon. member for St. Paul's (Mr. Atkey), might logically be decided last by the House, because of its nature and because it might be affected by other developments. **Motions Nos. 2 and 3 likewise would not be necessary if, for instance, the group of motions from No. 4 onward in the name of the hon. member for New Westminster (Mr. Leggatt) were to be successful.**

● (1510)

I submit there might be a grouping of a certain number of motions standing in the name of the hon. member for New Westminster (Mr. Leggatt), beginning with motion No. 4, and subject to his comments, because I, too, have some difficulty in reading the grouping all together. I think the group which might be included in one debate and one vote with which we might start would include motions Nos. 4, 6, 7, 9, 10, 12, 16, 21 and 22. As I perceive it, they all involve the same principle. However, I would appreciate clarification from the hon. member for New Westminster on this point.

[Mr. Muir.]

Mr. Diefenbaker: Mr. Speaker, I rise on a point of order. I think Your Honour's suggestion would commend itself to most members of this House, namely that the order be Nos. 1 and 2 which bear resemblance one to the other. One deals with the title and the second with the subject matter. From there on, I think we should proceed in the order which Your Honour suggested. I think that would bring about an orderly discussion and debate. Certainly, motion No. 1 should be first, what should this bill be named. It is not like a bill in which the name is approved last because no one is raising any objection to it. If I may say so I feel Your Honour's suggestion was very wise, having regard to all the circumstances.

Mr. Speaker: My understanding is that the hon. member for St. Paul's (Mr. Atkey) was inclined to agree with the suggestion made by the Minister of Justice (Mr. Lang), that perhaps his amendment affecting the title might well be left for the last which would mean we would start with motion No. 2. I again seek the guidance of the hon. member.

Mr. Atkey: Your Honour is quite correct with regard to motion No. 1 relating to the title. The title the bill takes is in large measure a reflection of the content of the bill. I think it is in the interest of all hon. members to see how the House is prepared to dispose of the other amendments before I proceed with my submissions with respect to motion No. 1. However, motion No. 2 is quite an independent matter. This point was argued in the Standing Committee on Justice and Legal Affairs.

I am quite prepared to proceed with motion No. 2 at the present time, if that is the wish of Your Honour and hon. members. I agree the other grouping of amendments subsequent to motion No. 3, that is motions Nos. 4 through 22, tend to group together, particularly the amendments standing in the name of the hon. member for New Westminster (Mr. Leggatt). I think that is a separate debate, unrelated to the issue in motion No. 2. If it is Your Honour's pleasure and the wish of hon. members, I will proceed with motion No. 2 at the present time.

Mr. Leggatt: Mr. Speaker, I heartily endorse what the minister suggested in terms of the grouping with the exception of one amendment, that dealing with the removal of the emergency permit. That is a separate issue. The right hon. member for Prince Albert (Mr. Diefenbaker) has proposed a similar amendment. I feel those two could be dealt with at the same time. It would not be necessary to group the emergency permit amendment with the other amendments I have proposed which are basically the pure position, if I could put it that way, with regard to wiretapping under the Criminal Code.

In spite of what the hon. member for St. Paul's (Mr. Atkey) has said, I support what the right hon. member said. I do not see why we should delay dealing with the question of the title. In my view, this is the more appropriate title in view of the nature of the bill and the likely outcome of the debate.

Mr. Speaker: In view of the difficulties, I suggest we agree with the suggestion of the Minister of Justice and the hon. member for St. Paul's in relation to motion No. 1. The hon. member who has the carriage of the action on

motion No. 1, has a responsibility, of course, in this respect. I think it would be in order to start with the hon. member's motion No. 2. We would then go on to motion No. 3 and the grouping suggested either by the Minister of Justice or the hon. member for New Westminster might be looked at a little more closely. My understanding of the grouping suggested by the minister is that motions Nos. 4, 6, 7, 9, 10, 12, 16, 21 and 22 might go together as part of the same debate. The hon. member for New Westminster pointed out that one motion might be left out of this proposed grouping. This might be the subject of discussions outside the House where it might be much easier to reach a decision.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I suggest that we should not at this moment finalize the subsequent groupings. We can start with motion No. 2. If the hon. member for St. Paul's (Mr. Atkey) is prepared to leave motion No. 1 until later, that resolves that issue. I would certainly like to see motions Nos. 3, and 4 in the same debate. I am a little reluctant to agree to eight or 10 motions being put together in one group because there are various issues. Since each member can speak only once on a group of amendments, there might be cases where the mover of several amendments might be wronged in that way. I support Your Honour's suggestion that the actual grouping beyond motion No. 2 be left until there have been some consultations through the usual channels.

Mr. Speaker: I thank hon. members for their suggestions. We will proceed with motion No. 2 and, unless I am otherwise convinced, motion No. 3 will be dealt with separately as the next item of business. All the others can then be considered.

Mr. Knowles (Winnipeg North Centre): On that very point, in Your Honour's first grouping you put motions Nos. 3 and 4 together. It seems to me that is a case of two being in the same area.

Mr. Speaker: This will be looked at, as I suggested a moment ago.

Mr. Ron Atkey (St. Paul's) moved:

That Bill C-176, to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, be amended in Clause 2 by striking out lines 1 to 7 inclusive at page 2 and substituting therefor:

"'"offence" means an offence under sections 47 (treason), 51 (intimidating Parliament or legislature), 52 (sabotage), 62 (sedition), 76.1 (hijacking aircraft), 76.2 (endangering safety of aircraft), 76.3 (offensive weapons on aircraft), 78 (breach of duty respecting explosives), 79 (causing injury by explosives with intent), 80 (possessing explosives without lawful excuse), 108 (bribery of judicial officers and legislators), 109 (bribery of public officers), 121 (perjury), 218 (murder), 247 (kidnapping), 303 (robbery), 305 (extortion), 306 (breaking and entering), 338 (fraud), 389 (arson), 421 (*a*)(*b*) (attempts, accessories) insofar as they relate to the above offences and 423(1) (*a*)(*b*) (conspiracy) insofar as it relates to any of the above offences, or an offence under section 4 (trafficking), and 5 (importing and exporting) of the Narcotic Control Act, and any pattern of other offences created by an Act of the Parliament of Canada for which an offender may be prosecuted by indictment where there are reasonable grounds to believe that such pattern of offences is part of the activities of organized crime, and includes any such offence that is alleged or suspected or that there are reasonable grounds to believe may be committed;"

He said: Mr. Speaker, in all concern about necessary amendments to this bill, both at the committee stage and report stage, we must never forget that this bill contains three important prohibitions which are urgently needed now, regardless of what happens to the amendments. First, there is a provision that, for the first time, makes wiretapping and electronic surveillance a crime. Until this bill is enacted, electronic surveillance is legal in Canada except to the extent that it may violate the various telephone acts of the provinces. Second, this bill would make possession, sale or purchase of bugging devices a crime. Until this bill is enacted, regardless of what happens to the amendments, the possession, sale or purchase of those invidious devices is legal in Canada. Third, the bill would make disclosure of information obtained by unlawful bugging a crime. Until this bill is enacted, such disclosure remains legal in Canada. These are important protections for Canadians. They are needed now.

Speaking for the official opposition, we will not countenance any further delay of this bill. This bill has already had virtually three lives. It was first introduced over two years ago following the excellent report of the Standing Committee on Justice and Legal Affairs of March 11, 1970. Obviously, the government has had other priorities. Frankly, it has not moved very quickly on this bill, yet the public concern over actual and potential threats of invasion of their privacy has grown by leaps and bounds. This is a concern felt in Canada, not only because of the implications of Watergate. A growing number of domestic incidents have fightened many Canadians, and I will take a moment or two in which to list some of these incidents.

● (1520)

We saw the shocking report last June and July in which the wiretapping of the office of the Mayor of Montreal was revealed; wiretaps were also placed on a member of the provincial government of Quebec, on a member of the public service commission in that province, and indeed, a member of the organizing committee responsible for the Olympics. There were other responsible public officials who found their privacy had been invaded. More recently, at the end of October, revelations came to light concerning the operations of certain police groups, as yet undetermined and unknown, in the Province of Quebec conducting what has become known as operation 95 directed against the St. Jean Baptiste Society and its members for doing that which is their right in this country, that is to say, expressing their political views. There was the unfortunate incident involving the bugging of the caucus room of one of the parties represented in this House, a matter which was dealt with swiftly and promptly by Your Honour and other members, the requisite apology being exacted from the television network concerned.

We saw also, in a program on that same network, evidence of the bugging of a union headquarters in Toronto. The persons doing the bugging were unseen, unnamed, but nevertheless very real. Then, just this week we find two members of the legal profession in Montreal complaining that their telephones had been tapped. Obviously, the privacy of communications between them and their clients had been violated, their conversations had been overheard

and perhaps used, not only against the clients but against the lawyers. Just this morning we heard of yet another instance of telephone tapping in Montreal. This time it affected a book-publishing firm which may have published books deemed unacceptable by some police groups which did not agree with what was being printed or published.

These are shocking revelations, yet I am sure hon. member would agree that what we are reading about in all these newspapers in Canada represents only the tip of the iceberg. Electronic surveillance has been used by the police in Canada at all three levels, federal, provincial and municipal. It is an every-day tool of private investigators. It is used by persons involved in negotiating collective bargaining agreements in an effort to obtain an unfair advantage for one of the parties. It is used by various commercial concerns, even by car dealers and operators of dance studios who find it profitable to invade the privacy of actual or potential customers.

I sincerely hope the dangers of the invasion of privacy are now fully apparent to Canadians. Surveillance of this type can destroy the inner soul of an individual. In my work in my constituency, perhaps because of my association with the issue of wiretapping, I have been visited by many unfortunate victims, people who no longer feel they have any privacy, any anonymity, any solitude as is their right as Canadians in a free society. Rightly or wrongly, they believe they have been victims of a bug or a wiretap, and this has so preoccupied their minds as to render them unwell. I have been shocked by what I have seen.

The amendments before us are not directed to the three prohibitions I have outlined. I think we all agree that these prohibitions are useful and that they should be enacted into law as soon as possible. It is with respect to the exceptions to these provisions that disagreement has arisen. I am thinking, for example, of the range and scope of the powers granted to provincial attorneys general or to their agents, to the Solicitor General or his agent to seek authority by various means to invade the privacy of persons suspected of having committed certain offences. How wide should these powers be? What range of offences should be considered in connection with authorization under these provisions? What conditions should exist for judicial approval? Are there any emergency conditions under which judicial approval would not be required? Whether, indeed—as I am sure the hon. member for New Westminster (Mr. Leggatt) will argue—there should be any exceptions to the general prohibitions for which the bill provides. The argument is centred on the question whether evidence obtained from an illegal tap, when the prescribed rules have not been followed, would be allowed to be used by the police in subsequent criminal proceedings. I am sure the Minister of Justice (Mr. Lang) and others will wish to comment on this particular point, and I shall not go into the subject further at this time.

Addressing myself to the wording of motion No. 2, may I say that on July 17 of this year a similar amendment in my name was put before the standing committee. I want to be honest with hon. members and acknowledge that this amendment was put to the vote and that the result was a tie, the tie being broken by the vote of the chairman, a government supporter. So this is not the first time hon. members who have been associated with the committee will be considering the suggestion contained in motion No. 2. What I was attempting to do then, and what I am attempting to do now, is to provide some form of rationale by which the exception allowed in the case of the attorneys general, the Solicitor General, or their agents, can apply to a particular range of offences in connection with which wire tapping or electronic surveillance might seem particularly appropriate.

● (1530)

This committee was controlled by a majority of supporters of the present government. The report reads:

As a general rule, the Committee recommends that each offence be one which carries with it the possibility of imprisonment upon conviction for a period of ten years or more. The Committee recommends that the criminal acts be named individually in the legislation, and suggests the following series of criminal acts as matters which should be included:

Then, the report lists the offences that I have listed in motion No. 2 and continues:

In addition, these methods of investigation should be employed in the suppression of narcotics trafficking and in the control of syndicated crime.

The list of offences that I have included in motion No. 2 were recommended by the standing committee in the last parliament. In addition, I have added several new offences that were not in existence at the time of that recommendation, those being the offences of hijacking aircraft, and endangering the safety of an aircraft by having offensive weapons aboard an aircraft. I have also added the offence of fraud, which is an important white collar crime in which in many cases wiretapping can perhaps be a useful device of law enforcement.

Then, to deal with the matter of syndicated crime, which was of great concern to the standing committee at the time and, I might add, was of great concern to many members of the standing committee in this parliament, I have added additional wording that was not in the original motion put before the standing committee. This wording reads as follows:

—and any pattern of other offences created by an Act of the Parliament of Canada for which an offender may be prosecuted by indictment where there are reasonable grounds to believe that such pattern of offences is part of the activities of organized crime—

So, Mr. Speaker, in addition to listing the 19 offences and adding to them fraud and the three hijacking or aircraft offences, I have added words that will meet the objects of the committee of the last parliament, and I hope the objects of the members of the committee of this parliament, to cover lesser indictable offences that do not carry the penalty of ten years or more but which nevertheless are part of a pattern of offences for which the use of electronic surveillance is a necessary law enforcement device. I think hon. members will remember in committee the example of bookmaking, which in itself is not a serious offence, yet clearly where it is part of a pattern of alleged or suspected offences it would be the proper object of authorized police electronic surveillance.

I should also indicate that the amendment that is now contained in motion No. 2 is different from the one put in committee in another sense. It is different because it

includes the words "offences which are alleged or suspected". When I put the motion in committee, I deleted those words, and I did so advisedly on the recommendation of a number of hon. members on the committee and also on the recommendation of one Ramsay Clark, who was one of the better witnesses appearing before the standing committee in the month of July. As hon. members know, Ramsay Clark was a former attorney general of the United States for a period up to 1968 and had particular views on wiretapping which were very useful to the members of the committee, which was much in his debt for the time, trouble and expense he undertook to come up here and share his thoughts and valuable experience with us.

By leaving in the words "alleged or suspected", I am concerned that the requirement that will trigger an application for authorization by the attorney general or his agent may be too minimal a requirement. Concern was expressed by the minister about the possible removal of these words, and I paid some heed to his concern. Concerns were expressed in the standing committee by Mr. Dagenais of the Montreal police about the fact that the activities of law enforcement officers to meet the serious problem of organized crime in the city of Montreal might be impeded unless the bill contained a particular phraseology permitting them to seek an application before a judge. It was my view, and it still remains my view at the present time, that with the words "alleged or suspected" the difficulties referred to in the evidence of Mr. Dagenais before the standing committee are largely overcome, and that the particular situation that the Montreal police found required the use of electronic surveillance is one in which they can name specific offences in the list, or those that are not on the list but are part of a pattern so long as they are alleged or suspected. I am sure that all hon. members agree that this is not a particularly onerous condition to meet.

Notwithstanding the recommendation of the standing committee of the last parliament, the government has brought in a bill in this parliament that does not pay heed to the recommendations to limit the range of offences. This has made the whole shooting match wide open because the government has used the term "all indictable offences". This includes not only virtually every provision in the Criminal Code but other federal legislation as well, where offences are created and under which there may be a procedure by way of indictment. As an example of the types of offences in regard to which the bill in its present form would allow an application for wiretapping authorization to be made, we have petty theft, income tax evasion, impaired driving, possession of marijuana, theft over and under $50, any of the offences created under the Combines Investigation Act, or any of the offences that would be created by the amendments to the Combines Investigation Act which the Minister of Consumer and Corporate Affairs (Mr. Gray) seems so anxious to have placed before the House and enacted.

The government's approach is really like using a shotgun when a rifle would do. I think it is unnecessarily wide and is an approach that should be avoided. This shotgun approach ignores the necessity for making the need fit the deed. Not only does it permit the minor offences that are listed to be made the object of an authorized electronic tap, but it would permit snooping into any field in the future in which the government chose to enter under its criminal law through the enactment of new indictable offences.

To conclude my remarks on motion No. 2, let me repeat that the majority of the Standing Committee on Justice and Legal Affairs of the last parliament saw fit to limit the range of offences. The committee was controlled by a majority of the supporters of the present government. The committee split seven to seven this time, and there were a number of members from various parties away from these particular sessions of that committee. I know some of the members of the committee who sit on the other side of the House were concerned that my initial amendment had not dealt with the problem of organized or syndicated crime, but I suggest that the amendment now before the House in motion No. 2 does deal with the problem of organized crime in the words that I have outlined earlier.

The Civil Liberties Association of Canada, which in many respects took an extreme position on the type of wiretapping legislation that we should have in this country, said they would specifically name the range of offences for which wiretaps could be authorized. I had always understood that it was a fundamental principle of criminal law that, wherever possible, in drafting a statute an attempt is made to name specific offences. This is the inclusionary approach to drafting, not the exclusionary approach. It is essential that it be followed here if this bill is to provide a rational and reasonable restriction on government use of electronic snooping.

● (1540)

I implore, indeed I plead with hon. members, particularly those opposite who considered this matter at length on July 17 in the standing committee, to consider the terms of the present draft amendment now before us in Motion No. 2. I am confident that on full reflection of the implications of this draft they will be able to say that this is a reasonable and rational restriction of the power to proceed, through the Attorney General or his agent, the Solicitor General or his agent, before a judge to get authorization to tap. Let us not use a shotgun approach, a wide unnecessary approach, when a more rational approach is available to us in the particular amendment we have before us.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, in introducing his motion, the hon. member for St. Paul's (Mr. Atkey) ranged far and wide over the field. I suppose that may be permissible in the first speech on this matter, but I hope it will not turn out to be the pattern. We do not know that all the cases he has mentioned dealt with wiretapping by police or whether some criminal organization was involved. In any event, my point is that the very purpose of this bill is to prevent such wiretapping taking place. Under this bill wiretapping will not be permissible either by the police or anybody else in our society unless it falls within the four corners of this legislation. That surely is the important point before us.

I fully appreciate the efforts of the hon. member for St. Paul's to meet the arguments which were advanced in the committee against the amendment he moved at that time, which was unsuccessful. He now recognizes that there does have to be something which takes account of the

problems that arise in our society as a result of organized crime. He also recognizes that it is necessary to have a somewhat broader extension than he was proposing at that time.

In effect, what we have before us is not a shotgun approach by the government, it is a careful approach. If it errs, it errs on the side of safety and caution rather than rushing in to adopt what might turn out to be a very arbitrary limitation on the possibilities of legitimate police wiretapping in our society.

I was a member of the justice committee which considered this matter under special reference several years ago. To the best of my recollection I supported the recommendation which was made at that time, and I still support it. This does not mean I am without considerable difficulty in respect of the hon. member's amendment.

The committee said, after urging that the crimes should be named, and I would, by the way, accept that as a very desirable principle:

In addition, these methods of investigation should be employed in the suppression of narcotics trafficking and in the control of syndicated crime.

The committee was not acting as a drafting body at that time; it was presenting a concept of syndicated or organized crime. I would submit that Mr. Atkey, as drafter, has not met the fairly heavy onus of defining for us what "organized crime" means. This is not a light problem. The first question that arises is what precisely is syndicated crime. It is very hard to give a satisfactory answer to this question. Whether our consideration is in terms of the phrase "syndicated or organized crime," the committee used the phrase "syndicated crime", and Mr. Atkey—

Some hon. Members: Order, order.

Mr. MacGuigan: I am sorry, Mr. Speaker. The amendment by the hon. member for St. Paul's refers to the phrase "organized crime" but this does not go any distance toward helping us see what the exact ambit is, or what factors the courts would be expected to apply in deciding whether certain actions fall within "organized crime". Does it depend on the number of persons involved and, if so, what number? Does it depend on the time frame of the activity and, if so, what length? Perhaps it should be a mixture of the number of persons and the time frame, but if so how does one determine the nature of the mixture? Is geography relevant? Are three men running a bookmaking establishment out of an apartment in Hamilton involved in organized crime? If not, would the same three men operating in partnership out of three different cities, say Hamilton, Calgary and Vancouver, fall within the phrase "organized crime"? At what point, for example, does using the mails to defraud, or engaging in a fraudulent manipulation of stock exchange transactions, the nature of which is not included in the list of crime presently, become organized?

I know, of course, that the phrase "organized crime" is in common usage, but it is a colloquial phrase that may be suitable for administrative use by investigative bodies, or suitable in ordinary conversation, but I seriously question whether it is suitable for legislation to be passed by this House. It was with considerations of this kind in mind that, even though the Department of Justice would have had fully in mind the recommendation which the committee made, it was decided that the only workable solution was to define the offence as an indictable offence. In other words, this is the best limitation which it was thought could be put on the definition of an offence. This formula resulted in an elimination of provincial offences and federal summary conviction offences. It was considered that this was the narrowest that the definition could be made and still prove effective in answering the problem.

It will not now, for instance, be possible to get authorization in relation to a person suspected of using his telephone to make indecent or harassing telephone calls, because both offences are punishable on summary conviction.

Mr. Atkey: It is the same under this bill.

Mr. MacGuigan: Yes, that is true, but that was the point I was making.

Continuing with the discussion on the amendment, in addition to the problem with the phrase "organized crime", there also are some problems in respect of the list of specific offences. For example, the amendment includes trafficking in narcotics under the Narcotic Control Act, but not possession for the purpose of trafficking. It does not include the offence of trafficking in speed and other drugs dealt with under the Food and Drugs Act. I have no doubt that these omissions are deliberate, but this is an indication of the fact that the ambit is not as great as many members would wish. No mention is made of counterfeiting.

There is the concept of pattern of offence, but what does this phrase mean? What constitutes a pattern? The use of such phrase in relation to the phrase "organized crime", could be seen as simply piling vagueness upon vagueness. While it is true that the criminal law desirably should be specific in respect of mentioning crimes, it should also be as specific as possible in respect of definition.

I suggest that the amendment proposed by the hon. member for St. Paul's also raises the same problem for, while he criticizes the bill, his amendment contravenes the same rules because it, too, is vague. I believe it is not a solution to the problem which we recognize as well as does the hon. member for St. Paul's.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise to support the amendment proposed by the hon. member for St. Paul's (Mr. Atkey). I think the position we take on wiretapping has to a great extent been weak-kneed. I think we should have more courage, although I believe this to be a step in the right direction; the limiting of offences.

It was interesting to hear today on the news that two solicitors in Quebec reported that a wiretap was found in their offices. No one knows where the wiretapping devices came from but both barristers were engaged in the practice of criminal law. This is a very serious thing. With that in mind, I looked at the bill this morning and asked myself whether what we are discussing in this House would prevent that kind of abuse. What I want to show is that if this bill passes in its present form that kind of abuse would not be corrected.

● (1550)

If we look at the existing definition of an offence under the bill we find this:

"offence" means an offence created by an Act of the Parliament of Canada for which an offender may be prosecuted by indictment and includes any such offence that is alleged or suspected . .

Most lawyers pay income tax.

An hon. Member: We all do.

Mr. Leggatt: Some pay more income tax than others.

Mr. Alexander: You are right on there.

Mr. Leggatt: It is not unknown in the history of this country that persons have paid their legal fees over the counter and have not received a receipt. If there is a probability that such a person may be evading income tax payments, under the terms of this legislation authorization could be obtained, and likely would be obtained for a wiretap. If such evidence came to hand, and if there were some reason for suspicion, then if such authorization were obtained that criminal lawyers' line could be tapped and any of his clients who happened to phone that particular criminal lawyer would have their conversations tapped and would be liable to prosecution. In such a situation, the whole question of the matter of privilege between solicitor and client becomes eroded.

I am pleased to see that the amendment proposed by the hon. member for St. Paul's (Mr. Atkey) covers this. He has not provided an offence in respect of the Income Tax Act. In fact, the criminal law provides that any violation of a federal statute, when not otherwise specified, is an indictable offence. Therefore, when one considers the question of how much wiretapping the bill as it now stands prevents one finds that it prevents very little. There has been some improvement. The bill will reduce to some extent the use of the wiretap, but there is no question that as the bill presently stands it is an open invitation to just as extensive wiretapping as we now have.

I do not know whether the hon. member for St. Paul's obtained the answers he requested, but it is interesting to note the questions he asked. One of his questions dealt with the number of taps that had been placed during the fiscal year 1972-73 by the RCMP. As I recall the figure, there were 663 taps placed and, as a result of those 663 taps, four prosecutions were developed. Two of those four prosecutions were successful. The percentage rate of success is one-third of one per cent in respect of 663 wiretaps. If one were to take those 663 wiretaps into consideration and imagine the number of people who would use a particular phone in a particular room which contained an electronic device, one would come up with a figure of perhaps 250,000 conversations which were listened to as a result of those taps.

What is even more significant is another question the hon. member for St. Paul's asked. He asked how many of those taps would have been prevented by this bill. The answer was 129. That is why I stand here criticizing this bill. It is entitled "the Protection of Privacy Act". The purpose of the bill is to protect the right to privacy. I submit it simply does not do that. You know, there was a book published a long time ago called "1984" by George Orwell which has been referred to many times. In ten years it will be 1984. It is later than we think. All the devices that were shown in that book are now within the capability of our electronic industry. The subtle oppression that results from the use of wiretapping is very hard to measure but becomes overwhelming.

The right hon. member for Prince Albert (Mr. Diefenbaker), a long time ago, introduced, to the delight of civil libertarians all across the country and with congratulations from this party, his own party and from I think the government party, a Bill of Rights. In that Bill of Rights clause 1(d) provided that every person in this country shall have freedom of speech. One way in which we lose freedom of speech is through the fear that we may be listened to. That lack of freedom comes about through the use of self-censorship. One cannot have a frank conversation with someone over the telephone if one is not sure whether or not the telephone is tapped. If you were to ask the people in this chamber, Mr. Speaker, if they believed their conversations had ever been tapped, I think they would probably say yes. That belief may be false, but that is not the point. The point is that when these electronic devices are used they become insidious. This practice infringes not only on the rights of those being overheard but also on the rights of those who may think they are overheard. That is the key to our criticism of the bill.

To return to amendment No. 2, I hope this party will support it. I know I will. I believe it improves the bill substantially. If we allow the police to use this device in respect of a wide range of offences, we may find that they are occasionally successful. We have seen, according to the figures produced by the RCMP, that the rate of success is one-third of one per cent. On balance, we must consider what we lose by means of this electronic toy. We must ask whether these convictions would have occurred in any event. We must ask ourselves what better investigatory means were abandoned and not used, such as the undercover agent, which has been infinitely more successful in respect of the rate of conviction in the drug field.

The situation may become similar to the one related to the use of the motor vehicle. When the motor vehicle was first used by the police, it was very effective in preventing crime. When the motor vehicle first appeared, it was found to be convenient and enabled the police to get around faster. Today, possibly the police would be more efficient if they did not rely so much on the motor vehicle. Perhaps there would be better law enforcement if we could get the police into the communities and out of their cars. This device is wasteful of a police officer's time. It is expensive, inefficient and extremely unsuccessful. A very complete study was made by Dr. Schwartz of New York University. It was found that most of these devices were used in respect of gambling. The reason was not clear but perhaps one reason was that someone wished to make sure that the guy on the beat was getting a pay-off.

● (1600)

In any event, these devices were used for the detection of gambling offences, in vice cases and for all of the consensual types of crime. The success rate was insignificant, but the effect was to erode the cherished possession of privacy each time they were used. People say that you cannot be an absolutist on the subject; you must have

some balance. In the case of organized crime, and because of the rising crime rate, we should use every tool at our disposal. People say that if wiretapping is immoral, surely the underworld is immoral and we should be fighting fire with fire. These arguments can be very persuasive.

But there is another proposition that is vital to any civilized society and it is this: the rule of law is founded on the proposition that governments can protect their people without acting unfairly and immorally in any respect. We cannot have a lawful society unless we have respect for the law, respect for those who enforce the law, and respect for the means by which they enforce the law. I have never heard anyone suggest that wiretapping is anything but a dirty business. It is immoral, and to justify it you had better show some results. The sacrifice we are making of our privacy must be justified by the conviction rate. However, the statistics do not support that position.

I ask you, then, to consider the situation. If you examine the statistics and the studies that have been carried out with regard to the use of wiretapping, I think you will come to the conclusion that it should not be used or certainly should be severely limited, as the hon. member for St. Paul's (Mr. Atkey) is attempting to do in this amendment. We heard some evidence from the former attorney general of the United States when the committee was dealing with this bill. I do not think there are many people who are as eminent in terms not only of fighting crime but also in understanding the importance of maintaining this balance between civil liberty and crime detection. Incidentally, he was one of the most successful attorneys general in terms of attacking the crime rate in the United States. This is what he said in committee:

> I would be particularly disturbed with the bill that you have before you because I do not find in it any limitation as to the types of crimes in connection with which it can be used. Our first bill in 1961, as I recall, had only about six areas in which wiretapping could be used, and they were obviously serious crimes and they were obviously also crimes in which some reasonable argument of the effectiveness could be made.

Mr. Clark was concerned, I think the members of our party are concerned, and I am hopeful that the proposed amendment will be successful in the House.

Mr. J. A. Jerome (Sudbury): Mr. Speaker, having had the honour of chairing the Committee on Justice and Legal Affairs in its very interesting proceedings on this important bill and having had to operate under the restraint that is placed upon a chairman and yet being very interested in the subject matter at hand having been a defence counsel, this is a welcome opportunity for me, now that we are out of committee stage, to try to contribute to the debate.

I was pleased to hear the hon. member for St. Paul's (Mr. Atkey) say that there is ready agreement on the need for the bill and for a basic prohibition against wiretapping. While the agreement on the second important ingredient was not unanimous, it was clear fairly early in the proceedings that there would be amendments at the report stage. It is always unfortunate, of course, that amendments colour the views of members who propose subsequent amendments at a later stage. However, we must try to pick an order of discussion as best we can.

[Mr. Leggatt.]

Certainly, an important set of amendments in the early stages of the discussion was a series of amendments to eliminate the possibility of police doing any wiretapping at all. That is the second important area of agreement which, as I said, was not unanimous, but it became clear, after agreement on the need for general prohibition, that a total ban, including the police, would not enjoy the support of the majority of members of the House. So, we were early aware that all members of the House wanted a prohibition on wiretapping and that a vast majority of members wanted to ensure that the police would be left with the power to use that electronic weapon in their fight against crime, be it organized or other. The difficulty, of course, brings us to the third area, which is the conditions, restrictions or safeguards under which the police would be entitled to use that power.

The amendment that is before us at present is one of a series of amendments that are designed to cut down on the conditions and restrict the powers of the police in their use of this electronic device. I opposed this kind of amendment. As was mentioned in the speech of the hon. member for St. Paul's, I cast the deciding vote against this type of amendment, although it has been altered somewhat since. I am still opposed to amendments such as the one put forward here for several reasons, the first being that it is a categorical rather than descriptive or generic kind of definition. I am troubled by that because, as this kind of amendment was put forward in the committee, although the proposer of the amendment has tried to be exhaustive in his categories, it was apparent that one or two important categories were not included. I am always fearful of a categorical type of section such as this one listing specific offences because that can cause problems for the police in their day to day work and may not include all the offences. Some came to light in the committee and, I submit, as the bill is put on the statute books it will become increasingly clear that other areas may be left out, with all the best intentions.

That is the basic objection that I have to this kind of categorical definition section. The definition section now in the bill is one which describes in a generic way serious indictable offences, and that is as it should be. I think, for example, that there is nothing in the present amendment that would permit the use of wiretapping by police if they were looking at a professional auto thief, unless they were able to say he was connected with organized crime or he showed a pattern of offences. I will have more to say on the pattern of offences in a moment. It is a difficult term to understand. However, there are problems about gambling, prostitution, a person living off the avails of prostitution and supported wholly by it, problems of customs smuggling or counterfeiting, problems that we see today in the construction industry where there is an investigation by the provincial government of Ontario involving what may not amount to extortion but might involve dishonesty, corruption and breach of trust by a person who holds an office that is not a public office and therefore would not be covered by the definition section. There are problems of mortgage inspectors with private companies who do not hold public office, who might receive some kind of payment which would not amount to extortion, would not amount to bribery but would amount to dishonesty or straight theft. There are these categories

that are left out, Mr. Speaker. It is just a basic principle that a definition section which is made to appear like a grocery list is always bound to leave out something important.

● (1610)

In addition to that, a concern that we have in our fight against crime, which is something that I think all hon. members have to take into consideration as well, is the fantastic imagination of criminals today. Indeed, I am sure they are inventing offences that are not even in the Criminal Code. The imagination and cleverness of criminals is something that is not taken into account in this kind of definition section. I like to think of the other safeguards contained in the bill where the police, or the attorneys general as the case may be, or their agents—and here another amendment will be coming forward on whether or not they will be agents—have to make applications to judges for permission for police forces to wiretap. We will be talking about other restrictions on applications to wiretap.

Reference has been made to a generic definition of indictable offences. The hon. member for St. Paul's theorized that indictable offences include minor theft and a number of offences that take place on a day to day basis. He mentioned impaired driving, to reduce the argument to absurdity, but he is totally overlooking the fact that an application must be made to a judge. Is it likely that an attorney general, with a generic definition section such as that contained in the bill, would have the nerve to make an application to a judge to use wiretapping on an impaired driving investigation or a minor theft or common assault or any other offence that you could list if you want to use that side of the argument? Of course, it is not. No attorney general would make that kind of application. Even if he had the temerity to do it, surely no judge would grant an application unless the offence contemplated was of such a serious nature as to warrant that kind of electronic intervention. I think that kind of safeguard makes sense, and with that sort of safeguard in mind, I think it is weakening the quality of the bill to adopt this kind of categorical definition section.

I also ask hon. members to look ahead to the time when we will be dealing with amendments with regard to giving notice to persons who are not charged and to the form of charge that is delivered to a person if an investigation is carried out under this definition section. If the investigators are tied to one of these categories and make their application for permission on the basis of one of the categories contained in the amendment before us and then, in the course of that investigation they uncover facts which lead them to an indictment for something that is a related offence but is not contained here, they could be in great trouble in attempting to come to trial. It could be that the order for a wiretap would be ruled out by virtue of the fact that they did not proceed specifically within these categorized definitions. If that were the case, I think it would place an unnecessary procedural burden on the investigators who might have uncovered a closely related offence to one of these categories, close enough that it would not be in any way unethical for them to carry out the investigation or to proceed with the other indictment but yet, because of these categorical definitions, I could see that they might be in great difficulty in attempting to get that evidence introduced at trial.

In other words, Mr. Speaker, I think that with the safeguards that are built in, and I refer not only to the application by the attorney general to the judge but also to the serious penalties that would be visited upon investigating officers who violated the provisions of this act, such as imprisonment or dismissal, I submit there is absolutely no danger in leaving the police at least this power.

Finally, Mr. Speaker, I also note that the definition section which is put forward in the amendment is, in its first part, a list of specific offences in order to get around the alleged evil of the definition in generic terms in this bill. Then, in the last part, the amendment goes back to precisely the same kind of generic terms that are contained in the definition section of the bill. I think what happens is that we have now got the worst of both worlds. We are saddled with the shortcomings of the categorical definition in the first part of the amendment and then, in the second part of the amendment, we are faced with words which are subject to precisely the same complaints the hon. member made about the definition section in the bill.

I submit therefore, that far from improving the definition section in the bill, this amendment weakens it severely and weakens the quality of the bill. That is the reason I voted against it in principle in committee, Your Honour, and the reason I would vote against it in the House.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I considered the amendment introduced by the hon. member for St. Paul's (Mr. Atkey) and I tried to fit it in Bill C-176, an Act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act.

The proposed amendment seeks to change the definition of the word "offence" contained in the bill and the hon. member for St. Paul's tried to define the cases in which the use of electronic devices could be allowed. He did so very specifically.

Mr. Speaker, in the bill as it stands the word "offence" is defined in a very general way. There is nothing specific and it includes everything. On that I will agree with the hon. member who spoke before me. Mr. Speaker, I think the bill would be weakened if those cases were specified.

I understand what the hon. member for St. Paul's wants to do. He would probably want to limit the effect of the bill while agreeing with the principle of its use but, Mr. Speaker, it seems to me that definition should not include the details of all possible cases. A general definition of what is meant by offence would be preferable.

Mr. Speaker, I would like to deal with this problem as it applies to the whole bill. This bill seeks to define clearly the use of electronic listening devices. It seeks to set out very clearly the cases in which a listening device could be used and the offences resulting from the use of such devices in certain cases.

Mr. Speaker, I am particularly concerned about clause 178.15(1), at page 7, and clause 178.13 (1), at page 5. Those two clauses give the political power the authority to intervene in the issuance of a permit with respect to the use of

a wiretap. Mr. Speaker, that frightens me. We all know the very clear connections that exist between the judicial power and the political power.

In my opinion, everybody will agree that it is not advisable to have such a link between political and legal circles. However, Mr. Speaker, the problem is extremely serious and I remember that the hon. member for Saint-Hyacinthe (Mr. Wagner) in one of his interventions at the Committee on Justice and Legal Affairs specifically raised, in connection with an amendment, the case of two members of the Société Saint-Jean-Baptiste who had been involved in such a problem.

I wonder, Mr. Speaker, how anyone acknowledging that the use of a wiretapping device and its principle for the protection of society and an efficient administration of justice are valid can go as far as to allow a political power to use a wiretapping device for political purposes.

Without suggesting that it was done for political purposes, I wish to point out that another case has been recently reported. Someone referred to the case of the Saint-Jean-Baptiste Society and the more recent one of the Quebec Free Press Agency. Bugging could be also used, as was experienced within the scope of the radio and television program for the caucus of the New Democratic Party. The same could happen to those of the Social Credit Party, the Progressive Conservative Party and the Liberal Party.

Mr. Speaker, I feel that this power is dangerous. It is the duty of political authorities to set up legal mechanisms which could really guarantee the protection of society and the safety of individuals instead of putting them in jeopardy, for this is a two-edged sword. This leads me to say that I concur with the principle of using bugging devices in the process of the administration of justice.

As for safeguarding freedom and respect for the human person, I think we must impose limitations; we must be very cautious and provide for some sort of guarantee concerning the use of these devices.

In Quebec, there has been discussion about the adoption of a code of ethics regarding the use of listening devices. It seems to me that we should consider this possibility; I do not pretend this code is either good or bad, but I think it is important to adopt a code of ethics, even at the national level, in order to determine what are the legal and practical possibilities as regards the use of wiretaps.

● (1620)

Mr. Speaker, I would like to close my remarks and come back later to the main principle of this bill. I want to say that the fight against organized crime is, in fact, the main objective of this bill, which intends to give policemen a means of fighting organized crime.

I would like to be ensured beforehand that all other means have been used; furthermore, I do not know if the Quebec police forces as well as others in the rest of Canada have in fact the technical, financial and manpower resources to really fight organized crime efficiently. In many municipalities, in many police forces, equipment as well as personnel and money is lacking to fight efficiently organized crime. And I do not think that the use of wiretaps will improve the fight against this scourge.

[Mr. Fortin.]

It is a means rather that is now being abused right and left and that they want to legalize. In my opinion, wiretaps are a kind of prop or sore which we are trying to regulate legally by saying that they will be used in such or such set circumstances as established by the law. I agree in a way, but we will have to go much further. Everybody knows that, at the industrial level, a lot of spying is done from company to company. Therefore, private industry will have to be protected by assessing very high fines.

Mr. Speaker, concerning the motion of the hon. member for St. Paul's, it is not necessary to provide for all situations in the definition of the word offence, but rather to make a rational use of wiretaps while at the same time retaining and not limiting the powers of the law.

In concluding, I should like to mention one of the fundamental principles contained in this bill at clause 178.11 (2)(*a*), and I quote:

> a person who has the consent to intercept, express or implied, of the originator of the private communication or of the person intended by the originator thereof to receive it;

In that case, Mr. Speaker, wiretapping is allowed, which seems in complete opposition to the objectives of this bill. I therefore hope that the House will keep an open mind about this bill, as we shall certainly advocate, because we must obviously provide our police forces with means to fight effectively against organized crime; but we do not believe that this will really solve the problem since our prisons in general teach crime and absolutely nothing is done to prevent juvenile deliquency and organized crime.

With this bill, we shall simply be legalizing a situation of which everyone is aware, that is wiretapping, which will not solve the problem. Rather we shall simply be legalizing a situation which everyone finds embarrassing.

I shall therefore continue to insist that this bill should not allow the political authorities to use wiretapping for political purposes. One day, we shall have to segregate completely the judicial and political powers. At that time, it may be possible to hold positive discussions about wiretapping without any fear that it may be used for political ends.

[*English*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, it is always a delight to listen to the hon. member for Lotbinière (Mr. Fortin). He speaks so eloquently that it makes me sad to see him so often on the wrong side of an argument, as he is this time. I say that with regret. I think he may change.

I am sorry the hon. member for Sudbury (Mr. Jerome) is not present in the chamber, although I understand he is within listening distance. He said he has acted as defence counsel. I only hope that when he practised law in his community he had a better client than the Minister of Justice (Mr. Lang), who is seeking to introduce some changes with respect to this bill. The best we can say of the Minister of Justice is that he is probably guilty, but can plead extenuating circumstances.

That reminds me of a story. Some years ago I was in Los Angeles and heard a story told by a judge of the superior court. Apparently he was standing outside the court house in Los Angeles, which we see so often on television, and met one of his lawyer friends rushing into court. He said,

"Well, John, are you going to see justice done?" The lawyer said, "Hell, no, I would like to win one for a change."

Mr. Wagner: Really, really.

Mr. Baldwin: I see the hon. member for Saint-Hyacinthe (Mr. Wagner) looks pained.

I listened with interest to the hon. member for New Westminster (Mr. Leggatt). I read the committee reports. The committee was good and did a commendable job. It worked hard on this difficult and complex problem, heard witnesses and, from time to time, divided on some issues. This remarkably good committee was composed of members such as the hon. member for Fundy-Royal (Mr. Fairweather), the hon. member for St. Paul's (Mr. Atkey), and other members from our side. The hon. member for New Westminster was a valuable member of that committee.

The hon. member for New Westminster talked about, "Nineteen Eighty-Four" in connection with this bill. I do not know how often he has read the book; I commend frequent readings. Many years ago I had a good friend who was a member of the CCF party. I sent him a copy of the book. He read it once and said he enjoyed it; he read it again and joined the Conservative party, and has been a good member ever since. I recommend to the hon. member for New Westminster that he take another look at the bill, because then we may hear him gently tapping on our door some day.

Mr. Knowles (Winnipeg North Centre): Not the hon. member; he is a strong man.

Mr. Baldwin: I support the recommendations of the hon. member for St. Paul's. I suggest that we add clauses 178.11 and 178.18 to the list of clauses which ought to be considered seriously. These are the two clauses in the bill which provide that illegal wiretapping shall be an indictable offence. We might add these clauses to the list so that they, in turn, can be the subject of wiretapping, so to speak.

Seriously, Mr. Speaker, many people are saying this debate is a lawyer's delight, that lawyers are engaging in this debate, that it involves a complicated legal subject and so on. Some suggest that the rest of the members have fled from the House. I do not think that is the case. If it were true, it would be a sad commentary on this parliament.

This is a serious bill, involving serious principles.

An hon. Member: Hear, hear!

Mr. Baldwin: The hon. member may laugh, but I think I am correct. I am not talking about any particular amendment when I say this; I am talking about the whole bill. We must be ever vigilant to see that the liberties of the people are not filched from them without their knowledge, silently and stealthily, until some day they wake up and find they have lost a great deal of their liberty. What was done in the name of ideology 30 or 40 years ago will illustrate the truth of what I say. I am not imputing any sinister motives of that sort to anybody.

● (1630)

How frequently, in the name of attempting to provide weapons for those involved in law enforcement agencies, have we taken away rights which are essential for the preservation of things people hold dear? Democracy, liberty and freedom are not that old. Mankind became a walking, thinking animal half a million years ago. However, we have only had these freedoms for 150 years. Now, we have a steady encroachment. We have seen that in this House in the extent to which the rules of this House have been altered to deprive members of the opportunity to discharge their responsibilities to their constituents and the people of this country. We have seen how easily this happens. Although they will not say it publicly, there are members opposite who agree with me. However, I will not go into that.

We must bear in mind that a jurisprudence will grow out of this particular bill. It will not be done quickly and easily. Judges called upon to interpret sections of the act will not be allowed to look at what was said here. They will build up their own jurisprudence. A number of decisions will be made which will have the effect of placing interpretations on this act. It will be brought back to this House within several years because of these interpretations. In sending this forth as our act, let us not be too free with the liberties we are giving away.

I say to members opposite that there should be a clearly defined category of those cases, instances, charges and sections in the Criminal Code for which law enforcement authorities are entitled to secure an authorization to engage in electronic surveillance of private communications as defined in the legislation. The hon. member for St. Paul's (Mr. Atkey) and the hon. member for New Westminster (Mr. Leggatt) mentioned things which may be done by the authorities which may involve the use of material gathered by electronic surveillance. One very strong reason for suggesting there should be a clear, well defined list of offences for which authorization to wiretap may be sought is that it will have the effect of limiting the extent to which law enforcement agencies and others may be tempted to go outside the lawful means by which they can engage in electronic surveillance.

We must not kid ourselves. It is utter nonsense for us to stand here and say we have laid down rules and the police will abide by them. I hold no brief for or against the police. They are a very important and useful segment of our society. They have an extremely and important function in the order of our society. However, they are part of an adversary system. There is no doubt in the minds of any of us who have been involved in the practice of law that, being part of the adversary structure, they will from time to time make improper use of the powers granted under this act. One dare not look at the amendment offered by the hon. member for St. Paul's without at the same time, taking into account what the Minister of Justice (Mr. Lang) is seeking to do by some of the amendments he will be offering.

Recently, I have been more interested in this. I have heard it suggested that the only cases where we may envisage an illegal application of the powers granted will be where the police decide for certain reasons they will engage in electronic surveillance and then not do anything

about it. However, as I read the bill, together with the amendment which the Minister of Justice will offer at a later stage of this debate which seeks to drag back some of the benefits which were obtained in the course of the committee hearings, it will be possible for police officers, public officers, peace officers and private individuals to engage in electronic surveillance. Granted, it will be illegal, but they will engage in this kind of activity. If the Minister of Justice has his way, the evidence obtained, even though improperly elicited, can be offered in a trial to take place at a later date, not necessarily a trial related to the issue in respect of which the electronic surveillance took place. Such a trial could be in respect of one of the acts referred to in the amendment of the hon. member for St. Paul's, namely sabotage, hijacking, causing injury by explosives and so on.

Assuming the amendment of the hon. member for St. Paul's were not passed, if the electronic surveillance took place in respect of one of those offences and disclosed other facts, if then under the minister's proposal those facts could be used in respect of charges laid with regard to any other matter, whether it be an indictable offence, summary offence or civil action. It could be any civil action as long as it involved a federal statute such as the Income Tax Act, the Excise Tax Act or expropriation proceedings. There would be no limit to the use which could be made of facts and evidence elicited directly or indirectly as a result of electronic surveillance, even though illegally obtained, if the Minister of Justice gets what he is seeking to secure in the amendment he will offer at a later stage.

I say, as strongly as I can, that in considering our position on this amendment, we must take into account that we should do all we can to direct the law enforcement authorities, when exercising the powers granted to them, to use care and discretion. One way of doing that would be to limit the number of offences in respect of which an application can be made for authorization under the act. We will be saying to the law enforcement agencies that this parliament is granting power to make it legal for you to do things which were probably illegal before, but in doing so we fear that it may be improperly used. We fear there may be an abuse or wrongful use of the power we are granting to you. As an indication of our concern, we are enacting a code in respect of what actions and alleged offences you may proceed with at this time. I think that would be a very salutary position for this House to take at the present time.

● (1640)

I would hate to see this legislation go out as presently worded without the amendment offered by my hon. friend from St. Paul's. I say to my hon. friends that when they come to consider how to vote on this amendment they should not fail to take into account the breadth of the authority we are granting by this legislation, and we should use the greatest possible discretion. The limitations which my hon. friend has proposed commend themselves to me, and I hope they commend themselves to sufficient members that when the time comes to divide on the motion the bill can be suitably improved. I think that even the Minister of Justice, in time, will say thanks to the hon. member for St. Paul's for his efforts to make this a better bill.

[Mr. Baldwin.]

Hon. Otto E. Lang (Minister of Justice): I am pleased to follow the hon. member for Peace River (Mr. Baldwin). I notice that he ended more kindly than he began. That is the fortunate thing about his status in the House of an elder statesman; he is mellowing and cannot sustain an attack throughout the whole of a 15 minute speech. Now, I await his remarks always with great anticipation and some pleasure.

In putting forward this amendment, the hon. member for St. Paul's (Mr. Atkey) referred to a matter which is of fundamental importance. The bill before us introduces into law a significant improvement in the protection of the liberty and privacy of Canadians. It does so by creating two offences. In the first place, it makes it an offence to intrude upon the privacy of other persons with a variety of devices known as wiretapping or electronic surveillance. The punishment for such an offence is up to five years imprisonment. This should be borne in mind by hon. members when considering the total approach to this legislation, and our efforts both here and in committee to improve the bill and put forward a measure which is a valuable addition to the law. The bill creates a second offence, punishable by up to two years in prison, for the possession or sale of devices suitable for electronic intrusion or wiretapping. This constitutes the fundamental core of the bill, the part of which hon. members as well as the general public should not lose sight.

A great deal of attention has been focussed upon the fact that the bill does provide a possibility for law enforcement officers to carry out their obligations in maintaining law and order by using these devices in the course of their pursuit of criminals. I hope I do not need to urge upon hon. members that this work should also properly be regarded as an important aspect of our liberty and one which has to be safeguarded—that we should be protected by our law enforcement officers from intrusions upon our liberty in other ways than by wiretapping. There was general agreement in the committee that there should be provision for certain exceptions in the case of law enforcement officers. The problem we are dealing with in considering this aspect of the matter is neither the major thrust of the bill nor the principle that there should be some exceptions in order that law enforcement officers may use such equipment in combatting crime.

The question is this: precisely when should that privilege to use electronic equipment by the police be permitted, and in what circumstances? I suggest to hon. members that the important thing in this regard is that the law be as clear as possible. The hon. member for St. Paul's has sought to meet this requirement by listing certain offences. In this respect there should be no argument. There would be clarity. But from previous discussions in the committee and elsewhere in connection with certain other offences, particularly those committed in the course of organized crime, the difficulty of making a satisfactory list has become apparent.

The hon. member for St. Paul's has added certain words to his list, but unfortunately those words do not contain the clearcut definition which is called for here. He uses words such as "a pattern of other offences which are part

of the activities of organized crime". Unfortunately, neither the expression "pattern of offences" nor the expression "organized crime" is capable of precise definition. Thus, if we were to accept the amendment, one with whose spirit many of us agree, we would be leaving unclear the very thing we should be making most clear, namely, when law enforcement officers can or cannot make use of electronic intrusion in their law enforcement work. I say to all hon. members that we owe it to the law enforcement officers to remove all possible elements of doubt in this respect.

If we accepted the definition put forward by the hon. member for St. Paul's, the law enforcement officers would not be sure, and neither would the judge, whether there was a correct application of this clause. This is the major reason I have for urging the rejection of the motion as it stands. On each occasion we went over the list in committee we found that no matter how carefully a list was drawn up, someone else would quickly propose that a further offence be included in it. The hon. member for Peace River (Mr. Baldwin) correctly referred to the offence of wiretapping itself as one which properly ought to be included. The hon. member for Sudbury (Mr. Jerome) and the hon. member for Windsor-Walkerville (Mr. MacGuigan) also referred to other offences. Should we, indeed, exclude fraudulent use of the mails or fraudulent manipulation of stocks on the stock exchange from the list? When are these offences part of a pattern of organized crime? Is it when three men do this together frequently in a suitable location, or is it necessary for them to be in different locations working together? That kind of uncertainty would be introduced.

● (1650)

While saying that we can understand and accept the spirit of the amendment, we believe that attempts by ourselves as well as by many other members have failed to define adequately lesser offences when engaged in by members of organized crime, offences that may properly also be the subject of surveillance by electronic means by our law enforcement officers. Having tackled that problem we came back to the conclusion that the definition that was most clear and most likely to cover all that was required was the definition contained in the bill as it now stands, the definition that relates use of these devices specifically to indictable offences. Therefore, I urge the members of this House to consider the advantage of certainty and clarity and to reject this amendment, not because we reject the spirit with which it was put forward, but rather on the basic ground that as the bill is now written it contains a better and clearer definition.

Mr. John Gilbert (Broadview): Mr. Speaker, we have had a very interesting debate, right from the commencement of the bill to the present stage, when we are discussing motion No. 2 which has been moved by the hon. member for St. Paul's (Mr. Atkey). The composition of the Standing Committee on Justice and Legal Affairs which discussed this bill was an interesting one. We had the Minister of Justice (Mr. Lang) who is a former dean of a law school. We had the hon. member for Windsor-Walkerville (Mr. MacGuigan) who also is a former dean of a law school. Then, we had the hon. member for St. Paul's who is a professor at a law school. All have taken different approaches.

I find that the Minister of Justice is very competent, yet very rigid in his approach to the bill. The hon. member for Windsor-Walkerville is competent but takes a less rigid view with regard to it. The hon. member for St. Paul's is very competent and he takes a flexible view in regard to the philosophy of and approach to the bill. These three members are from the teaching profession.

Then, we had a former minister of justice from Quebec who has had a very full experience in the application of the law and who I would say at the beginning took a rather rigid view. However, in view of certain experiences, more especially the recent experience in Quebec, he has to his credit taken a more flexible view of the bill, something I am very glad to hear. All of the members of the committee, as well as all members of the House, realize that this bill will have a tremendous impact on the liberty and freedom of Canadians. It has been said that the price of liberty is eternal vigilance. It could also be said that the price of freedom is the full protection of the individual in society.

I find myself in a very awkward position with regard to motion No. 2. The hon. member for St. Paul's has taken the catalogue approach. The Minister of Justice has taken the full, all-embracing approach, the wide net approach. I am not happy with either. The former attorney general of the United States, Ramsey Clark, stated that in the first bill put before congress in the United States a very limited number of offences were included in the bill, offences relating to national security, espionage, narcotics, homicide, kidnapping and so forth. As time went on more offences were included. But, more important than that, when the law came to be applied the provisions of the bill were abused.

The committee studied this question and came up with the catalogue approach which the Minister of Justice has rejected. The minister contends that on the basis of clarity of definition and to help the law enforcement officers in this country, we should accept his provision. Both in his provision and in the amendment of the hon. member for St. Paul's there is a matter that is really worrisome to me and I should like to indicate what it is.

In the definition clause of the bill "offence" is defined as follows:

> "offence" means an offence created by an Act of the Parliament of Canada for which an offender may be prosecuted by indictment and includes any such offence that is alleged or suspected or that there are reasonable grounds to believe may be committed;

The definition used by the hon. member for St. Paul's sets forth the catalogue, and he then uses these words again:

> —that is alleged or suspected or that there are reasonable grounds to believe may be committed.

I shall be delighted to continue this debate at eight o'clock, Mr. Speaker.

Mr. Deputy Speaker: I thank the hon. member for Broadview.

Electoral Boundaries Readjustment

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Lethbridge (Mr. Hurlburt), Airports—Lethbridge—Suggested extension of runway; the hon. member for Assiniboia (Mr. Knight), Grain—Provision of cars by railways to transport wheat; the hon. member for Scarborough East (Mr. Stackhouse), Air Canada—Request that Canadian aerospace industry be considered in purchase of new planes.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely private bills, notices of motions (papers), public bills.

Mr. Foster: Mr. Speaker, I believe there is general agreement on both sides of the House to proceed with private members' public Bill C-228 standing in the name of the hon. member for LaSalle, relating to a change in name of his constituency. Following that, which I think will only take a few minutes, we could proceed to private bill S-7, standing in the name of the hon. member for Welland and entitled an act respecting The National Dental Examining Board of Canada.

Mr. Deputy Speaker: I take it from the remarks of the hon. member for Algoma that it is the wish of the House to deal with the bill at all stages, in view of his reference to a few minutes. If I am correct in that, I would not have to ask unanimous consent of the House.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

CHANGE IN NAME OF CONSTITUENCY FROM LASALLE TO LASALLE-ÉMARD-CÔTE SAINT-PAUL

Mr. John Campbell (LaSalle) moved that Bill C-228, an act respecting the Electoral Boundaries Readjustment Act, be read the second time and referred to the committee of the whole House.

He said: Mr. Speaker, the reason for this bill to change the name of my riding from LaSalle to LaSalle-Emard-Côte Saint-Paul is basically that Emard-Côte Saint-Paul forms an integral part of my constituency. Its present name is not indicative of the vastness of the other two municipalities that form part of the riding, and to recognize the citizens there I would ask that the name be changed.

[Mr. Deputy Speaker.]

• (1700)

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Boulanger in the Chair.

On Clause 1—*LaSalle-Émard-Côte Saint-Paul.*

Mr. Fairweather: Mr. Chairman, I am not going to rain on anyone's parade; I would not think of it, but I do want to point out that there is a better way of accomplishing a certain purpose. I want to compliment the Prince Edward Island Redistribution Commission on the fact that, rather than picking names of prominent municipalities within the electoral district, it picked prominent geographical locations such as headlands, mountains, points or rivers and so on. I do not object to the hon. member's bill, as we have a tradition here of accepting these proposals. However, for the sake of the Chair, the printing bureau and anybody else involved, I hope it will be possible as redistributions are carried out again that, rather than having a string of three or four names in the name of the constituency, the commissions will not try to salve every municipality within the area but will settle upon prominent geographic features.

Prince Edward Island was able to do this with names such as Malpeque, Hillsborough and so on. What is the other one?

An hon. Member: Cardigan.

Mr. Fairweather: Yes, Cardigan indeed. I think this is a better way to proceed. This is only a caveat, and I do not want to interfere with the quite proper proposal of the hon. member. I hope, however, we do not extend this practise very much further as it presents a difficulty for everyone having to do with parliament.

Clause 1 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read a third time?

Mr. Knowles (Winnipeg North Centre): By leave now.

Mr. Campbell moved that the bill be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

* * *

THE NATIONAL DENTAL EXAMINING BOARD OF CANADA

MEASURE TO ESTABLISH NAME, EXPAND POWERS AND OBJECTIVES

Mr. S. Victor Railton (Welland) moved that Bill S-7, respecting The National Dental Examining Board of Canada, be read the second time and referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders.

He said: Mr. Speaker, it is my wish that the House agree today to send Bill S-7 to the committee for further exami-

nation and possibly the adoption of certain amendments. It is not necessary to take a lot of time to explain the purpose of the bill, but members of this House should have some information as to the reason the bill was proposed in the first place and passed in the Senate on June 12. There has been some delay because of certain considerations embodied in the amendments we hope will be studied by the committee.

This bill relates to the National Dental Examining Board of Canada, and the original bill contains the request that the National Dental Examining Board be given the right to set uniform examinations for dentists and dental specialists throughout Canada. In addition it asked for the association the privilege of setting examinations for a group or groups of dental auxiliaries.

I should point out that six provinces were unwilling or not ready to accept the provisions of this bill as there had not been enough negotiations with dental bodies or societies. They would not consent at the time the Minister of National Health and Welfare (Mr. Lalonde) brought this to their attention. As a result of further discussion with dental bodies, it was decided they still wanted a bill that would allow the national examining board to set Canada-wide examinations, and reference to auxiliaries has been deleted.

There is a distinct advantage in having uniform examinations for both general practitioners and specialists in the dental field. Heretofore, these examinations have been carried on at the provincial level. This has created certain difficulty in that dentists graduating from a university in one province were compelled to take a second examination when moving to another province. It is the consensus of the profession that this bill be adopted in order to achieve portability.

There is one other factor involved. The association wishes to provide uniform examinations of a high standard. This would be to the advantage of not only the dentists but to the public as well. I think one might find a parallel in what has been taking place in the field of medical examinations. Doctors not only write university examinations in order to obtain a degree, but must also write an examination provided by a licensing board. When I graduated I wrote my university examination. I could have then written the Ontario College of Physicians and Surgeons examination or alternatively I could write the examination of the Medical Council of Canada. I wrote the examination of the Medical Council of Canada because I did not know in which province I wished to practise. Specialist examinations in respect of doctors for many years have been set by the Royal College of Physicians and Surgeons of which I am a Fellow, and more recently, in respect of dentists, the Royal College of Dentists has been formed to supervise the requirements in respect of specialist training and licensing. By the common consent of both dentists and dental specialists, the request for a Canadian board was accepted and finally the Dental Examination Board was formed. The para-medical groups have gradually built up. This was a very natural thing because they help doctors carry out their duties. I should like to talk about New Zealand.

● (1710)

New Zealand has recognized these groups, and similar groups in the dental profession, for many years. In New Zealand, there has been a very enlightened state medical and dental program. In the case of the medical people again, the para-medical groups consist of people such as nurses, physiotherapists, laboratory technicians, rehabilitation technologists, optometrists, chiropodists, x-ray technicians and so on. In the case of optometry, there is a separate and independent college. Their field is relegated to providing spectacles. They are not regarded as diagnosticians or eye physicians. The ratio of doctors to para-medical personnel is somewhere in the region of one to one.

In the case of dental auxiliaries there have been very many types of technicians. Such people as denturists received an impetus from the requirements of the armed forces during the Second World War. Others have been gradually developed as helpers to the dental profession and frequently have received training in the dentist's office. Gradually, certain groups developed, such as dental assistants, dental technicians and dental technologists. The ratio of dentists to dental auxiliaries is about one to 0.4, which is about two and one-half times less than in the case of the medical profession. Because medical treatment occurs as a first step in a doctor's office, skilled help is not often required there unless a large treatment clinic has been formed. So, the technical side of medicine, including the above mentioned list, has centred around hospitals. Nurses have their own examining boards as do most other auxiliary groups.

There has been considerable argument in the case of the dentists that the auxiliaries were being used by dentists to increase their professional net income. Particularly in the case of denturists the work is almost purely technical and the professional dental supervision is not required to a great extent. The denturists claim that dentures are too expensive, and if people were allowed to go to them directly the price could be cut in two. This, of course, is debatable. Part of the difficulty has been the system of fees both in medicine and in dentistry, which are set out by the associations for distinct individual procedures.

Before medical insurance was instituted, and before any type of social medicine was brought in, doctors sent out their bill and of course did not expect to get paid by more than 50 per cent to 70 per cent of the patients. With the advent of insurance schemes, the number of bills paid increased to 75 per cent or 80 per cent and with medicare it is now a universal payment. Now, 10 per cent is withheld which means that the doctors receive 90 per cent of their bookings paid in full. This, in turn, has led to high medical professional incomes and naturally has raised a storm of criticism directed at the medical profession. The solution to this problem cannot be made this afternoon, but it is obvious that changes in the delivery of medical care will have to undergo a fundamental alteration. This is apparent both to doctors and citizens alike.

It should be stated here that in most countries hospital care is excellent but the biggest differences one discerns in countries such as the United States, Great Britain or even Russia are in the realm of primary and minor medical treatment. This perhaps is a little aside, but I think per-

haps it will serve to give everyone a clear picture. In Britain the general practitioner has been deprofessionalized, if we can use that term, into a prescription or pill dispenser and a filler out of forms. In the United States, there is no universal health insurance apart from those on welfare or over age 65. The cost to a patient for medical care is extremely high. Doctors' incomes are high and this has resulted in a great wave of dissatisfaction and litigation. In Russia, although their hospital standard is fairly good, most of the primary medical care is given by nurses or technicians, and although this is moderately good there is not enough high quality professional supervision.

We have heard a great deal about China and about some of their medical methods. There is no doubt about the beneficial results of diet and exercise. Recently in Canada the Department of National Health and Welfare brought out a report on the state of nutrition in Canada. Nutrition may not in reality be as bad as it sounds in that no comparative studies have been carried out in other countries. On the other hand, there is no doubt that a program of physical fitness and diet would be very beneficial to Canadians. I should like to sound a word of warning about adopting acupuncture as a big step forward. I think it has some useful value, but if we are not careful it could become another type of quack medical treatment or gimmick.

This is not exactly on the subject of this bill but I should like also to warn that physical fitness and diet alone will not prevent disease. They may help a few individuals to live a little longer but it will really remain for scientific knowledge to alleviate the multitude of illnesses which cannot be prevented. It will also be necessary to make sure that medical standards of excellence are continually raised instead of being allowed to deteriorate.

Finally, the main reason for bringing forward the amendments is simply that at least six provinces do not wish to include dental auxiliaries in this act until further study has been made and the wishes of these bodies have been fully explored. However, all provincial and federal dental bodies wish to see a uniform examination board structure so that dental practitioners and specialists can take that board's examinations and practise in any province in Canada. This embodies, of course, the principle of portability. In other words, I should like Bill S-7 to proceed to committee for discussion of the proposed amendments which would separate dental auxiliaries from the dentists so far as control of examinations is concerned. I think it should be recognized that the medical profession and their auxiliaries cannot be separated very widely. The same thing goes for dentists and their auxiliaries. It is my hope that this is one step only in the process of organizing the dental profession properly.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when one thinks of the professions and occupations that are represented in this House, it seems strange that we do not have a dentist. We have a number of members who are quite capable of pulling boners but no one who is able to pull teeth.

● (1720)

Frankly, this is a bill that contains a number of matters about which I do not claim to be knowledgeable, and I confess that one quick look at it, especially after listening to the remarks of the hon. member for Welland (Mr. Railton), makes me feel that we should not be asked at this point, by any decision that we make, to give the bill full endorsation. However, I have no objection to its being passed so that it can be sent to the Standing Committee on Miscellaneous Private Bills and Standing Orders, and I was pleased to hear from the hon. member for Welland that a number of amendments will be considered at that stage.

To begin with, I find an error right in the preamble. I do not want to suggest that their honours in the other place are not alert, but I find in lines 4 and 5 of the preamble in English the following phrase: "and it is expedition to grant the prayer of the petition". When I look at the French version I find, even from what I know of French, that apparently the phrase should be: "and it is expedient to grant the prayer of the petition". However, I am a little surprised that a bill should pass all readings in the other place, come here and still have that error in it.

I am also concerned about the fact that there is no reference in the bill to denturists. Even to mention denturists is to allude to the fact that there is some contention in this area. I should like to know what we are doing with respect to that. I notice that the bill makes frequent reference to provincial provisions, to provincial licensing and to matters of jurisdiction. I note also that the bill, in its main body, has five clauses which seem to make a new piece of legislation. But then clause 5 of the bill amends Chapter 69 of the Statutes of 1952. First, I wondered why there was no reference to the Revised Statutes of 1970, but I suppose Chapter 69 of the Statutes of 1952 was probably a private bill and therefore was not carried forward into the Revised Statutes of Canada for 1972. I am simply underlining the point that it seems to me there are some questions about this bill, and it would be wrong to suggest that if we let it through second reading at this stage we are giving it a final approval.

I understand that when it does get to committee, not only will there be amendments that the sponsors will seek to make but that representatives of the Department of National Health and Welfare will express their concern and may have some amendments to suggest. It is on that basis, namely, that we accept it as a reasonable request that the bill go to committee, that we are prepared that this be done, but I hope the bill will be given in committee a thorough examination and the exhaustive study that we, nonprofessionals that we are, are not in a position to give it here in the House. We all know about dentists; we have been to them and we know what they do to us, so we cannot but wonder what they are asking for in this bill. Perhaps that can be found out in the committee.

Mr. Maurice Foster (Algoma): Mr. Speaker, I would just like to add a couple of thoughts on the bill before us today, Bill S-7, which is being put before the House by the hon. member for Welland (Mr. Railton). First of all, I should like to congratulate the hon. member for Welland for bringing this bill forward. It has been on the order paper since early last spring, and I know that he has spent a great deal of time in consultations with the Department of National Health and Welfare, with provincial bodies and with the various groups which are included in this

bill, which not only includes the general practitioner dentist but the specialist as well as the dental auxiliaries.

I believe the question raised by the hon. member for Winnipeg North Centre (Mr. Knowles) was about the term "denturist". I believe the term "dental auxiliary" is often used in the same context. I would like to extend my congratulations to the hon. member for Welland. He is a distinguished member of the medical profession and a distinguished surgeon. He has carried on a large practice in his home county for many years, so it is most fitting that he should be here promoting the bill which is before us today. Certainly, the ramifications of and the benefits from this bill, provided it is passed and that the national body is established, would be far reaching throughout the country.

The bill, as I mentioned earlier, would provide a national standard for the dental profession, both the general practitioners and the specialists as well as the auxiliaries. As the hon. member for Welland indicated, since the bill was first introduced there has been an exhaustive and extensive consultation between the department and the various groups throughout the country. He indicated also that several of the provinces—I believe six—do not feel it would be wise to have this national dental examining board include dental auxiliaries. Certainly, we do not have to read the daily newspapers extensively to note that there is a considerable debate going on in many of the provincial legislatures on this subject at present. Some provinces have opted for the denturists and those groups to be under the wing of the dental profession, and others for their establishment as a separate body.

In a news release put out by the Department of National Health and Welfare on August 16, 1972, the department endorsed the recommendations of the Wells Committee. I should like to read some excerpts from that release:

National Health and Welfare Minister John Munro today, on the advice of the Dominion Council of Health, which met on April 26 and 27, 1972, endorsed the principles expressed in the Report of the Wells Ad Hoc Committee on Dental Auxiliaries which dealt with matters relating to employment, training and regulation of dental manpower.

He also noted the Council's recommendation that governments examine the report in detail and implement its recommendations in accordance with their respective priorities. These priorities would include consideration of a dental program for children encompassing prevention, education and treatment.

The Ad Hoc Committee was a multi-disciplinary committee of lay and professional persons established in June 1968 under the chairmanship of the Honourable Dalton C. Wells, Chief Justice of Ontario, with the full co-operation of the Canadian Dental Association. Their report contained several recommendations covering such fields as the qualifications of dental assistants, hygienists and technicians, their training, education and experience as well as a full range of more responsible duties to allow them to contribute more effectively to the dental health requirements of this nation.

● (1730)

In the report of the Ad Hoc Committee on Dental Auxiliaries, 1970, the Wells committee, several recommendations are made and I shall refer to some of them. For instance:

Recommendation 22: That a Canadian Council on Dental Auxiliaries be established.

Dental Examining Board

Recommendation 23: That the membership of the Canadian Council on Dental Auxiliaries consist of representatives from each of the provincial councils on dental auxiliaries and representatives, including dentists, named by the Minister of National Health and Welfare.

Recommendation 24: That the Canadian Council on Dental Auxiliaries deal with matters such as national certification and accreditation of educational and training institutions for dental auxiliaries.

The committee report suggested that there be a separate body. I quite agree with the hon. member for Winnipeg North Centre that some changes will have to be made to the bill in committee and I agree with what the hon. member for Welland (Mr. Railton) is proposing, that the bill go forward to committee for thorough study. I believe there will be a number of amendments along the lines of not taking in the dental auxiliaries and those groups under this national examining board but leaving that question to be decided at a later date. Whether they would some day come in under this national examining board or, as the Wells committee recommended, they would be a separate body could be decided at a later date.

The bill before us will certainly have many advantages for the professional dentists and the dental specialists, in that once they have completed their training they will be able to take the national board examination. As I understand this, it will qualify them to be licensed in the province in which they plan to practice. This would be a great advantage and would ensure the portability of this professional group. Portability is an important aspect as there is a shortage of professional people in this field. I graduated in veterinary medicine some years ago in the province of Ontario. When I wanted to practise in the province of Saskatchewan, I had to take the provincial board examination there. This is just one more thing that the new graduate from university has to do. A national board examination would entitle the graduate to be licenced to practice in any province.

There are many professional men and women who come to this country from other lands. Under our constitution it is the responsibility of the provincial bodies to license them to practice their profession. It is very difficult for every province to have the complete mechanism necessary for testing these graduates as they come from hundreds of universities all over the world. In the dental profession this one national examining body would become familiar with the various universities, their curriculums, their clinical training programs and the adaptability of their graduates to the Canadian professional scene. An expertise would be developed by the national examining board which would be beneficial in our total health program.

I believe that a great deal of consultation and co-ordination between the various groups went into the preparation of this bill. The departmental officials who worked on the bill and co-operated with the professional associations should be congratulated for their efforts.

Those are all the items I wanted to mention, Mr. Speaker. Changes will be made in the bill in committee, and I am confident that the departmental officials will want to give their assistance. I believe there is general agreement between the various professional groups and the sponsor of the bill, the hon. member for Welland, to make changes in the bill. The hon. member for Winnipeg North Centre

also mentioned two or three items in his remarks which should be considered in committee. I would add my support, Mr. Speaker, so that this bill may move to committee for further study.

Mr. R. E. McKinley (Huron): Mr. Speaker, we have no objection to seeing this bill pass to the committee for further study. The bill was initiated in the other place, and it is good to see the other place doing some work and having something with which to fill their time. Everybody thinks they do not have very much to do, but I recently had a conversation with a senator and he thinks they have far too much to do. It is all a matter of opinion, I suppose.

If this bill will assist in any way to establish more dentists in small towns throughout the country, or make it easier for dentists to be brought from one part of the country to another, I would not want to do anything to stop its passage. We need more dentists in small towns. We know that they generally head for the larger towns and are booked up months ahead.

We would expect the hon. member for Welland (Mr. Railton), who presented the bill to this House, to make sure that the proper personnel will appear before the committee so they can tell us why the bill should go through and explain any changes that they think should be made to it. I can assure the House that we will have competent people on the committee. With those remarks, Mr. Speaker, we see no reason why this bill should not go to committee.

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

Some hon. Members: Question.

Motion agreed to, bill read the second time and referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders.

Mr. Knowles (Winnipeg North Centre): Six o'clock, Mr. Speaker.

The Acting Speaker (Mr. Boulanger): Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

[*Translation*]

The Acting Speaker (Mr. Boulanger): Order. The private members' hour having expired, I do now leave the chair until 8 o'clock p.m.

At 5:43 the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[Mr. Foster.]

GOVERNMENT ORDERS

[*English*]

PROTECTION OF PRIVACY BILL

CREATION OF OFFENCES RELATED TO INTERCEPTION OF PRIVATE COMMUNICATIONS BY CERTAIN DEVICES

The House resumed consideration of Bill C-176, to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs; and motion No. 2 (Mr. Atkey).

Mr. John Gilbert (Broadview): Mr. Speaker, just before five o'clock I had been saying that you could approach Bill C-176 in two ways, the catch-all way of the Minister of Justice (Mr. Lang) as set out in the definition section of the bill, or the catalogue way, as suggested by the hon. member for St. Paul's (Mr. Atkey) in his amendment. He wishes to stipulate offences with respect to which authorization should be given. I point out that part of the definition in the bill is included in the amendment proposed by the hon. member for St. Paul's. Part of clause 2 on page 2 provides:

—"offence" means an offence created by an act of the Parliament of Canada for which an offender may be prosecuted by indictment and includes any such offence that is alleged or suspected or that there are reasonable grounds to believe may be committed—

The last few words of the hon. member's proposed amendment read, "any such offence that is alleged or suspected or that there are reasonable grounds to believe may be committed". Thus, the definition of "offence" in the latter part of the proposed amendment is very close to the definition contained in the bill. It seems to me that both the bill and the amendment are too sweeping in their definitions, and that makes me unhappy. Why do I say that?

Consider the United States approach to this question. They started from a narrow base which included a few offences, those being the more serious offences. Our Standing Committee on Justice and Legal Affairs studied the problem and catalogued the offences which had been covered by the U.S. approach: apparently they considered offences which carried a penalty of ten years imprisonment or more. It was considered that the United States approach was too narrow. Other serious offences were included in later bills which were passed by the U.S. Congress. We have seen what has happened with regard to the application of the U.S. bill. When it was enforced many people experienced severe and serious abuse.

One feature of the motion proposed by the hon. member for St. Paul's gives me particular concern. He wishes the police to obtain authorization for wiretaps when there is evidence of organized crime activity. He suggests that near the end of his amendment. I presume that he included that part in order to gain some support not only from his party but from other parts of the House. I submit that it detracts seriously from the main thrust of his amendment, which would catalogue the more serious offences with respect to which authorization for wiretapping may be given.

May I point out that the spokesman for the Canadian Civil Liberties Association appeared before the committee.

His position as to the conditions in which wiretaps should be allowed was very simple. He suggested a test, namely, that only when there is imminent peril to life or limb should the wiretap be allowed. I almost agree with that approach when I consider the catch-all approach of the minister and the catalogue approach of the hon. member for St. Paul's.

The proposition that authorization for wiretapping should be taken seriously is generally accepted by all members of the House. We have had experience with wiretaps in Canada and the United States. Permit me to refer to a recent report by the American Civil Liberties Union. It is written by Herman Schwartz, professor of law, State University of New York, at Buffalo. He sets out figures and statistics relating to wiretaps. One of his statements is as follows:

• (2010)

The bulk of this wiretapping and bugging is now used for gambling offences, despite the original claims that it was necessary primarily for serious crimes like homicide, kidnapping and espionage: in three years, there has been only one federal device installed for kidnapping and none for either homicide or espionage; gambling installations accounted for about 90 per cent of all the federal installations in 1971.

It can be seen from the American experience that wiretaps have been primarily used for gambling installations. He then sets forth the figures with regard to combined federal and state installations. For six months' periods in 1968, 1969, 1970 and 1971 there were 1,889 orders given with regard to wiretaps. There were 1,839 installations. There were 77,227 people bugged and 1,118,912 conversations overheard. That indicates the pervasiveness of wiretapping in the United States and the number of people it involves.

In Canada, we have had a shorter experience. Evidence that came before the committee indicated that in 1972 the Royal Canadian Mounted Police had 663 installations. From those they obtained only two convictions. That is a conviction rate of one-third of one per cent. In Toronto, there were 294 installations in 1972. Although I do not have a record of the convictions, the number of people tapped and the total conversations overheard, the taps by the RCMP and the Toronto metropolitan police force almost equalled the total orders given in a period of about 3½ years in the United States. This indicates how serious this matter is.

In his presentation this afternoon, the Minister of Justice stated we must have a clear and definite approach so that the law enforcement officers will know what they are about to do and what they should do. If there was one thing that Ramsey Clark brought before the committee, it was the costliness, corruptness and corrosiveness of wiretapping. The costliness in time and money is overwhelming when you have police officers making taps for an extended period of time. The corruptness is evident in the experience across the border. The corrosiveness will be experienced in the relationship between the public and the police in regard to attitudes and morale.

What the government needs is a system of law to protect the safety and freedom of individuals without resorting to unfair and immoral practices. The Minister of Justice must not only protect the law enforcement officers; he has a clear duty to be the protector of the public interest. I have the feeling, whether rightly or wrongly—I hope it is wrongly—that the thrust of the minister's speech and his attitude in the past with regard to this bill and its passing has been that he protects rather strongly the law enforcement officers and puts in a secondary position the protection of the public interest. It is necessary that the Minister of Justice give leadership in this field. If the price of liberty is constant vigilance, the price of freedom is the full protection of the individual.

I do not find it difficult to reject the definition of "offence" that the minister submitted in the bill. However, I find it rather difficult to accept the definition contained in the amendment, for the reasons I have given. I find it far easier to accept the definition set forth by the Canadian Civil Liberties Union. I do not have much choice in this matter. When it comes to a vote, I will have to support the amendment put forward by the hon. member for St. Paul's.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, by a very fortunate coincidence, the second report of the Law Reform Commission of Canada, sent to our offices just the other day, contained an admonition from the very distinguished chairman. In passing, may I say it is one of the most clearly written reports that has come out of commissions or groups reporting to governments and parliament for a long time. I wish that more government reports were written as eloquently and as straightforwardly as this one. The report begins with the following admonition:

"Bad laws", said Burke, "are the worst form of tyranny."

Mr. Justice Hartt goes on to say:

They are a tyranny every freedom-loving nation must fight to prevent.

I would not for one minute presume to suggest that the minister or the government are advancing bad law. However, I do say it is worthwhile that the Standing Committee on Justice and Legal Affairs has spent a fair amount of time on what I might call a cross-party approach, because vote after vote in that committee contained no party label. I can vouch for that because I was there throughout most of the proceedings.

Surely the mission of the committee has been to improve a bit of draftsmanship. I always wonder why people, ministers or anyone else, feel they must defend to the last what is really a series of words on paper. I think many laws are better after they have gone through the mill of the committee. The Solicitor General (Mr. Allmand) is here. He will recall one of the prime examples of an extremely bad law was the attempt to deal with young offenders. That law came to our committee so badly drafted that the committee of the last parliament rejected it, as did most of the people in the field who knew anything about it. It was not rejected by any plot on the part of New Democrats or Conservatives. It was rejected by the committee. I thought that was to the credit of the parliamentary committee system. Most of its members, I think, approached the examination of the bill in a desire to improve it, if we could, in the light of the experience many of us have had. In my own party there happen to be three former ministers of justice, each one of whom has held responsibility for law enforcement within the two largest

provinces. I hope they were able to add to the effectiveness of the committee's work by reason of their experience.

● (2020)

We cannot be spokesmen for any one of the various groups who appeared before that committee. We are not carrying the brief of the Police Association, neither are we carrying the brief of the Civil Liberties Association, much as I respect the Civil Liberties Association—and I am a member of one such association. If I may say so, we have a larger responsibility. Our brief as MPs can and should differ from the submissions put forward by the various groups who do not have responsibility of office or of enacting and administering particular statutes.

One of the most tragic and outworn slogans of the day is that of "law and order". I am coming to the point at which I resist almost any slogan whether it be "law and order", "the just society", "one Canada" or anything else. I think they represent dangerous simplifications of very complex issues. "Law and order" has been a particularly abused slogan. What we should seek is to give the police of this country a chance really to do something about the maintenance of order and justice within the rule of law. The rule of law in this case involves giving the police a straightforward method they can use. Our amendments are put forward in good faith to this end. We do not find complicated legal procedures outlined in this bill. Police associations across the country should really not find much difficulty in getting the orders they require.

The minister says the bill is a great addition to the law. I reject the word "great". It is a good addition to the law, if passed with some of the amendments we have moved. It will be a good addition to the law, rather late in the history of law enforcement in this country. I believe the law now proposed is substantially better than it was when originally presented and referred to the Standing Committee on Justice and Legal Affairs.

I personally get upset when people claim we are being soft on criminals or that we are resisting the well motivated wishes of the police forces of this country to do something about crime, simply because we are taking some time in which to study this law. That does not follow in any way. Max Cohen put it rather well, I thought, in an article which appeared in the Ottawa *Journal* of June 7 of this year under the heading "Justice in search of itself".

> Law enforcement men and agencies are by nature quite conservative. What shall be the balancing instruments: the liberal politician, private watchdogs from the universities to welfare agencies, varieties of ombudsmen together with the legislature itself, all continually monitoring the operation of a system?
>
> It is clear that we cannot go on much longer without insisting on a high priority of intelligence and resources to be applied to the classical areas in the administration of justice.

I think if we had spent—here I use the collective "we"—a great deal more money and effort in trying to improve the professional status of the various police forces we would have been much better served. This applies not only to the RCMP, which is under the jurisdiction of the Solicitor General, but also to the city and metropolitan police forces. The police, it seems to me, are really the unsung heroes of the age. We expect so much of them, as Professor Cohen said. We ask them to be nursemaids in cases of the most minor traffic violations, and in the next minute they are supposed to deal with the most sophisticated aspects of syndicated crime.

The hon. member for Northumberland-Durham (Mr. Lawrence), the hon. member for Saint-Hyacinthe (Mr. Wagner), and I myself exercised, for various lengths of time, jurisdiction over provincial police or their RCMP equivalent. I for one have never called a policeman a pig, and I never expect to. None of us would, I hope, ever think of doing such a thing. What we seek is to enhance the police whether they be in a village or in the largest metropolitan areas. What we seek in this bill is an instrumentality through which they can by way of an application to a judge operate effectively under the rule of law. I commend the minister for the straightforward way in which application can be made, a simple way in which the police may in certain well-defined circumstances invade otherwise inviolable personal privacy.

I myself welcome the time which has been taken on this measure. The minister speaks of a great addition to the law; I think those were his words. Yes, perhaps he can say that after the bill has been read the third time; but I think the law will be better because of the time spent on it; I think it will be better because of the amendments many members on all sides have proposed and voted upon in committee, without political stripe. I for one am disappointed that there should be demands to circumvent what has been done in a committee which has been notable for a very low partisan quotient. The minister may rue the day when he set out to defeat, by some of the amendments he has proposed, the report of the majority of the Standing Committee on Justice and Legal Affairs.

I hope we can agree on amendments which will make some of the proposals advanced by the minister acceptable to the majority of the House. I suggest to him frankly that at the moment, on the record at least, they are not acceptable to the majority of hon. members. As the minister knows, we have tried hard to find some way out of the dilemma. I trust the minister is not too upset by some of the editorials and press reports which have appeared on the subject of this bill. I think it is an extremely healthy sign that on an issue such as this, the proposed invasion of privacy, or protection of privacy—whatever phrase commends itself—there should have been so much outspoken comment one way or the other. I think it is a good thing there is still some sense of outrage in the world.

● (2030)

I for one am not overly alarmed at some of the comments concerning this legislation. I would be particularly upset if there had been no comment about such a serious and, to use the minister's phrase, great addition to the law. As many members who preceded me said, this bill will bring about a fundamental change in the liberty of the subject. No matter what adjective we use, we have to proceed with caution.

I hope that in the days that follow when we are discussing this bill, our approach will be that we are here to improve this legislation substantially. On behalf of the party for whom I am proud to speak, I can say that that has been our objective from the day this bill received second reading and then went to the committee. I will not

be at all worried if the minister goes out from this place when the bill receives royal assent and calls it a great addition to the law, or whatever expression he likes to use, because as a result of the time spent debating it and, if I may say so, the amendments the standing committee made, a standing committee whose main objective was to improve the law and not take partisan advantage, it will be a better law.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, in reviewing the amendments to this bill, my hon. colleague who has just spoken dealt with the importance of the bill in the general scheme of things. He mentioned this was one piece of legislation, perhaps the only piece of legislation, that we will deal with this session that affects the liberty of the subject and the rights of Canadians to privacy. The bill will affect even communications between Canadians and their members of parliament or their professional advisers in other capacities.

Since this bill is one of the most significant advances made in this branch of the law, it seems to me it is the most important and fundamental piece of legislation with which we, as representatives of the Canadian people, will deal in this session, and indeed it may well be for some sessions to come. This bill will permit the interception of conversations that pass between one subject and another without their knowledge. Certainly they do not have the opportunity of giving their consent to such interceptions, and in this sense the bill is a great leap forward in our criminal law. On the one hand, it makes lawful for the first time that which can only be described as an invasion of privacy. At the same time it gives to law enforcement agencies the right to take advantage of the latest electronic gadgetry in pursuing their work, namely, the protection of the public. So, as I say, certainly it is a great addition to the law.

However, improperly used the practice of wiretapping can be one of the most harmful and fear provoking mechanisms that one can imagine. There is nothing more important to us in days of invasions of our privacy than the maintenance of some element of individuality. Like the hon. member who has just spoken, I believe that the police forces of the country should have at their disposal the most up to date methods for detecting crime. Be that as it may, there is no reason—at least no reason I can think of—for police forces not complying with the law.

A law that will permit this kind of intrusion ought not to be one that the police forces need not comply with. I had the honour to be at one time a Crown counsel in this city. During that period of time I worked with the police force in this city as well as the provincial force, and I hold them in the highest respect. I also hold many others in very high respect. But this respect does not give me the licence to say that police forces can do what they want, that there ought to be no sanction against the actions of police forces, that the end must always justify the means in the matter of police work.

In my respectful judgment, the rights of Canadians about which we are talking are of such importance that it is not too much to ask the respected agencies in our country which are charged with the protection of the public to obtain the consent of a judge before invading the privacy and personal rights which we in this country have and which, I suppose, make us different from those people who live in totalitarian states.

This afternoon the hon. member for Peace River (Mr. Baldwin), when speaking to this particular amendment indicated the extent to which this type of evidence can be used. Not only can it be used in regard to the offence that is being investigated; it can also be used in income tax cases, excise tax cases and in all cases where the Crown in the right of Canada may have an interest.

As the hon. member who has just spoken said, members of parliament have a duty to examine this legislation in light of submissions that are made to them, using their own qualities of reason and their own thoughts about what is right for the community. Members of parliament ought not to come to this House or to committees of the House carrying with them any particular bias or preference in regard to the views of any interested group in the community. I think this has happened in regard to this bill, a bill that creates a new right by creating an offence. It gives for the first time the right recognized in law for the police to interfere with privacy, and for the protection of the public it also creates an offence. I do not believe that police forces or individual groups in the community, because of their position, deserve a special status before the law.

● (2040)

I welcome the legislation as a basic enhancement of the powers of the police which I think the police forces of this country require. I hope those who consider the legislation and its importance will recognize this as an enhancement and an improvement of the powers of the police, and will agree that as we tread for the first time into invasion of the privacy of Canadians we should tread softly and carefully and should not succumb to what a previous speaker referred to as the passion of law and order. We should make sure not to adopt the fallacy that law and order and the maintenance of civil rights should be considered as exclusive of the rights of the public.

When we are dealing with law and order we are dealing with civil rights, not just the apprehension of criminals. We are also dealing with the protection of the public. Perhaps one fallacy that exists when we deal with these matters is that we think in terms of law and order as it applies to someone else. We should think of law and order as it applies to each of us, so that while we are giving the police forces of this country this new power, we should move forward slowly, with consideration of the consequences and with our minds always open in respect of the protection of the public as well as the enhancement of the powers of our police forces and law enforcement agencies.

As I look at the law as presented by the Minister of Justice to this House, I see it as an advancement. But without the amendment with which we are now dealing, and the amendments advanced by members of this and other parties which we will deal with later, it will not be the best law this parliament can produce at this time. It ought to be the object of us all to produce the best law, even if it takes a bit of time; and it ought to be the best in terms of balancing the needed powers of the state and the rights of the subject. In my respectful submission, without the amendments which are before this House to be dealt

with during this debate, the law as proposed by the Minister of Justice will not be the best law in both these important areas.

We will have an opportunity to speak on a number of other amendments. However, I think it is important at this time that we consider the extent of the power we will be giving law enforcement agencies. What we ask of them, when granting this power in a free society, is that they in turn observe the law in terms of the protection it provides the citizens of this country. There is nothing in this bill, particularly in the amendments which are proposed, that in any way limits the investigatory powers of the police forces. I suggest it maintains them and at the same time protects the public. We ought not lose sight of either point of view during the consideration of this legislation.

Mrs. Albanie Morin (Louis-Hébert): Mr. Speaker, I shall be very brief on this particular amendment because I feel we have lost too much time already. What upsets me more and more is the fact that the number of crimes committed in Canada has been increasing steadily in the last few years. Our penitentiaries are bulging at the seams, and plans are being made to construct more and more elaborate penitentiaries; yet legislation is being drawn up and amendments are being introduced to limit more and more the powers of the police forces. Everyone is up in arms because of the Watergate affair, but hon. members must not forget that the Watergate affair was brought on by politicians and not by the police.

Some hon. Members: Hear, hear!

[*Translation*]

Mrs. Morin: Therefore, Mr. Speaker, we must ask ourselves what should come first since the crime rate increases in Canada and terrorism—we must not forget—is always creeping in Quebec. Must we first of all prevent crime or invade more and more the people's privacy? What must take precedence? Is it crime prevention or the invasion of privacy?

I find that the hon. member for St. Paul's (Mr. Atkey) bears too much on the definition of the word "offence". If I remember well my law studies, it seems to me that when you restrict the definition as he does, this leads to trouble. I would much prefer that the bill remain in its present form and that the definition of the word "offence" remain broad.

[*English*]

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in considering amending the bill before us I should like to lend my support to those who have already stated we must be cautious in amending any legislation which has the net effect of taking away rights which have literally taken us hundreds of years to secure. The section in the legislation before us dealing with the definition of "offence" is relatively broad, and I feel that the amendment proposed by my colleague, the hon. member for St. Paul's (Mr. Atkey), is wise in that it defines more precisely what we in this House hopefully intend when we move to amend the bill.

I am sympathetic to the problems of the police and, like many members of this House, I am alarmed at any suggestion that we may in fact have organized crime in this country, or that our laws are in any way hampering the police in their investigation and prosecution of those who may be conducting unlawful activities or involved in organized crime. I would stress that there is a delicate balance in these matters which we in this parliament should never ignore. I feel it is very easy to overreact. Certainly the government which is still in office in this country overreacted in one instance. I hope we will never tolerate a similar overreaction which results in the taking away of privileges and rights from people without cause.

Some hon. Members: Hear, hear!

● (2050)

Mr. Stevens: Of those who say that this limits the legislation before us, I would ask, why do they not want it limited? Have they no concern for the rights of Canadians? If we are trying specifically to assist the police in better ways of bringing to justice those who are involved in organized crime, why do we not support an amendment to the legislation that simply defines that this is exactly what we are trying to do? I urge members of this House to read the amendment proposed by my colleague, the hon. member for St. Paul's. I think he has in a very definitive way spelled out the crimes we will tolerate in respect of this new activity. He specifically stipulates what the crimes must be and states:

—where there are reasonable grounds to believe that such pattern of offences is part of the activities of organized crime—

That, to me, is the main question that is before us when we consider this amendment. We are attempting to give, in a very limited sense—I believe we are rightfully limiting it—a right to our police forces to use certain activities which heretofore have not been welcomed, in the hope that it may assist them in dealing with organized crime. For that reason I do not intend to speak at length: there are many amendments before us. I believe it is important that we limit the rights we are talking about. It is particularly important to limit these rights when dealing with an arrogant government such as we now have in this country.

An hon. Member: Are you afraid of the police?

Mr. Stevens: Yes, I am.

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I am against the use of bugging devices and all types of wiretapping in any circumstances, and I believe that we could protect the liberty and security of the citizens by avoiding these methods.

I am opposed to wiretapping for two main reasons, first on moral grounds and second, for reasons of ineffectiveness.

As regards the moral grounds, Mr. Speaker, I believe that nobody has ever claimed that wiretapping is not in itself an immoral and degrading act. And if we want people to respect the law, the first thing to do is to make it a moral law with high ideals rather that stating that the end justifies the means.

On this point, I was influenced by the statement made by the former Attorney General of the United States, Mr. Ramsey Clark, before the committee on justice and legal affairs, who knew from his experience in the John Ken-

nedy and Lyndon B. Johnson administrations, the results of a law somewhat similar to the legislation now before us, and even harsher in some respects.

Many of those who spoke in favour of this bill said that they wanted to help the police. On this point, Mr. Speaker, I should like to quote what Mr. Clark, who was in charge of security in the United States, told us. He said, and I quote:

[*English*]

I think it hurts the police in many ways: I think it makes them defensive; I think it makes the public more hostile and suspicious of them, and of their performance, and of what they are doing; I think it makes them justify things that do not need to be justified; it isolates them. I think it also corrupts.

[*Translation*]

To those who argue that we are going to help the police, I say, Mr. Speaker, that this legislation will have just the opposite effect.

As for immorality, remember the first case brought before the Supreme Court of the United States, namely the Olmstead case . . .

[*English*]

—in which Oliver Wendell Holmes described wiretapping as a dirty business . . . It is far more than a dirty business: it tinkers with the foundations for individual integrity.

How else are the people going to know what is going on? Finally, what happens? Everybody thinks he is tapped and bugged. He really does.

[*Translation*]

And right here in parliament, Mr. Speaker, nothing in the law could prevent someone from phoning an hon. member and registering his conversation. I would like to quote from Mr. Ramsey Clark's testimony previously cited in parliament, in which he stated:

[*English*]

I come further because of my great concern about government lawlessness, the excessive use of force, violence, treachery and secrecy, and because I believe your fortunate country has a high opportunity and, with that, a high obligation to show the world that we can act fairly with safety.

[*Translation*]

Obviously, some may not be convinced of the immorality of wiretapping but, Mr. Speaker, I think, that in such a field human dignity and integrity require that we should refrain from resorting to such procedures, especially when the evidence shows that they are inefficient.

In the United States, in spite of stricter legislation than the bill introduced today, the scandals are of common knowledge and I do not refer to what is going on here, since the legislation was almost non-existent, but abuses at home as abroad are entirely unfortunate.

Consider, Mr. Speaker, that in recent months an aide of the president of the United States admitted that he used wiretapping to register a conversation with the attorney general of the United States. We know also that the advocate of non-violence, Martin Luther King, was also the victim of such procedure. We are also acquainted with several other scandals. I think, Mr. Speaker, that we come to the conclusion that this is a really degrading method.

When Mr. Ramsey Clark, as attorney general of the United States, prohibited the use of that procedure, the statistics have shown that the arrests and convictions of criminals, especially in organized crime, had tripled during those years. And I could quote some examples.

● (2100)

[*English*]

When you look at the report in the administrative office of the United States courts for 1972 you will find places like California where no wiretaps were applied for. It is a pretty big place.

It has almost the same population as Canada.

There is a lot of activity out there. There is pretty effective crime control and crime fighting. It is every bit as effective, or more so, than New York city. You find Illinois, Ohio, Pennsylvania—whole places that have had a lot of organized crime but no wiretapping. And they can be effective. You find almost two-thirds of all the wiretapping in two states, New York and New Jersey. It is a matter of habit, and it is a very unfortunate habit. I do not think you will find more effective organized criminal activity than in the New York city area.

Where wiretapping is very common.

[*Translation*]

I said earlier that during all the years he was in charge of security, the attorney general of the United States had not allowed the use of those methods, and the number of charges increased. He mentioned cases where a staff of more than 30 policemen was needed to tap a single person. He explained how several American cities, by making the same human efforts in professionalizing their police force, had obtained far quicker results and at a much lower cost.

So much for the immorality and inefficiency of that practice. I could also mention the numerous scandals that arose. For example, in the Ellsberg case in the United States, it took two years before someone admitted in court that the accused had been submitted to wiretapping. That, among other things made the state lose its case.

And as Mr. Ramsay Clark said:

[*English*]

You will find, I think, as we have, that wiretapping is always associated with scandals.

[*Translation*]

And he shared his experience with us. He stated that in his opinion much better results had been obtained with these police forces on which both money and efforts had been spent to give their members a professional training and this, without jeopardizing in any way the individuals' dignity and integrity.

These, Mr. Speaker, are the reasons why I am against wiretapping. I feel that the amendment introduced by the opposition is a step in the right direction, because the bill in its present form appears to me to be much too wide in scope in respect of crimes known as indictable offences which may entail electronic wiretapping; on the other hand, I am absolutely against any bugging in all other areas, especially as regards domestic matters.

That is the way I see it, Mr. Speaker. I feel that, taking into account the experience of the United States where a law such as this existed, scandals multiplied. And when I think of the United States where, according to the evidence we have heard, only the attorney general of the United States:

[*English*]

Only the Attorney General of the United States is authorized to sign a wiretapping operation, while in Canada it might be someone with a special authorization, whether from the Minister of Justice of Canada or the Attorney General of any province. I think this is too many people. I just want to remind the House that Edgar J. Hoover, the former chief of the FBI, during most of his career never took the responsibility of signing a wiretap; he always asked the Attorney General himself to do it.

[*Translation*]

Mr. Speaker, considering the fact that our population is ten times smaller than that of the United States, where problems related to crime are much more important, I suggest that the passage of an even wider legislation than the American one seems to be a nonsense. I believe that the causes of crime are well known, especially social inequities, and its remedies are complex. It is not through such methods that we will solve the problem. The comparison between the advantages and disadvantages shows that in order to achieve security in this country and maintain our citizens' freedom, we should spend more money on our police forces' training rather than resort to a system under which our citizens will never be sure that they are not bugged, and, on the other hand, policemen themselves will be suspected by their fellow-citizens.

Those are the reasons why, Mr. Speaker, as I said at the outset of my remarks, I am in conscience opposed to any form of electronic surveillance.

[*English*]

Mr. Deputy Speaker: Is the House ready for the question?

Mr. Fairweather: I rise on a point of order, Mr. Speaker. The right hon. member for Prince Albert (Mr. Diefenbaker) has asked that motion No. 3, standing in his name, wait until tomorrow. The Minister of Justice (Mr. Lang), and the spokesman for the NDP, the hon. member for New Westminster (Mr. Leggatt), were kind enough to agree to this. Presumably, then, the right hon. gentleman could proceed after orders of the day tomorrow. We might, therefore, stand motion No. 2 and start on the next block of amendments. Is that agreeable?

Mr. Deputy Speaker: Did the hon. member ask that motion No. 3 be stood, or should we put motion No. 2 and then proceed to motion No. 5?

Mr. Fairweather: Perhaps it could be stood. The mover had to be away tonight at a speaking engagement. Surely we can vote on these amendments in a block.

Mr. Deputy Speaker: The Chair will listen to whatever the House tells the Chair to listen to. There does not seem to be disagreement about this.

Mr. Lang: As I understand it, Mr. Speaker, the procedure would be that the question would be put, and if there were a division it would be postponed to a time to be set later, so there would be no question of having the division now. My understanding is that we would then proceed to the next group, that is to say, omit the amendment in the name of the right hon. member for Prince Albert (Mr. Diefenbaker) and move on to the one in the name of the hon. member for New Westminster (Mr. Leggatt), continue with that and then go back to the one standing in the name of the hon. member for Prince Albert.

Some hon. Members: No.

Mr. McKinley: Can we move on to the next group and stand amendment No. 3? I understand the agreement was that beginning with government orders tomorrow, we would start with amendment No. 3.

Mr. Baker: The situation as explained by the hon. member for Huron (Mr. McKinley) is as I understand it. There is to be no doubt, as I understand the agreement, that the right hon. member for Prince Albert will start immediately after orders of the day tomorrow with his amendment, and that the debate on his amendment will continue, regardless of what happens tonight, until that matter is completed. If we start on another amendment tonight, then that amendment will be suspended until the motion standing in the name of the right hon. gentleman is completed. That is my understanding of the agreement. If there has not been an agreement in this respect, then we will continue: we are prepared to deal with the amendment that is before the House, standing in the name of the hon. member for St. Paul's.

● (2110)

Mr. Deputy Speaker: Perhaps the Chair should state what it understands has been understood. If I am wrong I will no doubt be corrected, as has sometimes happened. The debate on motion No. 2 is completed.

Some hon. Members: No.

Mr. Deputy Speaker: May I complete my understanding of what I understand, and then no doubt hon. members will correct me. The debate on motion No. 2 has been completed, as I understand it.

Some hon. Members: No.

Mr. Deputy Speaker: The proceedings on motion No. 2 have been suspended for the time being; the proceedings on motion No. 3 will not proceed tonight, but immediately after orders of the day tomorrow. At that time motion No. 3, standing in the name of the right hon. member for Prince Albert, will be called. Then it is suggested that we now proceed to a group of motions in the name of the hon. member for New Westminster, namely, Nos. 5, 6, 9, 10, 14, 15 and 21, which would take us through the rest of the evening. Am I correct in this understanding?

Mr. Leggatt: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for New Westminster rises on a point of order.

Mr. Leggatt: First of all, Mr. Speaker, I would point out that the amendments you dealt with before you came to the package of amendments that I have submitted deal with the emergency permit section of the bill. Now there are three amendments on the order paper dealing with the emergency permits, Nos. 3, 4 and 12. I would ask that if we are going to stand Nos. 3 and 4, we stand No. 12 as well. All

that package dealing with the question of emergency permits should surely be dealt with at the same time. There may be some minor differences between the amendments, but I think they are very minor. I believe the business of the House would be expedited if you took the whole package and dealt with them tomorrow, grouping No. 12 with Nos. 3 and 4.

Mr. Deputy Speaker: The hon. member for Grenville-Carleton (Mr. Baker), on the same point of order.

Mr. Baker: Mr. Speaker, I would be concerned, without studying the point, whether motion No. 12 ought to be dealt with in a block if we are saying it ought to be dealt with, in terms of a vote, with items Nos. 3 and 4. If we are going to do that, I would certainly want it clearly understood that we would not necessarily agree. I see the hon. member for New Westminster agrees with that. Subject to that, Mr. Speaker, I do not see any difficulty in dealing with this matter. However, I must file this caveat: if some difficulty did develop on this point, I should like the opportunity to deal with the matter later in continuing with this point of order. But I really do not see any difficulty.

Mr. Woolliams: As I understand the agreement—and we are not trying to delay matters—it is that these first two amendments stand. There is one point in amendment No. 2 that concerns me. There is just one section of murder mentioned. That may be influenced by another bill just finished in the other place. I do not know whether that is the concern of the minister. I would ask that motions Nos. 1 and 2 be stood. If tomorrow we come back and speak on these matters, we are not trying to delay things. If the Minister of Justice (Mr. Lang) will co-operate with our party and the other parties in this regard, I think you will see us move along very quickly on this bill.

Mr. Deputy Speaker: Before the minister takes part in the point of order, it is the feeling of my colleagues and the Chair that motions Nos. 3 and 4 should be dealt with separately simply because there were objections earlier today to dealing with them together. If that were the wish of the House and nobody pressed us to make a decision otherwise, I think motion No. 12 would be called in due course; I do not think that the hon. member for New Westminster need have any fears in that regard.

If we were to take the course proposed, whether understood or misunderstood by the Chair, we would leave motion No. 2 open to be completed, No. 3 would be stood, No. 4 would be stood and then we could proceed with the package that I understand the hon. member for New Westminster is agreeable to, namely, the seven motions in his name. That would leave us free to go to No. 3 tomorrow after orders of the day, when the right hon. member for Prince Albert can present his motion. We would then go back and complete No. 2 and carry on in logical sequence from there.

Mr. Baker: Is that an order of the House, Mr. Speaker?

Mr. Lang: Mr. Speaker, hon. members have talked about agreements. I should make it clear that the only agreement I know anything about is that if we complete motion No. 2, then in the ordinary course—I expect we would, since hon. members said they wanted to move along—we would not proceed with No. 3 because of a certain understanding about it not being desirable to bring it forward tonight. I do not see the particular point in standing No. 2 in an incomplete state at this time; but I have no objection to agreeing, if it is agreeable to the hon. member for New Westminster, to interrupt his motion and return to No. 3 in the middle of that debate.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the point I was going to make is parallel to what the Minister of Justice has said. If we have completed the debate on No. 2, why do we need to stand it? It is completely agreed that any vote on it would be deferred. Could we not now call for the yeas and nays, and however it goes, five members probably will stand, and the vote on No. 2 will be deferred. Then we would proceed to the motions proposed by the hon. member for New Westminster (Mr. Leggatt).

Mr. Deputy Speaker: Unless there are members who still wish to speak on No. 2, it seems to me that this is the best way of proceeding. Of course, the votes are deferred until such time as Mr. Speaker calls them, or until the House leaders get together and suggest something that is agreeable to all members. But certainly that vote would not be taken tonight. If that is agreeable, I would put No. 2 and then we could go on to the package of seven motions in the name of the hon. member for New Westminister.

Some hon. Members: Agreed.

Mr. Woolliams: Mr. Speaker, I would like No. 2 to be stood. Maybe I am the only one, but there is a technical point that I notice here. I am not prepared to speak on it tonight, but I should like to have the opportunity tomorrow. Surely I could do that. It could be stood and we could go on to the other package, and then the agreement with reference to the motion of the right hon. member for Prince Albert could be put into effect.

Mr. Deputy Speaker: This would require the unanimous consent of the House. The hon. member for Calgary North (Mr. Woolliams) has requested, regarding motion No. 2, that he be permitted to reserve his right to speak, or perhaps not to speak on it, until another occasion. Is this agreed?

Some hon. Members: Agreed.

Mr. Stanbury: Another filibuster.

Mr. Deputy Speaker: Then motions Nos. 3 and 4 are stood, with the agreement of the House, and it is also understood that No. 3 will be called immediately after orders of the day and routine proceedings are completed tomorrow. Is this also understood?

Some hon. Members: Agreed.

Motions Nos. 2, 3 and 4 stood.

Mr. Deputy Speaker: We will now proceed to the package in the name of the hon. member for New Westminster, motions Nos. 5, 6, 9, 10, 14, 15 and 21. It is the understanding of the Chair that the hon. member for New Westminster is agreeable that these be put together for the purpose

of debate at report stage, and I gather nobody is opposed to this suggestion.

The hon. member for New Westminster (Mr. Leggatt) moves motions Nos. 5, 6, 9, 10, 14, 15 and 21 as follows:

No. 5. That Bill C-176, an act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, be amended in clause 2 by deleting the words "or an agent specially designated in writing for the purpose of this section" in lines 37 to 39 at page 3.

No. 6. That Bill C-176, an act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, be amended in clause 2 by deleting lines 30 to 47 inclusive at page 3 and lines 1 to 37 inclusive at page 4.

No. 9. That Bill C-176, an act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, be amended in clause 2 by deleting lines 38 to 46 inclusive at page 4, lines 1 to 46 inclusive at page 5 and lines 1 to 21 inclusive at page 6.

No. 10. That Bill C-176, an act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, be amended in clause 2 by deleting lines 22 to 46 inclusive at page 6 and lines 1 to 7 inclusive at page 7.

No. 14. That Bill C-176, an act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, be amended in clause 2 by deleting lines 1 to 8 inclusive at page 11.

No. 15. That Bill C-176, an act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, be amended in clause 2 by deleting lines 18 to 39 inclusive at page 11 and lines 1 to 7 inclusive at page 12.

No. 21. That Bill C-176, an act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act be amended in clause 4 by deleting lines 5 to 8 inclusive at page 20.

● (2120)

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I will embark upon a brief explanation because I think that will suffice in showing what I had in mind in proposing these amendments. The present bill provides authorization for police to wiretap for purposes of the Official Secrets Act, the Criminal Code and for all indictable offences. The effect of the seven amendments standing in my name is this: they seek to remove authority for the police to wiretap for purposes of the Criminal Code. They would allow the provisions of the Official Secrets Act to prevail and if these amendments pass wiretapping for those purposes will still be permissible.

Let me explain first why I have excepted the Official Secrets Act. I listened carefully to the evidence Ramsey Clark gave before the committee. I think there is a rationale for considering the security of the state. For example, compare the state of international law with the state of law within a nation. It is important for the relationship between the police force and the population to be established: it is vital and important for the population to respect the police, respect the methods the police use and respect the laws which the police enforce. In international law we are in a different ball game. International law is at a very primitive level. Therefore, where the security of the state is concerned, I feel a legitimate exception can be made for the use of what I consider an immoral device for electronic surveillance.

Having said that, I wish to address a few remarks through you, Mr. Speaker, to the charming hon. member for Louis-Hébert (Mrs. Morin). She made a short address, a very interesting one, in which she told us why we need this bill. She said that we must really get down to the business of law and order, of apprehending criminals, and

[Mr. Deputy Speaker.]

we must not throw roadblocks in the way of the police. That, I take it, was the substance of her remarks.

That is the rationale used by every totalitarian state in the world. If we are to have that kind of state, that kind of system, I will move out of the country. I hope the charming hon. member will consider most carefully the question of law and order from both sides. She must consider that respect for law and order will increase only if laws are worth respecting, and that in a society such as ours which depends on consensus the devices used to enforce law and order should be ones we can honour and respect and should not be ones of which we are ashamed.

Someone has said that mine is a purist position. I do not think it is. I think it really asks both sides of this question to be examined. When you have examined it carefully, I think you will come down on the side of a complete ban on wiretapping except in those cases noted. I speak for myself on this issue and not for the caucus of my party, which has other ideas on this subject.

This afternoon the hon. member for Peace River (Mr. Baldwin) suggested that in future I might tap on the door of the Conservative Party in view of the approach I have taken to the civil libertarian issue. I must say I have always respected the Conservative Party on issues like this. More than once—this afternoon and this evening—I have heard Conservative members express concern for the rights of individuals. They do not want to see us turn into a monolithic state which does not allow freedom of speech, freedom of privacy or freedom of personality. I have great sympathy for the views of my friends to my right. It is when we come to economic issues that we part company; we are far apart on economic issues.

Mr. Knight: Especially on what the oil companies are doing.

Mr. Leggatt: A monolithic state which robs the individual of freedom is a state made up of large, multinational corporations. That is why I have been so disappointed in hearing members to my right defend large, multinational oil companies.

The hon. member for Fundy-Royal (Mr. Fairweather) mentioned the proceedings in committee and pointed out that the minister cannot have it both ways on this bill. When the minister first brought forward, this bill I am sure many in the civil liberties field congratulated him because they thought the bill provided protection of privacy. These protections are necessary and important. But the minister cannot have it both ways. When the bill was before the committee the minister suggested we were throwing roadblocks in the way. He told committee members we were unnecessarily delaying a good bill and that we needed this legislation.

I noticed, however, that after passing amendments which the Conservative Party had presented, the Mininster of Justice (Mr. Lang) suddenly found that we needed to look at the bill more closely: he intended to bring together the attorneys general from all across Canada to look at the bill. He cannot have it both ways. That committee was not partisan. I echo the remarks of the hon. member for Fundy-Royal on this point. It was a good committee and because of its work I think we will wind up with a stronger bill.

Let me say this about the motions the House is presently considering. If they do not pass this time, it is certain that somebody else will come forward at some time in the future, say in ten years, and present similar amendments. Why do I say that? Considering the direction the world is taking and nations generally are taking, we will need to ban these kinds of electronic surveillance devices; I mean, ban them in the hands of private citizens and ban them in the hands of those who work for the public.

Mrs. Morin: Don't say that in the province of Quebec.

Mr. Gilbert: After the FLQ episode, it should be said.

Mr. Leggatt: There was a report this morning from Quebec that two more lawyers have been bugged, wiretapped.

Mrs. Morin: Not by the police.

Mr. Leggatt: We do not know that, madam. I say that through you, of course, Mr. Speaker. It is interesting to note that if the bill were passed as it now is, without motion No. 2 in the name of the hon. member for St. Paul's (Mr. Atkey), what happened in Quebec would be perfectly legal. As I pointed out this afternoon, it is usually easy to find reasons for accusing a lawyer of wrongdoing and it is quite easy to obtain authorization. For example, the Income Tax Act could be used as a device to gain permission to bug.

If I may return to the amendments before the House, they would bar the use of this immoral device in connection with the Criminal Code, except in cases already noted. You must understand the pervasiveness of the device and how widely it can be used. The report from the Solicitor General (Mr. Allmand), which I read, indicates that in 1972-73 there were 663 taps, resulting in four prosecutions, two of them successful. That is a success rate of one-third of one per cent.

The trouble with the electronic device is, first of all, that it does not do what the police want it to do. Not only does it not increase the efficiency of the police or increase their ability to convict; quite often the use of the device will inhibit the prosecution. Evidence obtained through its use may be ruled as inadmissible and, if that kind of evidence is relied on, a good case could go down the drain. We have to ask ourselves whether these two convictions would have occurred if other good police devices had been used. I submit the traditional ways of obtaining evidence, such as getting out of the car, walking around and talking to people, are the kinds of police activity that work. To give them these new electronic toys, hide them in closets and let them stay there for 18 hours interfering with the privacy of thousands of citizens while a person is under suspicion, is so pervasive and erosive of the right of freedom of speech that on balance we cannot afford to use this kind of device in a civilized society.

● (2130)

I predict that if we continue to use this immoral device we will have reports in the future and someone will stand up in this House in five years' time and again attempt to ban it. I hope he is successful. I hope the time will come when we realize we have an obligation and a duty not only to our citizens but to citizens of other countries to take the leadership in this field.

Many members have quoted Ramsey Clark. I wish to quote what he said about the use of wiretap when he appeared before our committee. He was one of the most successful attorneys general of the United States. His attack on organized crime was as successful as any. He is not some bleeding-heart liberal who is not willing to use the practical devices available, where they are moral devices, in order to reduce or prevent crime. He said:

> I come not to give advice but to express my impressions of the experience of your neighbour to the south. I come because I desperately hope to see from nations in this world the new moral leadership that if founded on the proposition that governments can protect their people without acting unfairly or immorally themselves in any respect. I believe that. I do not believe the rule of law can be an effective means of social change otherwise. I do not believe it can have the respect of the people otherwise and I have not seen a society or a people who believe that wiretapping is moral. It is inherently immoral and therefore to justify it you have to say the end thoughts justify these means.
>
> I come further because of my great concern about government lawlessness, the excessive use of force, violence, treachery and secrecy, and because I believe your fortunate country has a high opportunity and, with that, a high obligation to show the world that we can act fairly with safety.

I submit that is a very statesman like approach to law enforcement. The hon. member Fundy-Royal mentioned the cliché of law and order. In fact, the advocates of law and order in the United States have found themselves on the wrong side of the law all the time. I sometimes wonder how legitimate was their concern when they found it so easy to violate laws that applied to them.

We have to ask ourselves whether these devices increase or enhance the success of prosecutions. There is no doubt in my mind that they do not. It is wasteful of a police officer's time, inordinately expensive, thoroughly inefficient and extremely unsuccessful. To embark upon this device and avoid very real changes to improve efficiency in the use of our police forces in this country—I have great respect for our police forces—is to reduce respect for law and order, to reduce respect for the police and thereby to increase the likelihood of further acts of crime.

Mrs. Morin: You should be a policeman for 15 days.

Mr. Leggatt: I will end my remarks on that note. I think there are a number of police officers in this country who agree with this approach, although I am sure it is not the majority opinion.

An hon. Member: That's for sure.

Mr. Leggatt: I think on any fair examination of what you are going to get and what you are not going to get, you will be very sorry.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the hon. member for New Westminster (Mr. Leggatt) has once again put before us the proposal he put before the House in earlier debate, and in committee. It is a proposal to remove entirely the possibility of law enforcement officers who are attempting to enforce the law against organized and serious crime in this country using wiretapping or other electronic surveillance that is necessary for their investigative procedures. I find it strange that the

hon. member can in this way ignore the important provisions that are contained in this bill to protect our citizens and their liberty and to ensure that proper criminal investigation can take place on our behalf by the police. We should not forget that is what law enforcement is all about: it is activity by the police on our behalf in an attempt to discover and root out organized crime and other serious criminal activity.

Earlier in the day we noted the important moves this bill makes in creating new offences in order to protect privacy, making it unlawful without proper permission to use electronic intrusion to invade the privacy of anyone. Even more important is the general outline of the possession and sale of electronic surveillance devices. The hon. member for New Westminster neglected to observe the careful safeguards and provisions contained in the bill to ensure that electronic surveillance, even in the hands of law enforcement officers, is a rare and last resort device.

I was somewhat amused to hear the hon. member express his concern that the police might be bogged down by the use or availability of this electronic equipment. He indicated he was concerned they might use these devices instead of other things and other methods which in his view are much more effective in police work. I found it rather amusing to hear him show his concern in this way, concern that our police do not know their business as well as the hon. member seems to know it.

The hon. member also ignored the fact that the bill provides the narrow cases in which these devices should be used. It provides that an application to use these devices must be made in a way which holds an attorney general, an elected officer provincially, or the solicitor general, an elected federal officer, responsible for deciding upon any application. It involves an application to a judge. It involves putting before the judge the facts in relation to which an electronic intrusion or wiretapping is needed. It must be shown to the judge that other investigative procedures have been tried and have failed, that other investigative procedures are not likely to succeed, and that the urgency of the matter is such as to make it impracticable to carry out the investigation using other investigative procedures.

● (2140)

This is an indication that other investigative measures are to be used in preference to electronic surveillance even though from an expert police point of view electronic surveillance might be the equal of the other methods. It is only when other approaches are not adequate or would fail that electronic surveillance can be resorted to. Then again, the hon. member seems to overlook the safeguard which is provided by requiring the most comprehensive set of records to be kept by attorneys general concerning the use of this equipment—the number of times permission is granted, the circumstances and the consequences.

I find it strange that the hon. member should lack the respect he usually seems to show for political processes, when considering this extremely important form of protection against undue use of electronic equipment for surveillance. But then, he would have none of it at all even in circumstances where it has been approved by a judge to whom it has been demonstrated that other methods would not succeed. He would prevent the police from using this equipment. He would prevent them from using it in a case, for example, where an extortion gang had kidnapped a person or persons and was making demands, and where it might be possible, as a result of information known to the police, to find out the location of the persons in question but only through the use of devices of the modern age.

Mr. Nielsen: They would do it anyway.

Mr. Lang: He would bar them from using it, or have them use it in an unlawful fashion, if I take the words of the hon. member for Yukon (Mr. Nielsen) as I heard them. But most strange to me, perhaps, was the way he could say, quoting Ramsey Clark, that electronic supervision or surveillance was not really very effective. The experience of Mr. Clark and of the hon. member may be alike, but none of it was in police work. The whole point of our making it a very serious offence to use wiretapping or electronic eavesdropping equipment, the whole point of our making it a serious offence for ordinary citizens to possess such equipment is that so many citizens are finding it intriguing and useful to invade the privacy of others.

I do not understand how it could be said at the same time that it would not be useful or that it would simply impose a burden upon the law enforcement officers. To me, that is strange logic. We wish to remove this equipment from the hands of ordinary citizens, and by making its possession a serious offence we have a real chance of doing so. By taking this approach, by making possession of an offence it is much more likely we shall be able to deter citizens generally from using this equipment; a penalty attached merely to use would probably not be nearly as effective.

But who is it we shall not deter from using this equipment? It is those elements in our society which it is most difficult for our law enforcement officers to combat—the most organized and effective elements of the criminal underworld, those who are engaged in the most serious of crimes. Such elements as these would not be deterred from using surveillance equipment when it suited their needs. It would be small comfort for us to have outlawed these devices and then to find that the organized element in crime continued to use them while the police were prevented from doing so, even though they would otherwise be much better able to rout out that particular offence as well as other serious criminal offences committed by such groups. Even so, under the present bill it must be demonstrated before a judge that other investigative methods are inadequate or have failed. Only in these circumstances is it permissible to turn to these additional devices.

Many of us in this House are aware of the need to safeguard our liberties in every way, of the need to encourage the highest of standards in our law enforcement officers. We do not accomplish this by making all law easy for them to carry out. I can think of the changes in the bail law, for example. An accused person is considered innocent until proven guilty. We felt it desirable to make it possible for such a person to be at large more readily and not to be imprisoned simply because he might be poor and unable to find cash or a bondsman to get him out of custody. We took action along these lines even though we

knew that doing so would add somewhat to the difficulties of law enforcement officers. But we should respect the fact that most of these officers are upholders of the tradition of Canadian law and will do their best in every way to enforce the law.

I think it is wrong for individual members of the House or for members of the public to generalize on the basis of a single incident, or a few incidents, and go on to question the police forces as a whole. What we want to do here is to make the work of the police in enforcing the law more effective by allowing, in very carefully controlled circumstances, the use of wiretapping and electronic devices. I think it is vital, therefore, that we oppose the amendment put forward by the hon. member for New Westminster and make it possible, with all the careful controls which have been inserted in the bill, for the police to use electronic equipment in their enforcement work when it is really necessary for them to fall back on such a choice.

● (2150)

[*Translation*]

Mr. Raynald Guay (Lévis): Mr. Speaker, just like several members of this House, and particularly Liberal members, I agree with the minister and I am opposed to these proposed amendments.

An overall review of this bill reveals that it stems from the duty the state has to protect its secrets, its information, its institutions and its policy against spying, indiscretion, subversion and illegal intrusion. On the other hand, we can dispute the efficiency of the organization and structures established by the state to fulfill its responsibilities in an area where fundamental liberties of the individual can be at stake.

In all countries, security practices include a set of measures. There is a series of measures on the classification, care, handling and transmission of documents and materials to be protected. Some technical devices come into play and here some concern was expressed on the infringement of the state and of the individuals and organizations on what we agree to call the right to privacy. The problem is vast and includes for instance the wiretapping of telephone conversations and the use of wiretapping devices, cameras with telephoto lenses as well as some other very sophisticated equipment used by the police and other organizations to detect offences or get information.

One question seems to raise some concern: It is the use of certain technical investigation procedures to collect information. Of course, the security measures involving personnel for instance, are the basis of any efficient security system. However, normal legal procedures may sometimes lead to injustice and the same thing applies to security procedures. This is why whatever arrangements are made to protect the rights of the individual his most important right, which is the right to fair treatment, finally depends on the existence of a policy.

Through this bill we want to define this policy. This is the question I ask hon. members tonight: Should we once and for all define a policy on wiretapping? Many people seem to hesitate and yet a fair amount of time has been used by a number of hon. members since the biginning of this debate to suggest that this practice is being enormously abused. Thousands of electronic wiretapping cases are mentioned but if you consider the statistics you wonder where is the abuser. They say that thousands of people will be spied upon to find only maybe one criminal. The statistics supplied by the Solicitor General (Mr. Allmand) for 1971-72 show that about 663 wiretappings have occurred.

I wonder why this debate is allowed to drag on since it seems that each member has at heart the protection of privacy and also the country's security requirements. If I had to give another title to the bill I would call it: Protection of privacy and security requirements in Canada. This is what the bill is all about. Through this bill we have attempted to create offences as regards the use, interruption and monitoring of private conversations as well as possession and sale of wiretapping devices.

Even though we may disagree, I think that the general feeling in the House is that enough has been said. For the third time within three years we are dealing with this bill. We had another chance to do that in March 1970 and in June 1971, and for eight or nine months we have been considering this bill in the House. Many members participated in the debate. We have moved amendments in the Standing Committee of Justice and Legal Affairs.

As a Canadian representing voters in the province of Quebec, I ask once and for all that we put an end to this debate and say: Yes, what we want is to protect the individual. We also want order within our country. A moment ago, I heard some members say that it was immoral to provide the tools that police officers need to fight against organized crime and drug traffic.

Mr. Speaker, I would like to have better evidence, for then it is also immoral for a police officer to carry a handgun to kill an individual. It is immoral to kill someone with a handgun. I say that we must give policemen the necessary tools to carry out the fight against crime.

That is what people expect from us. It is time that we reassured them, that we endured order in this country and I do not see why all hon. members could not agree unanimously on that. Perhaps the law will not be perfect but at least it will be a start, a step toward the instauration of order and security for the government and every individual in this country.

We want this great country to be beautiful but yet we must consider that people today are looking at us and saying: What are you waiting for to act? It is urgent. We see the abuses indulged in at present in the province of Quebec, especially in Montreal, as well as in many other places.

We want to regulate all those things, we want through most effective legislation to protect the public, and that is the purpose of our mandate to sit in this House. That is what is expected of us today and I, for one, make it a duty in conscience. We should act as responsible men in this House and make decisions rather than mere speeches.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AIRPORTS—LETHBRIDGE—SUGGESTED EXTENSION OF RUNWAY

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, on July 10 I addressed a question to the Minister of Transport (Mr. Marchand) asking whether he would give immediate consideration to the Laborde Simat report which recommends that runway 05-23 at the Lethbridge airport be lengthened to 13,000 feet, considering that southern Alberta is rapidly becoming the largest livestock feeding and processing area in Canada, exporting breeding cattle and dressed beef to the Pacific rim countries and Europe.

In this year, 1.4 million pounds of beef were exported to the Pacific rim countries. Of the 1.4 million pounds, 943,000 pounds came from Alberta. That represents 66 per cent of all beef exported from Canada. Yet in 1972 only 81,000 pounds were exported to the rim countries, with all of it coming from Alberta. If you take these figures you will find, Mr. Speaker, that from 1972 to 1973 exports of beef from Alberta to the rim countries increased by approximately 862,000 pounds. That is astonishing increase, and even more astonishing when you consider that that is only one year's exports.

In a report written for the then minister of agriculture, Mr. Olson, entitled "Canadian Agriculture in the Seventies", the report states on page 60 that through research government must attempt to anticipate international trade developments before they occur. The task force has also observed that there is insufficient forward-looking. Yet on July 30 the deputy minister of transport stated:

Many of the conclusions are based on propositions which however well founded in theory are still hypothetical.

● (2200)

So here you have one department saying there is not sufficient forward-looking, and another department saying, "Sorry; we cannot help you because you are looking forward." I would suggest that the deputy minister take the suggestion of the Department of Agriculture and look forward. If he were to do that, maybe our other transportation problems could be straightened out. He also states that the Calgary airport, with its updated facilities, will cater to cargo needs allied to the Lethbridge region for some years to come. This statement does not take cognizance of the government of Alberta developing markets in the Pacific rim countries for protein and, in particular, beef products. The Calgary airport cannot possibly serve the needs of the southern Alberta cattle industry, considering it would require surface transportation hauls which would reduce the shelf-life of the product. Last year, packing plants in the city of Lethbridge slaughtered 29 per cent of all cattle slaughtered in Alberta and 11.5 per cent of all cattle slaughtered in Canada. The whole problem of marketing in relation to the flow of animals from pasture through the feedlots to the packing houses would be hindered.

The facilities of the Calgary airport will not assist the growth and development of southern Alberta. I thought it was the policy of the Government of Canada to assist the decentralization of growth from larger metropolitan centres to communities the size of Lethbridge which show a potential for growth. At the now famous Western Economic Opportunities Conference held in Calgary, the federal government stated it was anxious to see air transportation developed still further. Then on the other hand it states, "No, this study is purely hypothetical." I might add that it is not. This type of double-dealing cannot but do its share of damage to the people's sense of faith and trust in the political system.

With Japan desiring to increase the nutritional levels of its people and to stimulate domestic beef production, this will no doubt create a growing demand for products from southern Alberta. The long distances involved and problems such as perishability and weight loss in the shipment of cattle will create real opportunities for airlifting produce to world markets. Thus, airlifting facilities right in the heart of the livestock industry will reduce the per unit cost of the air movement of goods and a whole new range of lower value goods will be transported by air.

The largest aircraft that runway 05-23 can accommodate at present under full payload is the Boeing 737, which has only short to medium range flying capability. This runway cannot handle the bigger long range aircraft required to serve distant markets such as Pacific rim countries. The federal government is in the process of building a $1.5 million agricultural research station near Lethbridge. It has spent millions of dollars in DREE grants for processing industries. This government and the provincial government have spent tens of millions of dollars on new irrigation methods in southern Alberta. The investments of Canadians and Albertans cannot be maximized unless there are proper means of transportation and facilities which will make these investments pay off.

The Minister of Agriculture (Mr. Whelan), the Minister of Transport, and the Deputy Minister of Transport all say we need more proof, more evidence and more documented facts before they will do anything for the Lethbridge airport. If this is the case, there is no need for the Department of Industry, Trade and Commerce. This department does not sit back and wait for things to happen. Instead, it goes out and develops trade. It hunts down trade when it knows it has a product to sell. When the LIP program was established, the government knew there was unemployment so it set aside millions of dollars and said, "If you want to work, we will help you."

I will give the federal government credit, Mr. Speaker, for having the foresight to see the potential for growth in the Lethbridge constituency. They realized that the largest cattle feeding operations in Canada are located in the Lethbridge constituency. They realized that Lethbridge could be a real boom district, with the right investment. With the investments of the federal government and the province of Alberta, Lethbridge is on its way to fantastic expansion.

The Acting Speaker (Mr. Boulanger): Order. The Parliamentary Secretary to the Minister of Transport (Mr. Guay).

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): I am very pleased, Mr. Speaker, to hear the hon. member for Lethbridge (Mr. Hurlburt) mention some of the things—

Mr. Hurlburt: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Boulanger): Order. The hon. member should know there is no point of order.

Mr. Hurlburt: Mr. Speaker, with all due respect, I noticed that we had gone three minutes past the hour when I rose to speak.

The Acting Speaker (Mr. Boulanger): Order. The point of order can be raised tomorrow, but the Clerk has given notice of the time to the Chair.

Mr. Guay (St. Boniface): Mr. Speaker, I am very pleased to hear the hon. member for Lethbridge mention some of the actions taken by the federal government in his area, particularly in Lethbridge and the surrounding area. These are some of the benefits; but there are many more which I could mention if I had time. However, speaking on the question proper, the Laborde Simat report, which was prepared for the industrial development department of the city of Lethbridge, reached the ministry on July 13. It is under study within the ministry and further discussions will undoubtedly take place between city officials and the regional administrator for air in Edmonton, and possibly with headquarters officers here in Ottawa.

The city's interest in improving all facilities at Lethbridge is appreciated, and a cordial and effective communication relationship exists at both the regional and the headquarters' levels of the ministry with the city. Already there has been considerable progress in arrangements affecting future development of the commercial area of Lethbridge airport and the ministry is discussing with the city improvements to the terminal as a result of the city being selected as host for the 1975 Canada winter games.

I can only say that at the moment the ministry has not made plans for the runway extension proposed. Should economic studies and forecasts support such an action, we would proceed consistent with national priorities and available funds in future years.

GRAIN—PROVISION OF CARS BY RAILWAYS TO TRANSPORT WHEAT

Mr. Bill Knight (Assiniboia): Mr. Speaker, in the prairie region, and in respect of western grain producers, one of the most elementary things in supplying them with stability of income is the continuity of the export of their grain into international markets. This fall, the problem in terms of the transportation of that grain has been the most serious it has been for decades. Last January I raised the matter of boxcars for the movement of wheat. That was almost ten months ago. Now we are in exactly the same position; in fact, we are in a worse position.

What are some of the facts outlining that position as of today? Ten years ago, cars suitable for grain movement and similar commodities numbered 88,000. Today, the number of cars suitable for the movement of grain and similar commodities, such as lumber, is 48,000. We have, in a decade, a drop of 40,000 cars which are capable of moving grain. At the port of Vancouver, one of the most important terminal delivery points for the export market, there are between 400 and 500 cars a day for the movement of grain. That is operating at 50 per cent capacity. In terms of employment, at this terminal at least 50 per cent of the men are laid off.

There are ten ships presently loading, and there are at least seven more waiting. At Thunder Bay, which has the capacity to handle 60 million bushels, we have 30 million bushels on hand. Some people might say we have 41 million bushels on hand, but actually we have in fact 11 million bushels of screenings and other commodities not related to the export market.

● (2210)

In the country elevator system we have stocks on hand to the point where the Saskatchewan elevator system is 73 per cent full, which means that hundreds of country elevators across Saskatchewan are entirely plugged. The CN is 1,500 cars a week ahead of the CPR in the movement of grain; and for that I commend the CN. But what is happening is that the CN and the CP are using the present situation and the strike which took place months ago as an excuse to blackmail this government into supplying them with more hopper cars, as they did before.

What the government must do is to move in the direction of taking over the CPR and developing one national transportation system. One of their immediate actions should be to stop the CPR from scrapping Nos. 22 and 24 grain cars, cars that they are scrapping for metal at the plant in Regina. I understand they have been scrapping hundreds of them. Another thing that the government might attempt to do is establish a national boxcar allocater under the jurisdiction of the Canadian Transport Commission. He would have power to instruct the railways to supply an adequate number of cars as required under the National Transportation Act, in order to move our commodities into position for the export market—and not only the export market but the domestic market, in terms of feed grains for eastern Canada.

Hon. members from Quebec have been complaining that they are not assured of sufficient supplies for the winter. That could be the case because of the problem created by the railways and also the problem created by the minister's feed grain policy in allowing the country elevators to become plugged, instead of using the quota system. I could say more about this but I will argue it some other day. I say to the minister that I am pleased to see he is here to respond to what is an extremely serious situation. We all have to do what we possibly can in the House of Commons to alleviate the situation, and I look forward to hearing his suggestions tonight to try to solve the problem before the dead of winter sets in.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, there is an old saying that figures do not lie. But certainly it is true that figures can be used in a misleading way. The

figures to which the hon. member for Assiniboia (Mr. Knight) referred when he spoke of the numbers of cars having gone from 88,000 to 48,000 are, of course, basically accurate in terms of the available boxcars but they ignore the fundamental fact which he should take into account if he wishes to make a full argument, namely, that many other cars of a specialized nature have been put to service to replace the boxcars which were used in the old days, the hopper cars and the specialized cars now in place. The point is that the grain car fleet is deteriorating; that is one of the reasons we put into the Prairies 2,000 hopper cars for the great benefit of the prairie grain farmer.

The hon. member for Assiniboia and his colleagues do a great disservice to the grain industry and to farmers generally when they criticize us for having put those 2,000 cars in place. They seem to ignore the fact that at present we have requests from the Canadian Wheat Board, the Saskatchewan Wheat Pool and many other organizations to do again what we did before. The hon. member should ask himself: If he were to direct cars into the grain movement, from which of his colleagues in the House, or from which other members in the House would he get them? Is he going to take them from the lumber movement in British Columbia, where one of his colleagues is frequently screaming about cars; or from the potash movement? The fact is there are more cars in the potash movement today than there were a year ago.

The economy is booming and there is pressure on our railway situation. This is compounded by the fact that our boxcar fleet is deteriorating. That is one of the reasons we bought hopper cars and studied the transportation system. The fact is that there is a large number of cars in the grain movement; and we have been careful to urge the railways to put in more. There is no point in suggesting, in this connection, that we do something about nationalizing the CPR. The problem is the same on the CNR. Both are trying to move the grain. Stocks are a little low at Vancouver and Thunder Bay, but in both places they have gone up since the strike ended. We will not let up in our efforts but will continue, as we have in the past, to do everything in our power to make the transportation system work better for every individual farmer.

AIR CANADA—REQUEST THAT CANADIAN AEROSPACE INDUSTRY BE CONSIDERED IN PURCHASE OF NEW PLANES

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, on October 31 I asked the Minister of Transport (Mr. Marchand) a question, and I am very glad to have the chance to debate it tonight with his very distinguished parliamentary secretary. The question was about Air Canada's plans to purchase aircraft which involve much less Canadian content, in terms of materials and labour, than the Douglas aircraft it has been using. I appreciate the opportunity to discuss this matter further because of the imperative need to give priority to Canadian-based members of the aircraft industry.

If the industry is to survive in this country, opportunities for contracts must go first to companies creating jobs for Canadians and contributing to Canada's growth. An example is the Douglas Aircraft Company of Canada. It employs 5,200 people in the metro Toronto area, and twice since 1965 has had as many as 7,200 on its strength. Its weekly payroll in Toronto is $1 million. Since 1965, the Canadian-made material it exported exceeded what it imported by $258 million. Every DC-9 that is purchased in Canada includes $400,000 worth of Canadian goods. Every DC-10 includes $1.2 million worth. Of the total material required for a DC-9, a substantial amount is manufactured in Toronto. It includes wings, tail sections, sections of fuselage, and floors. The company uses 1,100 Canadian suppliers from Nova Scotia to British Columbia, all of them creating jobs for their fellow citizens and adding vitality to our free enterprise economy.

The point at issue is not that the government or any Crown corporation such as Air Canada has an obligation to this, or any other company. The point is that the government and its Crown corporations have an obligation to Canadian workers and suppliers. They have an obligation to keep the aircraft industry viable as a Canadian enterprise. They are not fulfilling that obligation now. Instead, they are giving contracts to companies which have few Canadian employees and which purchase very small quantities of Canadian goods. At a time when the government is preaching economic nationalism, it is practising economic continentalism. In its legislation it says "Canada first"; in its contracts it says "Canada maybe".

I am not saying the government and its Crown corporations should not be free to purchase the aircraft they believe meet their needs best. But I do claim they should insist that companies meet a minimum standard of Canadian content in materials and labour. That minimum should be either directly included in the product itself or some other equivalent.

In Australia, all offshore purchases must guarantee there is a 30 per cent Australian content either in the product itself or in some offsetting equivalent. When is the Canadian government going to demand something like that? When is it going to protect the interests of its own people as it should? In his answer on October 31, the minister said:

> Whatever type of aircraft Air Canada is going to buy we shall see there is some economic benefit to Canada.

If that is true, let him show us in terms of jobs and materials. There is now a real danger that a major employer in the Toronto area will be affected and numbers of workers deprived of their jobs. This affects not only the company concerned but all the suppliers and providers of services which are related to that company.

● (2220)

How will this be of benefit to Canada? Saying that work has been provided elsewhere does not answer the question. Toronto people are Canadians too, which is sometimes forgotten in this House, and they have every right to have their economic future safeguarded. It is one thing for an agency like the CRTC to suggest that there should be 50 per cent Canadian content on certain radio and television programs. Do we not need the same kind of policy to apply to industry so far as we would be able to carry it out?

I suggest that we must give priority consideration to those industries which are creating jobs for Canadians. They do, after all, ultimately supply the dollars with which we buy goods. At a time when unemployment

remains high, when in the aircraft industry there is a gathering together of highly trained, highly skilled people who work in a technologically sophisticated enterprise which is very competitive, nearly always on the edge of difficulty, indeed on the edge of disaster, it is fundamentally necessary for the government to give priority consideration to any company which will provide a significantly large number of jobs for Canadians.

I hope, therefore, that due consideration will be given to the impact of purchasing policies on aircraft producers across this country. I plead for some recognition to be given to aircraft producers in the Toronto area, employing as they do 5,200 people and providing work for the employees of 1,100 suppliers. That is a consideration which ought to be taken seriously. I certainly hope the government will use its good offices in making sure that every consideration is given to these companies.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the assurance in the answer of the minister which was given to the hon. member for Scarborough East (Mr. Stackhouse) on October 1 of this year has not changed. The selection of aircraft by a large commercial carrier is a very complex process. In addition to meeting regulatory standards which assure safety of operation, the aircraft characteristics must match the airline's route structure and market. Distances between stops on a route, average and peak numbers of passengers estimated, annual utilization, maintenance cycles, and ground facilities required and available are some of the many elements which must be considered in the determination of the profitability of a particular aircraft for an airline.

Air Canada's primary role is to provide an efficient and economic air service, and the airline therefore selects aircraft that best satisfy this role. Air Canada selected the L-1011 in preference to the DC-10 because after an exhaustive comparison of the two aircraft Air Canada determined that the L-1011 was much superior in meeting the requirements of its routes and markets. I might add that negotiation of a substantial offset package with Lockheed as a result of the L-1011 purchase will result in much work to Canadian industry at various points in the country.

As has been evident in recent months, the demand for air travel is increasing and Air Canada must add to its fleet if it is to provide the public with the service to which it is entitled. Air Canada has placed proposals before the government which are under consideration. These proposals and their implications for the Canadian aerospace industry will be given very careful consideration. I am keenly aware of the concern, particularly in the Toronto area where so much of the Canadian aerospace industry is located, and I can assure the House that every effort possible will be made to sustain employment levels through this program and other programs which the government is considering.

Motion agreed to and the House adjourned at 10.27 p.m.

HOUSE OF COMMONS

Friday, November 23, 1973

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

TABLING OF EXCHANGE OF NOTES RESPECTING AUGMENTING OF CANADIAN CONTINGENT IN MIDDLE EAST PEACEKEEPING FORCE

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I wish to table an exchange of notes that took place a few moments ago in New York between the Secretary General of the United Nations and the Canadian Ambassador to the United Nations by which the government of Canada has agreed to augment its contingent to the United Nations Emergency Force.

* * *

AIR TRANSPORT

STATEMENT ON INTERNATIONAL AND DOMESTIC POLICY

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am tabling today the policies and principles approved by the government which will govern the international operations of Air Canada and Canadian Pacific Airlines, and which clarify a number of other issues relating to international air policy.

At the outset, Mr. Speaker, I would like to stress that as a country we have to get our fair share of the international market, but at the same time we must ensure that an adequate domestic service is provided for the Canadian public.

In examining this new policy statement, I believe it important that the House should recall the history of air policy in Canada. The development of air policy is a continuing process in which the government must establish guidelines for all domestic services as well as for international operations. The objectives of air policy must be threefold. The first task is to ensure safe, efficient and convenient air services to meet the travelling needs of Canadians; the second is to contribute to the economic and social well-being of the country, and the third is to ensure that air transportation services are reasonably balanced to create an adequate atmosphere in which the airline industry of Canada can continue to develop in an efficient and profitable manner without imposing undue burdens on the taxpayer at large.

[*Translation*]

Prior to the statements of policy made in 1964, 1965, 1966 and 1967 on international and domestic operations, air policy had largely developed as a result of initiatives of Air Canada and the commercial decisions of other carriers, notably Canadian Pacific Airlines.

In 1965, the Minister of Transport announced guidelines for international air policy and indicated those geographic areas which would be allocated to Air Canada and Canadian Pacific Airlines respectively. They did not take into account all parts of the world which might eventually be served, nor was it at that time possible to make a clear cut geographic distribution without disturbing the pattern of existing services which had been developed by both airlines.

In 1966 a policy to recognize the special role of five regional carriers with defined spheres of interest was announced and was later defined more precisely by my predecessor, Mr. Jamieson, in 1969. This policy remains basically unchanged. It has permitted the orderly growth of five regional carriers, and has at the same time permitted them a wide measure of freedom in operating international charter services. The government does not wish to encourage regional carriers to expect the type of growth which would make them directly competitive with the two major carriers. Such a development could only lead to a breakdown in the existing pattern of viable growth, and the risk of the emergence of undesirable, highly subsidized operations. A number of routes were transferred from mainline to regional carriers in accordance with this policy.

[*English*]

In 1967 a transcontinental policy was developed for domestic air services which confirmed that both Air Canada and Canadian Pacific would operate transcontinental services but based on a formula which maintained the pre-eminence of Air Canada. This was based on the assumption that Air Canada's major role was to serve the needs of the Canadian public and that it could be called upon from time to time to undertake certain services in the public interest which would not necessarily be justified on purely commercial grounds.

In addition, of course, the government expects Air Canada to perform a special role as a model corporation in such fields as decentralization, bilingualism, and labour and technological change. This transcontinental policy is basically to be retained, although I have asked for a report on the feasibility of relaxing certain restrictions in CP operations which now oblige them to originate and terminate all flights in Vancouver and Montreal.

In terms of profitability, long-haul domestic services and certain international operations have proven to be the profitable underpinnings of both airlines. The importance of international routes can change substantially with the

travelling habits of Canadians or sometimes through factors beyond the control of either the Canadian government or the carriers.

In announcing adjustments to the international air policy today, we are endeavouring to create a framework which will permit both airlines to engage in reasonably long-range planning. It also permits the government to undertake a methodical negotiation of new bilateral agreements or the renegotiation of some existing ones.

A significant development in the new air policy is the recognition that an increasing number of Canadian cities must now be regarded as international gateways. The statement of principles indicates in greater detail how this policy will work, but is based essentially on the progressive changes in the needs of the travelling public and for the movement of freight.

Although the international travel market can be subject to new pressures such as the rapidly growing charter operations, I am confident that the policy stated today provides a framework in which both airlines can develop their international operations on a healthy and profitable basis. While Air Canada remains the pre-eminent carrier, both in terms of its very significant domestic role as well as its international role, there is room for a substantial expansion of the second, privately-owned airline. As a principle, no route that has been developed has to be taken away from either airline and there is room for the rational expansion of both.

● (1110)

Another fundamental principle is the stated desire of the government that the two airlines should co-operate as fully as possible to ensure that Canadian interests are not damaged by separate arrangements which favour foreign airlines. Guidelines are needed, and I am asking the Canadian Transport Commission to review the level of co-operation and to report to me regularly. If the guidelines are not followed, the government will feel free to take necessary steps to correct the situation including the withdrawal, if necessary, of rights conferred under the existing policy.

[*Translation*]

Today's announcement is the first of three announcements which will complete the over-all review of air policy. If a new agreement can be reached with the United States it will provide Canadians with significantly better service to the United States.

Finally, it is my intention to announce in the future a new policy for third level carriers whose importance and whose scope of operation is increasing rapidly. Related to this policy will be an announcement of a new air policy with respect to the Yukon and the Northwest Territories which is being developed jointly by the Ministry and the Canadian Transport Commission in consultation with the Territorial Governments and other interests in the North. We have discussed with the provinces at regional conferences how their views may be best taken into account.

Hon. members will thus see that while international air policy must be based on practical and well defined guidelines, it must also be related closely to continental air policy and to domestic air policy, including both the mainline services and the regional services.

Hon. members will also realize that decisions on the implementation of these policies are more urgent than ever, and I am expecting all departments and agencies to be even more responsive and prompt in their role in regulating and administering the government's policies. Other measures to strengthen the Government's organizational capacity to deal with air policy and bilateral negotiations will also be taken.

The implementation of our new international air policies can of course be seriously affected by current fuel shortages and we are discussing solutions with other countries.

[*English*]

Mr. Don Mazankowski (Vegreville): Mr. Speaker, first I should like to thank the minister for providing our party with an advance copy of the statement he has just made. I must say I welcome the statement to the extent that it represents a first step in the filling of the policy void in the important area of air transport policy, a void which has been detrimental not only to the air transport industry but to the economy of the country as a whole.

For a year, now, the absence of a government decision respecting landing rights to serve the city of Milan has caused intense frustration to Canadian airlines; a buoyant market was within reach but they were deprived of the opportunity to take advantage of it because of government inaction.

I cannot expect that the regional air carriers will be overjoyed by the announcement which the minister has made as far as it affects them, since it represents nothing more than the maintenance of the status quo. I would have expected some clarification with respect to the role they might play in connection with Ottawa's proposed air route agreement with the United States. It must be pointed out that while U.S. carriers are being granted concessions to operate into Canada the same does not apply to equally valuable transport routes for Canadian regional carriers. We must also recognize the growing need and demand for improved services in the Prairie and Atlantic regions. Certainly we should examine closely the interconnection of routes involving the various regions and services which can be provided by regional carriers.

With regard to the minister's announcement respecting transcontinental air policy, while this policy has basically been retained the minister indicated that a review will take place in regard to the origin and termination of all Canadian Pacific flights at Vancouver or Montreal. I hope the minister will reconsider this policy and broaden the review to include an over-all analysis and study of the 75 per cent/25 per cent formula in the allocation of domestic routes in Canada, with 75 per cent being allocated to Air Canada and 25 per cent to CP Air.

It must be pointed out here that the growth of the transcontinental air industry is predicated upon the growth of Air Canada, as is the frequency and the quality of service. The minister indicated in his statement that there is certainly room for growth of the private air line but in effect contradicts that by restricting the growth of CP Air under the 75 per cent/25 per cent formula. As I say,

I think the minister would do well to broaden the terms of reference of this review or feasibility study to include study of this formula.

I also expected a statement to be forthcoming this morning in connection with the policy announcement that was made in regard to the current status of Air Canada. I expected the minister to comment on the current power play going on at the senior management level of Air Canada, the departure of a number of vice-presidents and, indeed, the departure of the president. The minister might have enlightened us on the future senior management structure of the organization, which I understand is being placed under review. In addition, he might also have indicated the ways and means in which, as a result of his discussions with Mr. Pratte to which he referred in the House yesterday, the government and indeed the management of Air Canada would see fit to take steps to improve morale within the organization, the need for which is apparent to every person who uses the facilities of Air Canada.

We on this side of the House contend there is a genuine lack of leadership in the operations of Air Canada. We think the government should take heed of this and look into the matter immediately—

Some hon. Members: Hear, hear!

Mr. Mazankowski: —if, as the minister has suggested, the role of Air Canada is to be pre-eminent. The minister might also have elaborated upon, or cleared the air with respect to, the chairman's suggestion that competition in the airline industry is bad and that good service and profitable operations cannot be achieved in unison.

All of these matters are of concern to the Canadian people. They are of concern to those who in the past have supported Air Canada and those who continue to support the role of Air Canada but are desirous of supporting it only if Air Canada does a little housecleaning and makes up its mind whether it is going to be an airline serving the needs of Canadian passengers or an operation which is going to diversify into the aerospace and allied industries. We should point out here and now that Air Canada must soon recognize that its prime concern in Canada is to serve the travelling needs of Canadians.

• (1120)

Some hon. Members: Hear, hear!

Mr. Mazankowski: Second, I believe the time has come when it must recognize that its employees must be treated as people and not as machines. Certainly we can do a lot to rectify the low morale in the corporation if this fundamental principle is taken into consideration.

The minister said in his statement:

> In addition, of course, the government expects Air Canada to perform a special role as a model corporation in such fields as decentralization, bilingualism, and labour and technological change.

As for decentralization, I would ask the minister to talk to the people in Winnipeg about this and explain it to them. Having regard to labour, the minister should talk to the employees of Air Canada. In respect of technological change, if the minister is referring to Comstock International—

Mr. Speaker: Order, please. I have to interrupt the hon. member to remind him that the provisions of the Standing Order state that comments made in response to ministerial statements ought to be brief. I appreciate the importance of the matter but I hope the hon. member will give some thought to coming to the end of his statement.

Mr. Mazankowski: Thank you, Mr. Speaker. I have almost completed my statement, but I should say to you and the House that the minister's statement is of grave importance to Canada and was rather lengthy. In order to cover all the areas touched upon in the statement I find I must deal with the various points relative to the matters presented. Nevertheless, I am almost finished.

I suggest there is very little in the statement that is new in regard to policy. The only new thing of importance today is the designation of landing rights at Milan for Canadian Pacific Airlines and the designation of Yugoslavia for Air Canada, which we have long awaited.

The minister pointed out that the success of the airline industry is dependent upon co-operation and it will only be developed and strengthened through such co-operation. I believe it is fair to say that the growth of the airline industry and its success in Canada has been achieved through co-operation. I only hope that in the future we can count on the co-operation of the government because the future growth of the industry is dependent upon government policy. It is my hope that the minister will be making further announcements in respect of his three-part policy in the very near future.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I too want to thank the minister for kindly sending a copy of his statement to this party an hour or more in advance of the House sitting, but I am afraid that is about all for which I can thank him.

I offered to make bets with the minister as long as two or three years ago on where some of these routes would go and I know now why he did not call me on them.

The New Democratic Party still believes that because of Canada's geography, its thinly scattered population and the overriding fact that transportation is an essential public service, this industry should be a public utility and publicly owned. The Canadian Pacific Railway system in our opinion has no business in this entire scheme of things, but we will have to leave that until another day when we have an NDP government.

Some hon. Members: Oh, oh!

Mr. Benjamin: Mr. Speaker, in view of the noises I hear to my right and the noises I heard from the hon. member for Vegreville (Mr. Mazankowski) as to the glories of private enterprise airlines, I should like to ask the hon. member and the minister where private enterprise and the Canadian Pacific were in the 1930's when the people of Canada, through their own air service, built up the airline system of this country. As soon as Air Canada became viable and profitable, private enterprise decided it wanted some of the gravy. Ever since then private carriers, in particular Canadian Pacific, have been handed lucrative

routes developed by Air Canada and new routes that should have gone to Air Canada. It seems to me that the thrust of the minister's statement is: If there is a route that will not make a profit or only a marginal profit, give it to Air Canada, but if it is a lead-pipe cinch it will be lucrative be sure CP Air or one of those friendly regional carriers gets it.

Air Canada has been allowed to develop only at a rate that ensures that its so-called pre-eminence is steadily decreased. For example, in the recent agreement signed with the United States, Air Canada did not receive the consideration it should have. The other thing the minister should be reminded about in regard to the agreement with the United States is that Saskatchewan was left out completely. It was given no routes. Manitoba made representations to the government and to the minister at the economic conference in Calgary for routes serving Winnipeg-Minneapolis, Winnipeg-Denver and Winnipeg-Grand Falls. None of these can be in effect before 1976 and there is no guarantee there.

I will make another little bet now, if anybody would like to call me on it, that if and when routes are awarded out of Manitoba to the central and north central United States they will go to TransAir. If anybody would care to call me on that bet I will be glad to take it. This airline was handed a lucrative Air Canada route to Toronto in order to subsidize it indirectly so it would serve the people of Brandon, Dauphin and Yorkton. No sooner had it got the route than it quit going to Yorkton. Now an application has been made to quit going to Dauphin and Brandon. That is your private enterprise regional carrier, Mr. Speaker.

The minister talks about decentralization. The ears of the Minister of National Defence (Mr. Richardson) perked up and he even grinned. Air Canada—head office in Montreal; overhaul base, Montreal; major computer centre, Montreal. At the moment there are minor computer centres in Winnipeg and Toronto and the one at Winnipeg is to disappear. Compare that with four of the major airlines in the United States. American Airlines—head office, New York; major overhaul base, Tulsa, Oklahoma; major computer centre, Tulsa, Oklahoma. United Air Lines—head office, Chicago—

Some hon. Members: Private enterprise!

Mr. Speaker: Order, please. The hon. member is having a difficult time. I think the House owes it to the hon. member to give him an opportunity to make his statement without interruption.

Mr. Benjamin: As I was saying, Mr. Speaker, United Air Lines—head office, Chicago; major overhaul base, San Francisco; major computer centre, Denver, and other computer centres in Chicago and San Francisco. The minister talks about Air Canada serving as a model for decentralization. I suspect that even the Air Canada finance group at Winnipeg will be slated to disappear once the computer operation is further enlarged at Montreal. I will make a little bet with the minister on that, too. Air Canada can and should be setting an example for the private airlines I just mentioned but has been prevented from doing so by the policies of the government. Anything that will enhance the prestige of private enterprise, particularly Canadian Pacific, has met with approval.

May I briefly mention the international routes about which the minister spoke. He reminds me of the Pope in the Middle Ages who divided up the world between Spain and Portugal. There is no real change in the thrust or objective which is to provide more of the best to Canadian Pacific. The division has been made in such a way as to provide CP Air with most of the new areas that will afford the largest growth in international traffic. Air Canada gets Yugoslavia. Very good; I am glad. But CP Air gets the countries from which there has been massive immigration to Canada—Portugal, Spain, Italy and Greece.

• (1130)

An hon. Member: And they pay taxes on every flight.

Some hon. Members: Hear, hear!

Mr. Benjamin: Air Canada is to get northern Europe, but the minister says CP Air will keep Amsterdam. Why? We do not know what the rationale is. Air Canada is to have all of Africa except Morocco and a few other north African countries. I will make another bet with the minister that eventually CP Air will get Egypt and Libya as well. Israel could not get them but CP Air will.

The entire thrust of the statement of the minister is an extension of the bad policy that has been carried on since the early 1950s. The NDP will continue to propose fundamental changes in air policy and the way in which it serves the people of this country.

[*Translation*]

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, what surprises me about the policy statements of the Minister of Transport (Mr. March) and as indeed those of the other ministers is that they always in substance express wishes, but their application never does stand up to the statement. This morning once again wishes have been expressed when it was stated that transport must first ensure adequate domestic service to the Canadian people.

In my opinion, the Minister of Transport knows as well as I do, especially as regards transport between Quebec City and Ottawa, all the difficulties incurred on that flight. We have to fight to obtain direct flights and the Minister of Transport, who travels as often as I do, is yet unaware of the ineffectiveness of his policy statements on transport.

Further on, the minister states three important points of that policy. First, to ensure safe, efficient and convenient air services. Once more one can realize the problems confronting small domestic airlines almost everywhere. We do not mind speaking about international airlines but we often forget to implement the guidelines mentioned in the minister's speech which are aimed at providing efficient service to Canadians.

Second, the problem is to contribute to the economic and social growth of our country, a contribution which unfortunately comes in late in most cases.

Third, the program is to see to it that the various air transportation services are reasonably balanced so as, and I now quote the minister's own words:

—to create an adequate atmosphere in which the airline industry of Canada can continue to develop—

But when the minister is requested to enlarge an airport or to create a new service in a particular region, and I would offer my own constituency as an example, when the tourist industry is to be developed and the Minister of Transport is requested to take the first steps for an airport expansion, he contents himself with political speeches and in fact nothing is done for the development of a region. This applies to all regions of Canada.

Further on, we are again told by the minister, and I wonder what the NDP had to complain about this morning in this field—

An hon. Member: They are always complaining!

Mr. Caouette (Charlevoix): And I will say as my hon. friend did, they always complain. The NDP members are telling us about nationalization whereas all the examples they give us are private companies. There again I would emphasize that, according to the minister's speech, the government does not want small companies to hope they will progress or grow and compete with the two major companies. If this isn't state control as advocated by the New Democratic Party, I wonder what the minister means by that.

Yet we speak of highly subsidized routes. Let me give one more example, which should satisfy the New Democratic Party. Each year, we grant subsidies to Air Canada for a rotten service within Canada. I emphasize that it is a national company.

This government also expects Air Canda to be a leader in the area of bilingualism and there again how many times did we have to rise in this House precisely to point out to the minister that his statements of principles or policies are far from being actually implemented in airports as well as on aircraft, even by air hostesses.

He went on to say that agreements must be reached with the United States to ensure security, adequate service to Canadians going to the United States but how many times will we have to repeat to the minister that if we want to bring Americans to Canada, mainly to develop the tourist industry, there should also be agreements favouring Canadian airline companies.

In a last gasp in his statement of good wishes the minister said that perhaps because of the shortage in fuel we may have problems with those air carriers. Once again, practical suggestions were made to the minister but no action was taken. I remember quite well, not too long ago, at the very beginning of the discussions on the oil crisis, the hon. member for Témiscamingue (Mr. Caouette) suggested to the Minister of Transport that he inform Air Canada with respect to its Montreal-Rouyn flight making a stop at Val-d'Or, then returning to Rouyn for another stop and coming back to Val-d'Or for a further stop before returning to Montreal, to eliminate the second stop at Val-d'Or thus making a saving of fuel for Air Canada and all of Canada. But once again in spite of the policy statements valid suggestions are not yet implemented.

As a rule, Mr. Speaker, it is again evident that the government is content, as usual, to make statements of principles but is never ready to put into practice what it has said. The Minister of Transport has made an effort this morning, unlike his colleagues, in making available copy of his declaration before the House met. I hope that for once, he will go further than his colleagues in putting into practice this morning's statement.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

AGREEMENT BETWEEN FEDERAL GOVERNMENT AND JAMES BAY DEVELOPMENT CORPORATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, pursuant to Standing Order 43, I rise to seek leave of the House to move a motion of urgent and pressing necessity, namely, the fact that an agreement exists between the government of Canada and the James Bay Development Corporation whereby the James Bay Development Corporation has the power of veto over joint Canada-Corporation activities in the area of environmental studies and whereunder the government of Canada has agreed to limit its activity and expenditures in such studies even though they are in the national interest. I therefore move, seconded by the hon. member for Timiskaming (Mr. Peters):

That the agreement dated November 24, 1972, between Her Majesty in right of Canada and the James Bay Development Corporation be referred to the Standing Committee on Indian Affairs and Northern Development for examination and report.

Mr. Speaker: Is there unanimous consent to the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion cannot be put.

* * *

● (1140)

TRANSPORT

RAILWAY GRADE CROSSING FUND—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I also rise on a matter of urgent and pressing necessity, pursuant to Standing Order 43. In view of the commitment made by both the Minister of State for Urban Affairs and the Minister of Transport in October, 1972, to double federal grants under the railway grade crossing fund and to provide funds to move railroads out of core urban areas, and in view of the government's failure to present any legislation to the House to that effect for over a year, I move, seconded by the hon. member for Burnaby-Seymour (Mr. Nelson):

That this House immediately double the current federal share available under the federal railway grade crossing fund and forthwith provide funds to assist in relocation of rail lines in core urban areas.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not. The motion cannot be put.

* * *

INDIAN AFFAIRS

AGREEMENT BETWEEN FEDERAL GOVERNMENT AND JAMES BAY DEVELOPMENT CORPORATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I would like to rise again under the provisions of Standing Order 43 to seek to move a motion of urgent and pressing necessity. Inasmuch as the agreement between the government of Canada and the James Bay Development Corporation of November 24, 1972, constitutes a declaration that the government sides with the James Bay Development Corporation, I move, seconded by the hon. member for Timiskaming (Mr. Peters):

That this House disapproves of the government action in making an agreement with the James Bay Development Corporation that has effectively prevented it from publicly taking a stand on behalf of the Indian people in their struggle with that corporation.

Mr. Speaker: I am sure the hon. member appreciates that a motion put in those terms, with that kind of preamble, is hardly in order. I have indicated to hon. members on numerous occasions that, in view of the fact there is no debate on these motions under Standing Order 43, members should try not to introduce argument in the preamble to motions. However, I will ask whether there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

BUSINESS OF THE HOUSE

TIME OF MINISTERIAL STATEMENT ON ENERGY

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, the Minister of Energy, Mines and Resources proposes to make a statement in the House on Monday. I have had some consultations and I understand it might be possible to agree to a House order that we revert to motions at five o'clock on Monday for the purpose of hearing the statement and the replies, and that, if it is regarded as desirable, we could split the question period as we did on the last occasion. I will urge the minister, and I am sure he will agree, that copies of the statement be placed in the hands of opposition spokesmen at a reasonable period before five o'clock.

Mr. Speaker: Is this agreed?

Mr. Bell: We agree.

[Mr. Speaker.]

Mr. Knowles (Winnipeg North Centre): We agree, Mr. Speaker, and we hope the minister will have something to say.

Mr. Speaker: It is my understanding, therefore, there is agreement that there will be an order that on Monday next the House will revert to motions at five o'clock in the afternoon, and that there be a 20-minute question period earlier in the day and a 20-minute supplementary question period after the minister's statement under the terms of Standing Order 43.

* * *

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

CHANGE OF NAME OF CONSTITUENCY FROM OTTAWA EAST TO OTTAWA-VANIER

Mr. Jean-Robert Gauthier (Ottawa East) moved for leave to introduce Bill C-00, respecting the Electoral Boundaries Readjustment Act.

Some hon. Members: Explain.

Mr. Gauthier (Ottawa East): Mr. Speaker, the purpose of this bill is to change the name of my constituency to Ottawa-Vanier. As you know, the whole city of Vanier lies within my constituency. Vanier has been named after a great Canadian, a former governor general and I am pleased, Mr. Speaker, to introduce this bill.

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

ORAL QUESTION PERIOD

[*English*]

ENERGY

ALLOCATION OF OIL AT WHOLESALE LEVEL THIS WINTER—EXTENT OF APPLICATION—REPRESENTATIONS TO SAUDI ARABIA AND ABU DHABI

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister arising out of his statement last evening that unless the supply picture improves very considerably there will be allocation of oil at the wholesale level in the country this winter. I rise not to raise the question of whether this constituted a policy statement that should have been made in the House but simply to ask the Prime Minister whether it is envisaged that this allocation at the wholesale level will apply to the whole of Canada or simply to certain regions of the country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I made the statement in fairly general terms for two reasons. The first is that I did

not want to be overly specific by presenting policy announcements which more properly would be made in the House. The second is that these very matters are being discussed in Toronto today by the Minister of Energy, Mines and Resources with his provincial counterparts, and we would not want to make a specific announcement until he has spoken to the provinces and we hear their response.

Mr. Stanfield: Mr. Speaker, of course I am always delighted to see the leader of any party get a lot of applause, but I would like to see what the right hon. gentleman's followers would do for him if he really did something.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, the Prime Minister having indicated to the country last night that there would be allocations at the wholesale level, I would like to ask him in the House of Commons, where it is appropriate that such a statement be made, in what regions of the country does he anticipate the necessity of resorting to wholesale allocation of oil?

Mr. Trudeau: Mr. Speaker, if the hon. member reads the answer I just gave to the same question which he is repeating, he will find the answer there. I indicated that this problem of regions was being discussed in Toronto by the minister, and we do not want to make a formal decision on that until we have given the provincial governments a chance to react to our proposals.

Mr. Stanfield: Mr. Speaker, I cannot help but wonder why the Prime Minister made a statement like this on a national network if he did not wish to go further until there was consultation with the provinces. Let me ask my right hon. friend this question. In view of the indication by the Minister of Energy, Mines and Resources that the supply of oil may fall off by as much as 30 per cent in the Montreal area following the freeze-up, which I assume is related to the possibility of oil from Saudi Arabia and Abu Dhabi being cut off to the Portland-Montreal line, what steps is he taking personally, in view of the importance of this, to make certain that the governments of those two countries appreciate that this oil comes directly from Portland, Maine, to Canada and that there is no possibility of leakage into the United States? What measures is he taking, in view of the importance of this to the people of Quebec, to ascertain that those two countries take the same position as other Arabia countries seem to be taking at the present time in permitting deliveries through the pipeline to Montreal?

● (1150)

Mr. Trudeau: Mr. Speaker, I am sure that through the Department of External Affairs and the minister they are well informed of our position.

METHOD OF ALLOCATING OIL AT WHOLESALE LEVEL THIS WINTER—POSSIBLE LEGISLATION

Mr. David Lewis (York South): Mr. Speaker, I want to ask the Prime Minister some questions arising out of the policies he announced last night.

Mr. Nielsen: What policies?

Mr. Lewis: Mr. Speaker, may I ask the Prime Minister whether the Minister of Energy, Mines and Resources will inform the House and the people of Canada on Monday about the machinery for the allocation of petroleum products at the wholesale level? Will there be legislation covering that suggestion in the near future?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that depends very much on the results of his talks with the provincial ministers in Toronto these days, and the question of legislation follows, obviously, from the results of those talks.

Mr. Lewis: Mr. Speaker, in order to clarify the situation, am I to understand from the present answer of the Prime Minister that his statement last night to the effect that there would be allocation at the wholesale level was not a firm statement, that the decision has not yet been taken and depends on the conference with the provincial ministers, or is it the form of the allocation about which he is now talking?

Mr. Trudeau: Mr. Speaker, the decision has been taken that allocation at the wholesale level is necessary. There are various ways of doing it and there are various regions to which it might apply. It is this mechanism which we are discussing with the provinces and which will be the object of the announcement of the minister next week.

MECHANISM TO CONTROL OIL PRICES AFTER EXPIRATION OF FREEZE

Mr. David Lewis (York South): Mr. Speaker, I want to ask the Prime Minister a question on a second subject. He said something to the effect that the price freeze in its present form—I think those were his words—would be lifted on January 31 but the government would not allow Canadian prices to go quite as high as world prices of oil. He used the term "world prices". May I ask the Prime Minister whether legislation is ready and, if so, what kind of mechanism is intended, and to what level is the price to be allowed to rise after January 31?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if I may correct the misunderstanding, what I did say is that we would not permit the price to rise to world levels no matter how high prices went. The minister has said this before. The sky is not the limit as far as we are concerned, and this is what I indicated last night. So far as the other part of the question is concerned the answer is yes, we will have to introduce legislation, certainly before the year's end, to indicate the way in which these prices will be determined.

Mr. Lewis: Mr. Speaker—

Mr. Speaker: Order, please. We will return to the hon. member for York South and others for supplementaries but for the moment we will hear the supplementary question of the hon. member for Témiscamingue.

Oral Questions

[*Translation*]

QUEBEC—NECESSITY FOR RESTRICTIONS ON USE OF OIL—NEED FOR MERCHANT MARINE

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to direct a supplementary to the right hon. Prime Minister.

Quebec Premier Bourassa stated only a week ago that there would be no oil or energy shortage in Quebec. Therefore, why did the Prime Minister bring up the scarecrow of voluntary restrictions to scare the population last night, and what was the purpose of such action?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe that there is a difference between what the government of Quebec said and what the hon. member says.

About a week ago, I had the opportunity to talk with Mr. Bourassa and I can assure the hon. member that the Quebec premier does not want to promise to the population of Quebec that there will be enough oil next winter. Maybe the hon. member is referring to a statement made much earlier by another minister before he knew all the facts. I should like to add, Mr. Speaker, that the Toronto meeting is precisely aimed at acquainting the provincial ministers, including those from Quebec, with all the facts, with the present situation and with the comments of the Leader of the Opposition (Mr. Stanfield) about the Portland pipeline, all of which Quebec will have to know before it can promise its population that it has nothing to worry about next winter.

Mr. Caouette (Témiscamingue): Mr. Speaker, I should like to ask a supplementary question.

Last night, the right hon. Prime Minister said that we have sufficient oil supplies and that there will be no shortage in that regard, but that transportation, the pipeline, etc., were the most important problems at the present time. Then, last night, during the CBC television news, we saw that a Greek tanker, with oil on board from Vancouver, will use the Panama Canal on its way to Montreal or Portland. Did the right hon. Prime Minister realize then the importance for Canada to possess its own merchant marine for the transportation of our goods in Canada?

Mr. Trudeau: Mr. Speaker, if the hon. member will refer to the statement made by the Minister of Transport, he will realize which direction the government is taking concerning a merchant marine. He will find that it is also important to have a pipeline, for the distance is shorter from Toronto-Sarnia to Montreal through a pipeline than from the west coast to Portland via the Panama Canal.

[*English*]

METHOD OF CONTROLLING OIL PRICES AFTER FREEZE LIFTED—POSITION OF PROPOSED PIPELINE EXTENSION TO MONTREAL

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I want to ask the Prime Minister two questions arising out of the statement he made last night and what he has said today. I should like something to be clarified. Will the price freeze on petroleum products be lifted at the end of January, as set out by himself and the minister? The

[Mr. Speaker.]

Prime Minister said that the price would not be identical with the world price. What mechanism has the government in mind, or what alternative measures does it have to control prices for the protection of the consumer? If he cannot tell us today, when will the wraps come off this unknown policy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I just answered a similar question by the Leader of the New Democratic Party. I indicated that on Monday we will be giving part of the answer to that, but I think the rest of the answer will come when we introduce legislation relative to the question of the export tax and the pricing of oil.

Mr. Woolliams: I have a further question, Mr. Speaker. Yesterday the Prime Minister dealt with the Montreal pipeline and said it had been announced. We have had various announcements about this pipeline. As the pipeline is important to ensure supply, how far has the pipeline project gone? Who is going to build it? When is the project going to commence, and is the government assured of enough steel so that the project can go ahead?

Mr. Trudeau: Mr. Speaker, the pipeline was announced on September 4. Following that announcement the Minister of Industry, Trade and Commerce and the Minister of Energy, Mines and Resources have been putting together the answers to the questions asked by the hon. member and they will be announced in the House in the usual way.

Mr. Speaker: Order, please. I will recognize the hon. member for Calgary North, but there are so many members seeking supplementaries on this subject that I think perhaps we should try to limit them.

Mr. Woolliams: Mr. Speaker, it would seem that this is an unknown policy. Nobody knows the policy. It is something like Alice in Wonderland. When will the wraps come off this project so that the people of Canada will know instead of having to listen to the kind of drivel to which they listened last night?

INQUIRY AS TO DECISION ON WHETHER NATIONAL PETROLEUM CORPORATION IS TO BE ESTABLISHED

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is addressed to the Prime Minister. As the Minister of Energy, Mines and Resources indicated to the committee and to the House that he would be making an announcement before the end of this month on the government's position with regard to a national petroleum corporation, does the Prime Minister's statement last night mean that there will not be an announcement this month?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did not understand whether the member said that the minister had said he would announce this on Monday. If that is what the member understood—

Mr. Nielsen: This month.

Mr. Trudeau: Certainly there will be an announcement on that question some time soon.

● (1200)

TAR SANDS OIL—POSSIBILITY OF GOVERNMENT INVESTMENT IN DEVELOPMENT—EXPLORATION INCENTIVES TO PRIVATE ENTERPRISE

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I have a supplementary question. Can the Prime Minister clarify his position with regard to the oil sands? He indicated he wants to see rapid development. Is it the position of the government that they want to become directly involved by way of direct investment in this development? Second, what incentives to exploration—

Mr. Speaker: Order, please. I suggest to hon. members that they should ask only one question at a time. I think it complicates matters to ask a series of questions. I suggest the hon. member might ask the first question and the second as a supplementary.

Mr. Yewchuk: Is the government planning direct investment in the Alberta oil sands?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government is determined to see that those oil sands are brought into full production for the benefit of the Canadian people. The form this will take will be discussed this weekend after the meeting with the provincial ministers. The federal minister intends to spend some time with the Alberta minister discussing this very question.

Mr. Yewchuk: My supplementary question pertains to encouragement of exploration. The Prime Minister did not make any reference to this in his statement last night. Can he clarify what incentives to exploration by private enterprise his policy will include?

Mr. Trudeau: Mr. Speaker, if I did not make any reference to that last night it was because I did not want to make the program any longer. The hon. member and the industry know there are already incentives being given to the industry for exploration in the form of depletion allowances.

OIL PIPELINE EXTENSION TO MONTREAL—REASONS FOR DELAY OF DECISION TO BEGIN CONSTRUCTION—DEADLINE FOR DECISION BY INTERPROVINCIAL PIPE LINE COMPANY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I wish to ask the Prime Minister a question regarding extension of the oil pipeline to Montreal to which he committed the government on September 4. In view of the fact the Minister of Energy, Mines and Resources has repeatedly said that no decision has been reached because of some problems in financing the construction of this pipeline, will the Prime Minister state whether these financial problems have been settled? If not, what is the nature of these problems that are preventing a decision to begin the construction of the pipeline, which must be done within the next two years if the problems of eastern Canada are to be resolved?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I agree with the conclusion of the question. That is why I said we had enough information to enable me to say it would be terminated by the end of 1975. As to the other part of the question, we are determined that the pipeline will be built, whether it be with private or public financing or a combination of both.

Mr. Douglas: What deadline has the Prime Minister set for Interprovincial Pipe Line Company to make a decision and can he assure the House that, if Interprovincial Pipe Line Company is not prepared to proceed by that deadline, the government will undertake the construction itself inasmuch as the whole inter-provincial pipeline ought to be brought under public ownership in view of the present situation?

Mr. Trudeau: Mr. Speaker, I think I just indicated the answer to that. We are determined that it be built. If the private sector, either completely or in part, does not see reasons for building it, we will make sure it is built with public funds. I hope the House of Commons will co-operate and set a deadline so there will not be the kind of filibuster that will prevent the pipeline going through on time.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

* * *

[*Translation*]

SOCIAL SECURITY

APPOINTMENT OF FORMER QUEBEC MINISTER AS ADVISER TO MINISTER OF NATIONAL HEALTH AND WELFARE

Mrs. Albanie Morin (Louis-Hébert): Mr. Speaker, I would like to direct a question to the hon. Minister of National Health and Welfare.

Could he tell the House if Quebec ex-Minister of Social Affairs Claude Castonguay has been approached with a view to retaining his services as special adviser to the department?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am pleased to confirm that Mr. Claude Castonguay has agreed to act as adviser to the planning group charged with the task of reviewing the Canadian social security plan. I am quite happy, as are all my provincial colleagues to be able to rely on the great ability and experience of Mr. Castonguay.

[*English*]

Mr. Nielsen: Mr. Speaker, I rise on a question of privilege. I do so hesitantly because I do not want to appear ungallant to the hon. member for Louis-Hébert (Mrs. Morin).

Some hon. Members: Sit down!

Mr. Nielsen: That last question was clearly a put-up job and an abuse of the question period that has already been cut in half because of the non-policy, grumbling and bumbling of this government.

Some hon. Members: Hear, hear!

Oral Questions

[*Translation*]

Mrs. Morin: I rise on a question of privilege, Mr. Speaker.

Mr. Speaker: Order. The hon. member for Louis-Hébert is rising on a question of privilege.

Mrs. Morin: Mr. Speaker, I challenge the comments of the hon. member for Yukon. I think it was my duty to ask that question because the Quebec ex-Minister of Social Affairs was also representing the Louis-Hébert constituency. Besides, it had already been suggested that he might act as adviser to the Department of National Health and Welfare and I simply wanted to clear up the matter. The minister did not draft my question.

Mr. Speaker: Order. Does the hon. member for Témiscamingue wish to ask a supplementary question?

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to ask a supplementary question of the Minister of National Health and Welfare.

Would the minister have in his department a position of assistant adviser for Mr. Yvon Dupuis, for instance?

* * *

[*English*]

AIR TRANSPORT

BILATERAL AGREEMENT ON ROUTES TO UNITED STATES—GOVERNMENT POSITION ON REQUESTS OF PRINCE ALBERT, SASKATOON AND REGINA

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the amount of cheering on the other side indicates that none of them listened to the Prime Minister last night or they would not be cheering. My question is directed to the Minister of Transport. It has to do with the announcement he made this morning. What consideration was given to the request of the cities of Prince Albert, Saskatoon and Regina, supported by the government of Saskatchewan, that the province of Saskatchewan should have a route into the United States?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the statement I made this morning was aimed at defining a new international policy, excluding the United States. We are negotiating with the United States for a bilateral agreement. This is where this problem should be solved, if it is possible to solve it.

Mr. Diefenbaker: I wish to ask the minister this question. In view of the situation in Saskatchewan where there are no routes into the north except by private plane, in consequence of which employees of mining corporations, prospectors and the like have to go into northern Saskatchewan by way of Alberta or Manitoba, could the minister secure the support of the Minister of Justice so that Saskatchewan will not be discriminated against and get justice?

[Mr. Nielsen.]

• (1210)

REGIONAL CARRIER POLICY—REQUEST FOR CONSULTATION WITH PROVINCES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I have a supplementary for the Minister of Transport. In view of the disappointing statement he made this morning to the House with respect to the 1966 regional air carrier policy, which the minister says he intends to continue and which is obviously inadequate, will the hon. gentleman reconsider the whole regional air carrier policy, taking into account the active interest, participation and opinions of the provincial governments?

Hon. Jean Marchand (Minister of Transport): This is what we are doing in concert with the provincial governments in the west, following the Western Economic Opportunities Conference. We are in constant consultation concerning air services in the northern part of the provinces and all regional services, too. This is something we are already doing.

* * *

WELFARE

METHOD OF FULFILLING PRIME MINISTER'S PROMISE OF FUEL COST ASSISTANCE TO NEEDY

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I have a question for the Prime Minister also prompted by his television performance last night which pre-empted a full-length show called "The Man Who Ran Away".

Some hon. Members: Oh, oh!

Mr. Macquarrie: It refers to his assurance that needy Canadians would have enough money to pay for higher priced winter fuels. Can the right hon. gentleman advise us how this aid is to be given, whether by way of new legislation, greater federal generosity under the Canada Assistance Plan, or how?

Right Hon. P. E. Trudeau (Prime Minister): I indicated in my statement that this was the direction agreed on between the Minister of National Health and Welfare and myself, and he will be able to announce in due course the way in which this will be done.

FUEL COST ASSISTANCE TO NEEDY—REQUEST THAT PROVINCES BE INFORMED OF FEDERAL GOVERNMENT'S WILLINGNESS TO PAY

Mr. Ed Nelson (Burnaby-Seymour): My question is supplementary, Mr. Speaker. It is addressed to the Minister of National Health and Welfare. It arises from the Prime Minister's statement: "I have asked the Minister of National Health and Welfare to make sure that payments to people in need are sufficient to meet winter fuel costs." Will the minister undertake to inform his provincial counterparts of his concern about this matter and tell them that the federal government is willing to pay extra fuel costs resulting from the current round of increases in petroleum prices?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am getting in touch with my provincial colleagues. As a matter of fact, a telegram is being sent to them this morning on this subject.

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AIR CANADA

ROLE AS MODEL CORPORATION—GOVERNMENT POSITION ON PERFORMANCE

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct a question to the Minister of Transport arising out of his statement this morning that the government expects Air Canada to perform a special role as a model corporation. Is the minister satisfied with the performance of Air Canada in discharging this obligation and, if not, can he advise the House in what areas—

Mr. Speaker: Order, please. The hon. member asks whether the minister will indicate whether he is satisfied. The hon. member is really inviting an expression of opinion on the part of the minister and a question in those terms is not in order.

Mr. Mazankowski: On a point of order, Mr. Speaker, the question was directed to the minister to ascertain the performance of Air Canada in carrying out this obligation referred to in the statement made this morning. I simply want to ask the minister whether this role of the corporation is being performed by it in accordance with government policy under which it is stated that Air Canada should perform a very special role as a model corporation. I am simply asking the minister whether this is being done by Air Canada.

Mr. Speaker: I still have serious doubts whether the question is in order. Perhaps the minister might be allowed to reply briefly, after which I will recognize the hon. member for Edmonton West.

* * *

INDUSTRY

STEEL—POSSIBLE SHORTAGE OF PIPE FOR CONSTRUCTION OF PIPELINE EXTENSION TO MONTREAL

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the commitment in principle to extend the pipeline to Montreal or farther east, has the ministry taken the appropriate steps to ascertain that there is sufficient steel available to carry out this undertaking, bearing in mind the very tight supply situation in Canada as far as steel is concerned and the inability of the industry to bring in new steel production before 1976?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): The hon. member is quite right. There is a potential shortage of steel. But this is only one of a number of matters which are presently under discussion with the principals involved. Clearly, if there is not sufficient steel the project might have to be delayed. But there are other alternatives.

Some hon. Members: Oh, oh!

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[*Translation*]

MANPOWER

EXTENT OF CAMPAIGN TO CREATE EMPLOYMENT THIS WINTER

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration.

Following his statement on the launching of a crash campaign to create jobs this winter, could the minister tell us why this campaign applies to only seven urban centres?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): I believe, with respect, that is a misinterpretation of what I said last night before the committee. I announced that manpower counselling facilities would be enhanced in seven major centres, and that other measures, the introduction of job banks, job information centres, are proceeding and being completed in 19 centres, and that we will proceed in all Canada Manpower Centres across the country with a final date in mind of early in 1975.

[*Translation*]

Mr. Caouette (Charlevoix): Mr. Speaker, I would like to put a supplementary question.

Would not the minister rather think that the best crash campaign would still be one that would aim at tripling votes for the LIP?

Mr. Speaker: Order. This is more in the way of a representation than a question.

* * *

[*English*]

AIR TRANSPORT

INQUIRY AS TO LEGISLATION PROMISED BY MINISTER'S PREDECESSOR

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a supplementary question for the Minister of Transport arising from his statement this morning. Will the minister tell us whether he has any present intention of implementing the three major pieces of legislation promised by his predecessor on March 14, 1972, in a major speech in the House, including legislation to divorce Air Canada from the CNR?

Hon. Jean Marchand (Minister of Transport): This is something we are still looking into.

Mr. MacKay: Bearing in mind the minister's indication this morning that he will be making policy announcements in the near future, will he undertake to cover this point at that time?

Mr. Marchand (Langelier): This is surely something we shall consider.

REQUEST FOR STATISTICS ON WHICH DIVISION OF ROUTES BETWEEN AIR CANADA AND CANADIAN PACIFIC MADE

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, my question also arises from the statement the Minister of Transport made this morning. In view of the fears that Canadian Pacific has been assigned regions of the world which have the largest potential for traffic growth in the coming years, would the minister be prepared to provide members of the House with the statistics and other information to which he had access in projecting the potential growth in traffic in those areas?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think the hon. gentleman's premise is wrong. If he reads the statement of principles which was made in the House he will find that this division of the world relies on the principle that Air Canada is pre-eminent. He says the share of the market enjoyed by CP is much larger than that enjoyed by Air Canada. I think he did not look carefully enough into the division, because when Pakistan and India are added hon. members will see what kind of market that means.

Mr. Benjamin: That is not quite what I said, Mr. Speaker. May I ask the minister this: On the basis of his desire to have a rational division of the world between Canada's two major air carriers, would he be good enough to explain, since Air Canada is being assigned northern Europe, the rationale for the continued allocation of Amsterdam to CP Air?

Mr. Marchand (Langelier): The only rationale is that it was already there. It had been allocated before.

* * *

● (1220)

WELFARE

FUEL COST ASSISTANCE TO NEEDY—BASIS OF PAYMENTS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I have a supplementary question for the Minister of National Health and Welfare related to a previous question about the steps the minister is going to take to provide additional funds to poor people. On what criteria and conditions will these payments be assessed?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the answer is very simple. Under the law the provinces have the freedom to set the levels of social assistance. What I will be discussing with my colleagues is that in setting up the levels of social assistance, they take into account the rising cost of fuel.

[Mr. MacKay.]

EXTERNAL AFFAIRS

ADDITIONAL CANADIAN PERSONNEL FOR UNITED NATIONS PEACEKEEPING FORCE—NUMBERS AND SOURCE

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of National Defence and relates to the letters he tabled earlier today. How many men are involved in the eight units and staff that will be making a contribution to the United Nations peace force, and from where are the personnel going to be drawn?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, in the exchange of notes I tabled earlier Canada agreed to supply additional personnel to work with the United Nations Emergency Force. There will be approximately 600 in addition to the 480 personnel who are already there. Therefore, during the next few days our contingent will be growing to more than a thousand. These personnel will come from all regions of Canada and from many bases in Canada, not from any one unit.

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CANADIAN BROADCASTING CORPORATION

DISPUTE WITH WIRE SERVICE GUILD—POSSIBLE ATTEMPT TO BLOCK TELEVISING OF GREY CUP GAME—GOVERNMENT ACTION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Secretary of State in regard to the dispute between the CBC and the Canadian Wire Service Guild. Is the minister aware of the latest development in this regard in that the union stated today that its members might walk off their jobs during the weekend in an attempt to knock the Grey Cup football game off both Canadian television networks? Will he give the House an assurance that he will see to it that the personnel of his department and those of the Minister of Labour will use all their resources in order that talks are resumed so that this eventuality will not take place? Would he kindly give us that assurance?

Hon. James Hugh Faulkner (Secretary of State): Unfortunately, Mr. Speaker, as the hon. member well knows, I am not prepared to give that assurance because I am not in a position to give that assurance. I am as concerned as he is about the implications. I have had discussions with the Minister of Labour and I shall be talking to him later about this matter.

Mr. Alexander: In light of the fact that, as I understand it, talks between the parties to the dispute have been discontinued, can the minister advise what immediate steps he has recommended in order to get the parties back to the bargaining table? Can the minister answer that question?

Mr. Faulkner: Of course I can, Mr. Speaker, but I am not prepared to.

Mr. Speaker: The hon. member for Saskatoon-Biggar.

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

Mr. Speaker: The hon. member for Hamilton West is rising on a point of order, following which I will recognize the hon. member for Saskatoon-Biggar.

Mr. Alexander: Mr. Speaker, I just wanted to let the minister know that I think that is a stupid and irresponsible statement to make.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

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GRAIN

POSSIBLE PURCHASE OF HOPPER CARS—ACTION TO SECURE RETURN OF CARS FROM UNITED STATES—NUMBER OF CARS PROVIDED BY RAILWAYS UNDER COMMITMENT

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I should like to direct my question to the minister in charge of the Wheat Board. In view of reports that the government is considering the purchase of more hopper cars and rolling stock for the railroads, can the minister tell the House whether he has received any commitment or assurance from the railroads that they will be able to secure the return of some of the thousands of Canadian boxcars which, according to the president of the CNR, are currently being held and used in the United States?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the exact situation on hopper cars is that requests have been made to us to consider additional hopper cars. This, of course, involves the question of the obligations of both the government and the railways in this matter. There are always reasons why a certain number of Canadian cars are in the United States. I understand that, particularly in the case of lumber, some warehousing is going on in railway cars, but I am sure that the railways as well as the government are very interested in getting them back.

Mr. Gleave: What I asked the minister was whether he had had any assurance from or discussions with the railways in regard to this question. Of course, there is not much use our proceeding if we are going to lose our transportation facilities at the other end. Might I ask the minister whether the railroads have lived up to their commitment under the previous agreement when we purchased boxcars? Have the railways lived up to their commitment at that time to maintain the percentage of rolling stock that they would make available for the movement of grain?

Mr. Lang: Mr. Speaker, the exact commitment under the agreement is not to allow an acceleration of the manner in which boxcars were being removed from the movement of this product. I have not had a chance to assess in detail how close they are to that exact level, but we will be watching that. They are very close to the commitments they made in discussions with the Canadian Wheat Board in regard to the number of cars they could put into the grain movement, though, of course, the number is not sufficient to satisfy the present need.

ENERGY

EXTENSION OF OIL PIPELINE TO MONTREAL—REASON FOR NOT ACTING EARLIER

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, my question is for the Prime Minister. In view of the fact that in 1969 the Prime Minister and his cabinet turned down a strong plea from the Independent Petroleum Association to build a pipeline to Montreal, and as recently as January 29 of this year flatly turned down a proposal from the Alberta government that such a pipeline should be built, would the Prime Minister say whether the government accepts responsibility for these tragic mistakes, and why did the government wait until September 4 before taking action?

Mr. Speaker: Order, please. I suggest to the hon. member that is debate or argument, not a question, and therefore is not in order.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there were some allegations made which perhaps should be answered.

Mr. Speaker: Order, please. I do not want to prevent the Prime Minister from replying to the question, but I would suggest to hon. members that perhaps there is not much to be gained by debating a question which clearly is out of order. I prefer to recognize the hon. member for Vaudreuil.

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FINANCE

REQUEST FOR ASSURANCE OF SUPPLY OF CAPITAL FOR DEVELOPMENT OF CANADIAN RESOURCES

Mr. H. T. Herbert (Vaudreuil): Mr. Speaker, my question is for the Minister of Finance. Noting that the Toronto-Dominion Bank has lent $375 million to Mexico to develop oil wells, can the minister assure us that he will take any measures necessary to guarantee an adequate supply of Canadian capital for resource development in this country?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman should not underestimate the fertility of our own capital markets.

Mr. Speaker: Order, please. We have run short of time but I will recognize the hon. member for Victoria.

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ENERGY

EXTENSION OF OIL PIPELINE TO MONTREAL—REQUEST FOR CLARIFICATION OF STATEMENT ON SEPTEMBER 4

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the right hon. Prime Minister. The Prime Minister stated last night and again today that the decision to construct a pipeline was announced on September 4. In *Hansard* he is reported as saying that "the government will also hold early consultations with provinces and

industry on the extension of pipeline facilities." The vagueness of his statement in *Hansard* has apparently deceived both the Minister of Energy and myself. Can the Prime Minister inform me whether a secondary or clarifying statement was made on September 4, and if so, where was it made?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have to check what other words were used following those in regard to the pipeline. It is true that at that time I made a statement in the words quoted, but since that time, as I indicated last night on television, I have had many discussions with my colleagues and with industry and the private sector. We are going ahead with that decision. I agree that those words were perhaps not uttered at that time with the knowledge we have since acquired in regard to ways of going about this.

Mr. Speaker: Perhaps the Chair might be allowed to recognize briefly the hon. member for Cape Breton-The Sydneys and the hon. member for Winnipeg North Centre before calling orders of the day.

COAL—POSSIBLE OPENING OF NEW MINES IN CAPE BRETON—SUGGESTIONS TO CAPE BRETON DEVELOPMENT CORPORATION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I wonder whether I could return to the comments of the Prime Minister last night and direct this question to him as he made reference at that time to coal, among other sources of energy. Would the Prime Minister advise whether the government has given any specific advice or made any suggestions to the Cape Breton Development Corporation regarding further research and investigation into the possibility and feasibility of new coal mine openings in the Cape Breton area which, as the right hon. gentleman knows, is a matter that comes directly within the purview of the Cape Breton Development Corporation?

● (1230)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have to take that question as notice and discuss it with the minister responsible for the Cape Breton Development Corporation and with the Minister of Energy, Mines and Resources and hope to get a reply.

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WELFARE

ASSISTANCE TO NEEDY ON FUEL COSTS—SUGGESTION FEDERAL GOVERNMENT PAY 100 PER CENT OF INCREASED COST

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the peripatetic Minister of National Health and Welfare.

Some hon. Members: Explain.

Mr. Knowles (Winnipeg North Centre): Now that he has walked back to his seat, perhaps I can put the question to him. When the minister discusses with the provinces the federal government's willingness to help Canadians meet the increasing costs of heating their homes this winter, and presumably this is under the Canada Assistance Plan, will he offer to pay out of federal funds more than the 50 per cent provided under the Canada Assistance Plan, preferably 75 per cent or even 100 per cent?

[Mr. McKinnon.]

Hon. Marc Lalonde (Minister of National Health and Welfare): That is not my intention, Mr. Speaker.

Mr. Speaker: Orders of the day.

Mr. McGrath: Mr. Speaker, I rise on a point of order. I have a very urgent and important question for the Minister of National Defence.

Mr. Speaker: Order, please. The hon. member knows that the Chair has no objection to allowing a member to ask a question or a minister to reply even after the question period has expired. There has been an extension of a few minutes and there are obviously a number of members who are still anxious to ask what I am sure are important and urgent questions. I would hope the hon. member could obtain the information he is seeking by some other means.

GOVERNMENT ORDERS

[*English*]

PROTECTION OF PRIVACY BILL

CREATION OF OFFENCES RELATED TO INTERCEPTION OF PRIVATE COMMUNICATIONS BY CERTAIN DEVICES

The House resumed, from Thursday, November 22, consideration of Bill C-176, to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, as reported (with amendments) from the Standing Committee of Justice and Legal Affairs.

Mr. Speaker: Order, please. My understanding of the situation in relation to motions in respect of Bill C-176 is that motion No. 1 was allowed to stand; motion No. 2 was debated and allowed to stand but the debate is to be completed after we have considered motion No. 3, and that motion Nos. 3 and 4 were allowed to stand yesterday on the understanding that motion No. 3 would be debated as the first item today when government orders were called. I would, therefore, call motion No. 3.

Right Hon. J. G. Diefenbaker (Prince Albert) moved:

That Bill C-176, An Act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, be amended in Clause 2:

(a) by deleting lines 33 and 34 inclusive at page 2 and substituting therefor:

"authorization or any person"

(b) by deleting lines 8 to 44 inclusive at page 7, lines 1 to 39 inclusive at page 8, lines 1 to 13 inclusive at page 9, lines 23 to 28 inclusive at page 11, lines 13 to 34 inclusive at page 17, and lines 29 to 32 inclusive at page 18.

He said: Mr. Speaker, may I begin by thanking the members of this House who arranged, when this item was called last evening, to have it put over until today. I

appreciate what has been done and I want to thank all hon. members who made this possible. Today I am going to discuss in a general way a matter I have dealt with on previous occasions, and in particular on May 8. I emphasize that date because since then a major portion of the revelations in the Watergate investigation has shown the tremendous dangers which are inherent in anything along the line of wiretapping and taping.

To begin, with I should say that the Minister of Justice (Mr. Lang) has apparently not read with care or attention, or probably not all, the speech made by the former Minister of Justice on September 2, 1969. It is a remarkable piece of work and indicates the amount of attention the present Minister of Finance (Mr. Turner), as Minister of Justice, gave to this very serious problem. In the course of his remarks he said, among other things:

The new cybernetics of an increasingly urbanized technetronic environment will surround us. Science and technology will spawn new forms of electronic surveillance, psychological surveillance and data surveillance. Already scientists are experimenting with brainwave analysis to join the more conventional forms of psychological surveillance such as personality testing and polygraphing. National data banks, commercial reporting agencies, computerized transactions and the like are making us the greatest data-gathering, privacy-invading society ever known. Indeed, data-generating techniques may well remember what we have chosen to forget.

That is the essence, if you understood what has been said up to the present time. These modern expressions are somewhat difficult unless you have a dictionary with you. He went on to state:

The orbit of privacy will be an ever shrinking one; yet the need for privacy will be more paramount than ever. The law must ensure that the right to privacy remains sacrosanct.

I pass that on to the present Minister of Justice from one who is an experienced parliamentarian and has never endeavoured to force his own ideas on the House of Commons, regardless of the arguments advanced in this institution. He then went on to say:

—there is another side to the right to privacy which has not received the prominence it deserves but whose dimensions cannot be ignored. There is a tendency in governments to refuse information to its citizens under the guise of privacy which is disguised as the public interest.

That is an amazing prophesy of what has actually happened today. Secrecy is sometimes legitimized as the state's right to privacy, but it may well be a denial of the public right to know. I do not know how this might be summed up more succinctly than it was in that speech. What has happened here is that the minister has not trusted the committee, and in view of the way the system of committees has been set up that will not work.

Mr. Lang: The committee left in this section.

Mr. Diefenbaker: If the hon. gentleman wants to interrupt he can stand up, and I will listen with the attention I normally give him.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: The committee system would not be effective because committees would become dominated by the minister, and would be permitted to do that which the government wanted done. The minister did not succeed in the committee because there were outstanding representatives on that committee who would not be pushed around by him. Amendments were made and the minister now comes before the House and asks that those amendments be further amended in accordance with his wishes. That is the first step along the road to the complete domination of a committee by a minister who refuses to listen to arguments, even from members of his own party on that committee. He determines the course he will follow and then, with a determination that would be highly considered in other courses of action, he proceeds to endeavour, having not been able to intimidate the committee, to bring about in this House of Commons a series of amendments.

● (1240)

I made clear on second reading that through the years I had been totally opposed to wiretapping and that I believed there must be some control. In Canada there has been none. I looked on this legislation when it was introduced as a step in the direction of preventing injustices that exist today through unlawful wiretapping. Now, we know something of how dangerous it is since the revelations of Watergate. I want to point out at this moment that, despite all the wiretapping done at Watergate and despite the tapes still available that have not been lost in transit or in consequence of indifferent reproduction, that none of the convictions that have been registered had anything to do with wiretapping. This is a very important consequence. The tapes neither helped nor hindered in the pursuit of the Watergate case. The tapes had never been heard of when the seven original Watergate defendants were convicted or pleaded guilty to bugging the Democratic National Headquarters. Neither the public nor the prosecutors knew the recordings existed when two former ministers, John Mitchell and Maurice Stans were indicted for perjury. No court had ever listened to a taped conversation when John W. Dean pleaded guilty to a charge of conspiracy. The tapes were not a factor whatsoever in the results that had been attained there.

That is a matter of great importance. It has always been the same through history, that when anyone decides to do something that is unjust there is always the explanation that it is for the benefit of the people. The minister has simply embraced that argument. I am not comparing the two, but the tragic irony of the French Revolution was that it was said to be for the good of humanity or the general good. The prosecutions that are taking place in the U.S.S.R., in the Ukraine and in other freedom-loving countries under the domination of the U.S.S.R. are explained by the U.S.S.R. in these words, "for the good, the general good". That type of humanitarian mentality has always been a jumping off place for those who would bring about injustice.

I said when I spoke on May 8 I was prepared to support the bill provided that sections were removed which have to do with temporary and emergency occasions. That to me completely destroys the entire bill. It places in the hands of an individual, an agent, the right to wiretap for 36 hours without the order of a judge. To me, there is nothing more dangerous to freedom within our country than that particular item. Why not leave the matter with the judges? There are 600 judges available. The minister said they might not be available at the moment. Will the agent be available; will the Attorney General of the particular

province in which the alleged offence is being committed be available; will the Solicitor General be available? No. The fact remains, that however assiduous they are in the discharge of their duties they will not be present, if not in all the cases certainly in many of them. So we get down to the position—it is of that I intend to speak today—where so far as the administration of justice is concerned the section that will be used, as has been said by a number of members, will be the one to provide for the appointment of an agent.

Sir, I have been concerned about the way this government has acted on matters connected with freedom in this land. When Joe Drybones won his case in the Yukon on the Bill of Rights, who was it that appealed? It was the Department of Justice and its counsel who was instructed to oppose the Bill of Rights to the limit and have a declaration of the Supreme Court of Canada that it was in no way more than a grandiloquent declaration of freedom. Oh, how they love the Bill of Rights, but when they had an opportunity not to appeal the case of that Indian who had been successful under the Bill of Rights who was it that appealed? The Department of Justice. The same thing happened in respect of the Lavell case of which I shall speak on another occasion. What is the idea in this? Tell me where else such a provision exists? Where else can agents be appointed who have the right to take away many civil rights for 36 hours. Who are these agents to be—incognito? Will they be chosen as a result of consultation with the police? How will they be named? Will they be named in advance? How does the minister expect the agent will be available if 600 judges all across this country will not be available?

To me that explanation is simply hairsplitting on the part of the minister. Suppose a difficulty arises suddenly and action is necessary in an emergency, for example, in the province of Saskatchewan? How do they get in touch with the Attorney General of Saskatchewan to name an agent? Why is the minister so certain that that agent, if named in advance will be available? I am amazed that one incognito would be available but 600 judges would not be available. But the minister pushes ahead. He has what I describe in the kindest of good feelings, a bullheaded astigmatism. He just simply decides it will be done, and now he is trying to intimidate the committee. He is trying to have a second bite at the cherry because the cherries they produced to him were not the ones he wanted.

Mr. Lang: The committee did not agree with you.

Mr. Diefenbaker: That type of interruption indicates that the hon. gentleman has not had many cases in his life in the courts. As I have said, the minister does not trust committees. I shall not go further into that except to say that if committees are to be effective they should not be made a pet's plaything, no matter how you spell "pet". Backbenchers should have the opportunity to strike for views they believe to be right. I think that this committee has been one that deserves the commendation of the House of Commons, not the unbridled condemnation that the minister apparently will pile on it because he did not get what he wanted. I sometimes think that if he had had a little more experience at the Bar, he would not be so certain that he is right in everything when he tries to push these things through.

[Mr. Diefenbaker.]

• (1250)

I ask him this question, because I know he will be anxious to answer it. In the last year the government of Canada has been spending hundreds of thousands of dollars on available buildings and rooms for the accommodation of visitors to Canada. Some $750,000 were spent over the year for rooms for the visiting members of the Commonwealth. Why were those rooms not used the other day in this exhibition of cabinet movability? Was there any danger that they were being bugged? Was that the reason they were not used? The cabinet members went out into the country, to that place known as O'Brien's Castle, at a cost of $260,000. The place had not been used for the last couple of years. It is far removed from the spying eyes of those who might see the cabinet in action—I mean moving in the direction of action.

What happened? It was just like a great callithumpian parade. All the ministers were off to the country to this hideout. Thousands of dollars were spent to renovate the place. There were secret servicemen and mounted police around to guard the secrecy of this cabinet meeting. Was the minister afraid of bugging? There is no danger of bugging out there because no one ever knew that the place would be used, even by the cabinet. But this indicates that the government is very concerned that there is danger that someone may be bugging the two cabinet rooms. You do not have to worry about that. But I would like the minister to explain this pilgrimage. Off to the country—away they go with mounted police, outriders, secret service. Why all these precautions? I will repeat, was the government afraid that it was being bugged? I do not know what you call those people who do bugging, but were they afraid of such people?

Mr. Nielsen: They were all inside the cabinet.

Mr. Diefenbaker: Now, I come back to this: why does the minister want this? What is the purpose of pretending that this is a bill to control privacy, when as a matter of fact, it is a licence to an unknown agent to practice the very converse of privacy. What is the purpose of it? An agent must be specially designated in writing for the purposes of the section. When he gets this designation, how long does it exist? Will the agent simply go ahead at the end of 36 hours and get another extension? This is the most dangerous provision that has ever been incorporated in the law of this country; it is dangerous to freedom.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: What were the explanations? The explanation is that there is an emergency. The reason is that this government wants to be in a position where it can do as it pleases. So far as I am concerned, I will oppose this bill to the limit, unless the minister withdraws this portion thereof. There are other amendments on which members will have their views, but it is unbelievable that any minister could produce this thing which is of the essence of tyranny and capable of being used to destroy political opponents or others with whom the government is in disagreement.

That is what happened at Watergate. My 20 minutes are up, Mr. Speaker, but I want the minister to know that this

thing must end. After the experience of Watergate we do not want to give to the government of this country, to the Attorney General or to the Solicitor General (Mr. Allmand) the power to do that which is destructive of the essence of freedom.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, I thought I was allowed only 20 minutes, but having concluded may I just say that I will have some more to say later on when we reach third reading. May I emphasize once more that there will be no pussyfooting about this. The minister is not going to push this through the way he did the LIFT program which lost the western farmers hundreds of millions of dollars.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Speaker: It being one o'clock, I do now leave the chair. The House will resume at two o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Barnett J. Danson (York North): Mr. Speaker, I enter this debate as a layman, although it seems to me it is one that suits lawyers better, and it is particularly difficult following the right hon. gentleman from Prince Albert (Mr. Diefenbaker) who has made a major part of his career the defence of human rights and individual rights.

My instincts oppose wiretapping in any form—

Some hon. Members: Hear, hear!

Mr. Danson: And in this way my instincts would support the amendments of the hon. member for New Westminster (Mr. Leggatt). I consider the whole question of privacy of the individual to be of the utmost importance to us, particularly in this highly technological world were, with electronic surveillance, the opportunities for wiretapping become greater and more insidious. The whole question of the invasion of an individual's privacy is insidious, and wiretapping is a particularly insidious type of intrusion that can grow. We did not seem to take this very seriously in years past, but as we have seen what happened in other nations, and the possibilities in our own nation, we are now taking it very seriously indeed. We have genuine reason for concern, and the experience of our friends to the south has highlighted this concern, and shows how cancerous the whole process can be.

Some of us have been to other nations where it has been a way of life for many years, and we know the discomfort it can cause. The sheer discomfort of knowing that you cannot talk in privacy with your friends, even with your own wife, and to feel you cannot express your views freely and openly, is overwhelming. But I think we should not forget that the main intent of this bill is to make wiretapping, electronic surveillance, illegal for the first time. It is the first time this parliament has come to grips with this problem. There are some exceptions allowed by the bill, and I think it is the exceptions that worry us most of all. If these are unchecked and not scrutinized very thoroughly, I think we would have further reason for concern.

The most encouraging part of this debate and the proceedings in committee has been the scrutiny to which the bill itself has been put because of the concern of members in all parties. We well realize that in a society where organized crime and crimes of violence are increasing, the police deserve the utmost legitimate support that we can provide them. I think we are fortunate in this country to have the quality of policemen and police forces that we have. They do some very dirty jobs on our behalf, some very dangerous jobs, and in our striving for the protection of individual human rights we have not made their job easier. But I think it is important that we have stood on these principles, and I am sure the forces have adapted to them.

Yet there still remain opportunities and temptations for abuse, not because police are inhuman, but indeed because they are very human. Like you and I they have wives and families, concerns and consciences, but at the same time I think we should not be naïve and fool ourselves, because there are exceptions, and these exceptions are those which we must guard against. They can, and indeed have, endangered the respect which most of us have for our policemen and police forces. What I find discouraging is that while the vast majority of law officers do not engage in practices which are not within the law, or within the spirit of the law, I am disturbed by the fact that some practices of this type are overlooked by the colleagues of police officers, by men of the highest calibre, who would not engage in such practices themselves. In addition, they are winked at by lawyers who go along with them in courts because they have to get along with the police. Indeed, the judges themselves know about such practices, and so do many politicians. We must make certain that our laws are so framed that the public is protected against these abuses which do take place.

I am particularly concerned about the admissibility of evidence obtained by illegal means. I am not sure that my interpretation is correct, but it seems to me incongruous that illegally acquired information could be admissible in a court. It is even more curious that if a police officer obtained information illegally himself, used it in court, and the prosecution was successful in having a defendant convicted and sent to jail, the policeman in turn may be found guilty of the illegal acquisition of information and be liable to a fine of up to $5,000 and five years in jail. In the end, he might find himself in the same cell as the fellow he had prosecuted. Those would be a most uncomfortable five years.

This sort of thing makes a mockery of the law, and that is what we are trying to avoid here. I particularly welcome the requirement for control by the attorney general of each province, or his agent, and I think these agency slips should not be given out quite as freely as the authorizations we give to check the returns at polls during an election campaign. I further welcome the requirement for an ultimate authority, for a decision by a judge. The 36-hour provision is one which disturbs many of us; I

know it disturbs particularly the right hon. gentleman for Prince Albert. This seems to be a reasonable provision which will give the officers of the law an opportunity to do their job. They know full well that, first, they must obtain approval from the Attorney General or his agent and, after that, obtain approval from a judge. That will be a reasonable check on the process.

● (1410)

The provision regarding admissibility of direct evidence obtained from legally sanctioned wiretaps is one which I find difficult to accept. I hope the minister will rectify this provision before we complete consideration of the bill. I do not like using distasteful measures in our society, even to achieve ends which may be highly desirable; so, it is with some reluctance that I support the measure before the House and speak against the amendment before the House at this time.

I am prepared to accept reasonable exceptions, well controlled and properly spelled out, which will achieve the broader goals and realistic concerns we all have. We want to allow the police to do their job with efficiency, fairness and compassion, provided at all times they work within the law. They should be required to do their duty with sensitivity, sincerity and a high degree of balance.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, in his foreword to *La loi et l'ordre dans la démocratie canadienne*, Mr. Wilfrid Bovey stated the following, and I quote:

> Crime is a constant threat to individual freedom. The citizen of a democracy cannot use this freedom when criminals are allowed to throw obstacles in his way. This is why, as the task of our armed forces is to protect our freedom against threats from without, that of the police is to protect it against threats from within.

Of course, Mr. Speaker, the legislator wants to give our police forces all possible means to control crime, especially organized crime.

I remember reading once that our police forces were vying with criminals in an organization race or a research contest, the latter to devise ways of committing crimes, the former to find means of controlling criminals.

A similar situation can be found, for example, between the world's two super-powers, the United States and the Soviet Union, both vying for the lead in the arms race. Each of them would try to develop the most sophisticated weapons to defeat the other in a conflict. The same can be said of police forces as regards criminals. However, it happens frequently that funds made available to police for crime prevention research are much less than the monies used by criminals to contrive ways of evading our laws to reach their ends.

I think therefore that we must praise each new piece of legislation introduced to help police fight crime in a more effective way. There are however limits to be respected.

Let me quote from Charles Reith's *The Police Idea:*

> Our world's basic problem is to find a way to give authorities the power to make sure that their laws are adhered to, without which, as history has largely demonstrated, failure is often inevitable.

However, until now, at least until recent years, our police forces, while doing an effective and heroic job in the circumstances, have had to face very well established criminal organizations often well protected, in high places sometimes.

I believe that our police forces want as many means as possible to detect and combat crime and criminals.

On June 26, 1973, in Sherbrooke, a meeting was held between police forces and Quebec Justice Minister Choquette. At that time, Mr. Choquette said that last year, the police were able to detect 80 per cent of all major crimes, make 658 arrests and lay 1,353 charges thanks to wiretapping.

Mr. Speaker, these figures speak for themselves and we may well wonder if the police could have had such brilliant results without wiretapping.

The purpose of this bill is to prevent the use of bugging devices by anyone, but it includes a few exceptions in the case of authorizations given by some people in authority. We must give our police forces the right to use wiretapping devices to fight crime.

Mr. Speaker, I understand that the purpose of the amendment moved by the hon. member for New Westminster (Mr. Leggatt) is to restrict to as few people as possible the authority to grant permits for the use of wiretapping devices. I am in favour of this amendment because the greater the number of people allowed to grant such permits, the bigger the risk of seeing wiretapping used for other ends.

I think it is the wish of members of the House and all other Canadians that only our police forces be allowed to wiretap, for the specific purpose of fighting crime. We must do everything we can to avoid that electronic espionage be available to any political or economic system whatever. Such is not the purpose. The objective is to prevent as much as possible too many persons from having the authority to issue these permits.

And as the right hon. member from Prince Albert (Mr. Diefenbaker) suggested at noon today, I think that judges—there are enough of them in Canada and they are readily available—should be the only ones with the power to issue these permits, thereby preventing the possibility of these permits being issued to political figures. This does not mean that I do not trust the Attorney General of Canada (Mr. Allmand) or his provincial counterparts, far from it; but we are aware that temptation is sometimes strong and that people change. Therefore, we must take the necessary steps to prevent abuses, and I feel that is exactly the purpose of the amendment introduced by the hon. member for New Westminster and I intend to support it.

● (1420)

[*English*]

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I will try to be brief. As I understand it, the present motion, moved by the right hon. member for Prince Albert (Mr. Diefenbaker), is for the removal of the emergency provisions. Later in the set of motions I have a similar amendment. I was most interested in the remarks made last night by the Minister of Justice (Mr. Lang). In his comments, the minister referred to the point I made that relying on these techniques or methods of surveillance

the police may avoid other investigative procedures and, therefore, we are not necessarily improving the quality of police performance.

Knowing the minister's vast experience as a law professor and a person very knowledgeable in these matters, I took his advice and had another look at the bill. I wanted to find those things that were going to protect us from general surveillance or abuses of the use of wiretapping. I looked at clause 178.13(1). That provides that a judge must be satisfied that, and I quote:

other investigative procedures have been tried and have failed;

It does not say all other investigative procedures. It is entirely feasible that if someone walks up to a front door, knocks and asks if Joe Blow is in, then is told no, he can say that other procedures have failed and request a wiretap. There is enough room in most of the provisions of this bill which attempt to protect us for the police to easily avoid them. I am not saying they would do that deliberately. However, I do say that in an emergency situation the police, for honest reasons, will attempt to use the provisions of this bill. In the process of so doing, they will of necessity violate privacy in an unnecessary way.

I have made the point before that the restriction in this bill is minimal. The report from the Solicitor General (Mr. Allmand) was that of the 663 wiretaps by the RCMP in 1972-73, only 129 came within the provisions of the bill. This would result in a reduction of only about 24 per cent.

I went through the bill a little further. I thought there may be some protection in the person and place provision. This is under the clause "application for authorization". The police have to set down certain provisions before they can get permission to use it. One is to state the identity of the person. This is in clause 178.12(c). If they do not know the identity of the person, they must identify the place they are going to tap. If you do not know where the place is, you cannot state where you are going to tap. The last part of that provision gives the police the right to general surveillance.

In the city of Vancouver, there is obviously a thriving heroine trade. If the police do not know who is involved or where it is happening, they can say they suspect a particular apartment block and make an application for wiretapping the whole block. I realize the decision is in the hands of the judge, but the possibility is there.

At the minister's suggestion, I looked further at the bill in order to see how broad the protection is and how it protects civil liberties. I looked at the emergency clause which many of us would like to see removed. According to that clause, and I hope the minister will correct me if I am wrong, where an emergency situation arises and it is inconvenient or impractical to get a judge, the agent who is authorized to do this can authorize the tap without court approval. The police officer can come back before the 36 hours are up, and thereupon the attorney general may do a number of things. He may direct an application for an authorization to intercept. In other words, he can approve something that has already happened or he can approve the permit or revoke the permit. This is what I want to emphasize.

The clause provides that the Solicitor General or attorney general can revoke the permit that is given for emergency purposes. Let us assume that a tap that has not received court approval has been going on for 20 hours. The attorney general can at that time revoke the permit. However, any evidence that is obtained from the wiretap is legal and admissible. If I am wrong, I will be happy to be corrected. That seems to be the plain meaning of the clause which I re-read at the suggestion of the minister. I say the emergency permit clause has enough holes in it now.

I support entirely the position taken by the right hon. member that it is a completely unnecessary provision. In his address, he pointed out that there are approximately 600 judges available. In terms of getting that kind of approval, it would be practical to have a judge authorized to receive a telephone call in an emergency situation to approve the tap by telephone. The authorization does not have to be in writing. It could be done by telephone and subsequently confirmed in writing.

From a practical point of view, there is no reason why we need the emergency clause. I do not think it is beyond the mind of man to permit a judge to approve an emergency wiretap. However, in his remarkably inflexible way, the minister continues to insist on this provision. He pointed out that the committee, although very narrowly, decided to leave in this provision. I hope the House will have another look at these emergency provisions because they are unnecessary to the working of the bill. They can certainly lead to the kind of severe abuse all of us worry about in the operation of this immoral device.

I very much appreciated the remarks of the hon. member for Matane (Mr. De Bané) who indicated he intends to support the amendment. I am glad to see there are some small "l" liberals left in the House. It is interesting to note that back in the 14th century the English had a law which prevented this. This is not a new problem. The only difference is that we now have the electronic equipment to make it such a pervasive and overwhelming one. I should like to read into the record a paragraph from Blackstone's Commentaries:

● (1430)

Eavesdroppers or such as listen under walls or windows to harken after discourse and thereupon to form slanderous and mischievous tales are a common nuisance and presentable at the court or are indictable at the sentence and punishable by fine and finding sureties for their good behaviour.

They were really ahead of us. I might say that British Columbia has a privacy act which deals only with the civil area. I welcome the provisions of this bill dealing with civil privacy. I think they are vital and necessary. But I do urge the minister not to be inflexible with regard to the amendments the committee brought forward. The committee system must work in a minority parliament. The minister cannot continue to conduct his office as if he were immune to the criticisms and suggestions of the opposition. Many of them are practical. Many will improve the bill. The attempt to bring back the amendments the minister lost certainly hints of arrogance.

These amendments are connected. As these things are examined—and here I mention the "person and place" amendment—we reach the position all of us are trying to avoid, that is, the use of this device by the police for the purpose of general surveillance rather than to obtain evi-

dence about a specific offence. The rule of law is founded on the proposition that governments can protect their people without acting unfairly or immorally themselves in any way. We shall not bring about a lawful society until people have respect for the law, respect for those who enforce the law, and, most important, respect for the means by which they enforce the law.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I must begin by saying I find it a little strange to hear a couple of speakers talk about inflexibility and the position of a minister when a bill comes back to the House. Other members have spoken about the flexibility of the way in which this bill has generally been handled. The bill, as it developed, followed very largely the outlines of the recommendations of the parliamentary committee, a committee which was not divided but which was mainly in agreement.

I found it amusing that, while the right hon. member for Prince Albert (Mr. Diefenbaker) is proposing an amendment on a subject which the committee decided to include in the bill, he and the hon. member for New Westminster (Mr. Leggatt) should accuse me of being wrong in proposing any amendment at all to the work of the committee. I take it the position is that in the House we can discuss these matters in a final way amid a full gathering of all members. I do not challenge the right of the hon. member for Prince Albert to seek to reverse the decision of the committee, a committee in a minority government, which sustained the emergency power in the bill, nor do I question the propriety of his doing so.

The emergency power provision represents a very small area of the bill's operation. I should like to emphasize what a small area it covers, bearing in mind the tone of voice which alone among hon. members of this House the right hon. member for Prince Albert can achieve. That made it look monumental. The fact is that in this area of emergency permits we have in play two extremely important forms of protection in relation to the use of wiretapping devices. There is the full political responsibility of the Attorney General who must himself, or by a person specially designated for the purpose of the section, authorize the use of an electronic device in case of an emergency. In addition, the person authorized by the Attorney General must be satisfied that the other provisions related to wiretapping are complied with, namely, that other investigative procedures would be unlikely to succeed, that others had failed, and that the urgency of the situation required this kind of procedure to be used. He must be satisfied about all those things. In addition, he has to be satisfied that there is not sufficient time for an application to be made to a judge to obtain authorization, the normal method by which law enforcement officers may obtain authorization under the bill.

I find it difficult to understand how some members can come down so hard against relying on the authority of the Attorney General in this instance while arguing, at the same time, that a judge should not be involved in the process. On second reading of this bill, members in both the New Democratic Party and the Conservative Party took such a position. I think the hon. member for St. Paul's (Mr. Atkey) was consistent. Here, the full responsibility of the Attorney General is involved in the issue of these

emergency permits. They are valid for 36 hours only and they are designed to be used in a situation where the nature of an emergency will not allow for a judge being approached in time. In addition to authorizing the application, the Attorney General is obliged to report on what he has done. If hon. members will look at the reporting provisions, they will find they are very full indeed. The reports must be made public, disclosing to public view and political debate what has been done.

In the case of emergency permits—the hon. member for New Westminster seems to have missed this point—the Attorney General must indicate that the permit was either followed by an application or that he revoked it. The act provides that the agent who authorized such a permit must promptly report to the Attorney General so that further action can be taken by him with regard to it. He has to say whether he has revoked that permit and, obviously, this will provide an opportunity for political questioning about the use made of any such permits which may have been revoked. If an application is made, the Attorney General must indicate whether he approved or did not approve of the issue of an emergency permit. Again, the exact nature of the use of the permit can be made the subject of political debate. We have been concerned about caring for the circumstances which would arise in case of abuse, although it must be recognized that the fundamental responsibility for good operation in this area will depend upon the integrity and attitude of the responsible elected person and the way in which our elective process holds them responsible for their action. That is recognized, throughout, in the bill before us.

Why are these provisions needed? The right hon. gentleman from Prince Albert asked that question. He asked it on second reading. In the committee, a number of examples were cited of the situations we can envisage in which permits of this kind might be needed. I referred to an actual case which was brought to our attention by the police. A known counterfeiter had boarded an aircraft travelling between two eastern cities 50 minutes apart. The police had 50 minutes in order to prepare for his arrival in such a way that they might obtain evidence of what they suspected to be conspiracy in connection with that counterfeiting. They had 50 minutes, because the aircraft was due to arrive at the other city at two o'clock in the morning. It would be difficult even to get the necessary detection equipment in place in time.

● (1440)

I can refer to another situation which was not indicated to the committee but reported to us by the police. A known drug trafficker was on board an aircraft. At its arrival at destination a police dog verified the presence of marijuana in the luggage of the trafficker. To obtain evidence of conspiracy rather than simply possession, it was necessary to follow the suspect to a meeting place. The installation of a device in the luggage was necessary for monitoring the conspiratorial conversation. The air line crew was able to hold the luggage only for a few brief moments, in which time the installation was completed.

That indicates the kind of situation contemplated. A person designated for this emergency purpose by an attorney general might be in a position where a warrant or an application to a judge at two o'clock in the morning could

not be completed in time to handle such a matter. For example, it might be the head investigative officer in a drug squad who would have authority in certain circumstances to accomplish this kind of detection.

Hon. members may say that it is not so important that one or two persons involved in drug crimes get away undetected. Once again I put to them the proposition that we ought to help our law enforcement officers and give them equipment they can use to detect crime on our behalf, rather than tie their hands in cases where we do not have to do so essentially for our very liberties. It seems to me that the responsibility of the officers and of the attorney general in this operation is a complete answer to the question whether we ought to have this extension in the area of emergency permits.

I repeat that this is a relatively small area operationally in the bill. It is a minor area but one where the investigative officers feel that in certain significant cases of crime, drug trafficking to which I have referred being one example, they may be impeded in bringing to justice persons who have come to their attention if they cannot obtain a permit to use this kind of device. Please let us all remember, Mr. Speaker, that persons involved in the worst of organized crime will themselves put no equipment out of reach. They will use all equipment available to detect even the use of electronic devices to which the police on occasion may resort.

The bill has been written in an attempt to protect in every way against the misuse of its provisions. The hon. member for New Westminster (Mr. Leggatt) said that if a permit were taken out to meet an emergency situation and then never followed up in its application, he foresaw that evidence obtained might none the less be used as evidence. For the purpose of that provision of the bill, any evidence obtained under a permit which is revoked is treated as unlawful, so I suggest that contingency is covered in the bill.

We have endeavoured in every way to provide similar protection. I therefore appeal to the individual members of this House, as I did the members of the committee, to look at the balance between protection and privacy, which is the fundamental thrust of the major offences in the bill, and the need for legitimate use by our law enforcement officers of electronic equipment in carrying out their job on our behalf. It is not their job alone; they are doing their job on our behalf, apprehending persons involved in serious crime and bringing them to justice.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, before commencing my remarks, last evening there was before the House motion No. 2 which was stood at my request. I should like to say a few words about that and then discuss the amendment moved by the right hon. member for Prince Albert (Mr. Diefenbaker). So, with your leave, I will speak to the one amendment which was moved yesterday in regard to which I filed a caveat which was agreed to by the Deputy Speaker. This is why I thought I would bring it to Your Honour's attention since you were not in the chair at the time.

The Acting Speaker (Mr. Laniel): Order. The hon. member is asking the House to allow him to speak on the other amendment which stood over with consent. I do not know why the hon. member wishes to speak to two amendments at the same time, but if hon. members have no objection the hon. member may do so. I would not want this to be taken as an opportunity for other members to take advantage of this permission and speak to all amendments while they are debating one of the many amendments.

Mr. Woolliams: Thank you, Mr. Speaker. Actually I am not going ahead of the game but addressing myself only to the motion stood. I appreciate your generosity.

First of all, I should like to endorse what the right hon. member for Prince Albert said in regard to his amendment dealing with the question of emergency. There has to be a happy balance between the protection of privacy and the administration of law. I want to be fair to all sides of the House, so let me say that whether we belong to the legal profession or to some other profession we would all want to see a happy balance struck in this regard.

I do not want to be offensive in any way to the minister, but I hope he will be very flexible at this stage. I was not on the standing committee in this session, though I was when it had a similar bill before it before the last election and therefore have a pretty good knowledge as to what was attempted at that time. Some of the compromises made by this committee were similar to those made by the other committee.

When the bill first came before the committee in its original form, the Solicitor General or the attorneys general of the provinces were given the right to grant permission. I, the hon. member for Fundy-Royal (Mr. Fairweather) and others, took the view that permission should be granted by a judge to protect the privacy of the citizen. The former minister of justice, now the Minister of Finance (Mr. Turner), who presented that bill, finally introduced that particular phrase when the bill went back to committee, but I was glad to see the change made to the effect that consent of a judge is required.

I hope the minister will accept the amendment moved by the right hon. member for Prince Albert. He has had wide experience in the practice of law as a counsel in the great councils of this country. He is well aware of the problems of the Crown in obtaining evidence, as well as the problems of the defence. Obviously, he has given an amendment of this substance a lot of thought and weighed the question of civil right to privacy against the administration of law. I hope all members of the House will be in accord with this amendment because it would ensure privacy.

Someone said there were 600 judges available, but there are times when it is difficult to find a judge. Indeed, I have had that experience myself. I agree with the right hon. member that even if an agent were appointed, the Minister of Justice or an attorney general cannot always be located. If the amendment is accepted, many of the other amendments may prove to be more academic than they appear to be at the moment. If the amendment were accepted, I would think there was very wide protection. Whoever applies for an order to bug one's telephone has to swear certain things in an affidavit as prescribed by a certain formula. If the order is granted, the judge would

have weighed the question of privacy against some criminal activity and the urgency to investigate that activity.

It would be well for all members of the House to read John M. Carroll's book "The Third Listener". Mr. John M. Carroll is an associate professor of computer sciences at the University of Western Ontario, London, Canada, so this is a book written by a Canadian. I should like to quote from page 14 in order to preface what I intend to say, which I think is really what was being said by the right hon. member for Prince Albert (Mr. Diefenbaker) and the hon. member for St. Paul's (Mr. Atkey). This is a very succinct paragraph in which he refers to bugging somebody's telephone with an electronic device, taping somebody's conversation from either a telephone or a radio, or perhaps just in someone's office. The book is, as I said, *The Third Listener*, and the third listener may be a number of people or one person. In this paragraph the author asks this question:

● (1450)

Why does The Third Listener want to know what you're saying, where you're going, whom you're talking to? You'll find out when he blackmails you, or sues you, or arrests you, or ruins your business, or has you fired, or simply steals your secrets to gratify an ugly lust for prying.

That is the criterion when we are talking about privacy, and I think he has put it very well. Let me also refer to a paragraph at page 46 of this book before I go into the matter with which I am specifically concerned. A question has been raised as to the difficulty of obtaining a court order, and the author deals with this beginning at page 45 as follows:

HOT WIRES, COLD LEADS. Even when there's no great hurry, getting a court order is a bother, involving a showing of probable cause to believe that the wiretap or bug will produce information about a crime. And, although law enforcers will argue this point by the hour, the fact is that very few taps or bugs produce firm evidence or hot leads. For police officers to go to court time after time for wiretap permission and then never turn up any valuable information is embarrassing after a while. It's far easier for them to pool their own money and buy their own private equipment,—

The writer suggests that this is what we are about to stop. What the committee members, the hon. member for St. Paul's and the right hon. member for Prince Albert have tried to do is weigh very carefully the balance between the rule of law to protect our privacy and the rule of law which grants the police the right, under certain circumstances, to wiretap, providing a certain formula is followed and certain criteria are established.

Let me say a few words about Motion No. 2. I gave this some thought last evening but was not prepared at that time to debate it. I should like to be even better prepared than I am at the moment as a complex legal problem is involved which I wish to discuss. What the hon. member for St. Paul's is endeavouring to do is to say, if we are going to give the right to violate the civil right of privacy we should only give that right in respect of a serious indictable offence. The hon. member is, therefore, seeking to change the definition. I should like to put this on record because it is an important but technical matter. I refer to page 2 of the bill, which deals with Section 178.1, where it reads:

"offence" means an offence created by an Act of the Parliament of Canada for which an offender may be prosecuted by indictment and includes any such offence that is alleged or suspected or that there are reasonable grounds to believe may be committed;

That is the definition in the bill, so we know it means any offence created by an act of parliament. This would include the Criminal Code of Canada, the Excise Tax Act, the Income Tax Act or various other acts; in fact, any act of parliament in which there is an offence set out. Thus the definition of "offence" in this bill is wide enough that wiretapping under these circumstances covers all Federal laws. The hon. member for St. Paul's feels that is going too far, and I agree with him.

Let me discuss very briefly one other point. It is very difficult to set out all the offences the hon. member would like to cover, especially when we are considering this section by section. Let me refer to a few problems another member mentioned last evening in the same context. I hope that after examining a few of the problems I intend to raise the Minister of Justice (Mr. Lang) will accept the principle of the amendment and turn this matter over to the legal officers of the Department of Justice. They have great experience in drafting legislation. I do not think any one of us, as a member, has the expertise to draft this type of legislation. Perhaps those officers could make sure that the amended bill has that degree of purity that no loopholes are left which you could drive a truck through.

Let me deal with the crime of murder as I think this is one section in the Code that will cause us some trouble. This involves a very difficult legal problem. I would refer to page 180 of the Criminal Code, Section 218 under the heading "Punishment for Capital Murder". It reads:

(1) Every one who commits capital murder is guilty of an indictable offence and shall be sentenced to death.

(2) Every one who commits non-capital murder is guilty of an indictable offence and shall be sentenced to imprisonment for life.

(3) Notwithstanding subsection (1), a person who appears to the court to have been under the age of eighteen years at the time he committed a capital murder shall not be sentenced to death upon conviction therefor but shall be sentenced to imprisonment for life.

This is one of the crimes listed in the amendment by the hon. member for St. Paul's. Let me refer in this context to two sections of the code. As hon. members are aware Section 212 was Section 201 and Section 202 is now Section 213. This makes it very difficult when one does his research because he must change the numbers.

We are aware that under Sections 212 and 213, to which I will refer, the rule of law is that whatever the charge of murder, capital or non-capital, within that charge there is always the offence of manslaughter, but when a charge is laid under Section 213 it is much more difficult for a jury to bring in a verdict of manslaughter than under old Section 201, and I will deal with that in a moment.

As I see the amendment, and this is just an example, what the hon. member for St. Paul's had in mind, evidence legally obtained by wiretap, and accepted on a charge laid under either one of these sections, might result in a conviction for manslaughter. In view of the present provisions of the bill it may turn out that such evidence would be excluded before the court of appeal.

My concern is that in the event of a verdict of manslaughter, which carries a life sentence, the evidence would certainly be accepted, and there are other offences

which appear to fall within this category. One can readily see the difficulty involved in listing these offences. Let me refer to the two pertinent parts of the Code. Section 212 reads:

> 212. Culpable homicide is murder
>
> (a) where the person who causes the death of a human being
>
> (i) means to cause his death, or
>
> (ii) means to cause him bodily harm that he knows is likely to cause his death, and is reckless whether death ensues or not;

● (1500)

> (b) where a person, meaning to cause death to a human being or meaning to cause him bodily harm that he knows is likely to cause his death, and being reckless whether death ensues or not, by accident or mistake causes death to another human being, notwithstanding that he does not mean to cause death or bodily harm to that human being—

There is a very difficult formula or criterion under section 212. Section 213 contains an entirely different definition. I want to emphasize that I am dealing with both sections. Under the other it is a question of knowledge or that death ensues. There are some learned cases on this subject. Section 213 of the Code, at page 168, states:

> Culpable homicide is murder where a person causes the death of a human being while committing or attempting to commit treason or an offence mentioned in section 52, piracy, escape or rescue from prison or lawful custody, resisting lawful arrest, rape, indecent assault, forcible abduction, robbery, burglary or arson.

A number of offences are listed. But there is a serious difficulty here. Let us take robbery with violence. Two people go into a bank to rob it. They are armed to the teeth. In the act of robbing the bank and in the act of their violence they shoot somebody or use a weapon by which someone is killed. There are cases in the Supreme Court of Canada which state that once you prove that, that is murder per se. But under the other section the finding of manslaughter is always open.

It is interesting to examine the Trinneer case in which the right hon. gentleman from Prince Albert and Davie Fulton were engaged. The Supreme Court of Canada ruled, in spite of that section, that in a charge of murder manslaughter is always an included offence. Where there is an included offence of manslaughter and you do not list the section which covers or mentions manslaughter, it is possible that after the evidence went in and you obtained a conviction for murder, and then appeared before the appeal court, it would be noted that manslaughter was available and the court might have to declare that evidence inadmissible because of the definition. That is a possible interpretation.

If we are to legislate, let us at least clarify the situation as much as possible. I dealt with this question. In this case there were 13 young men involved. I did not take the trial but I took the appeal. It was alleged that the 13 young men went out to assault, with weapons such as crowbars, tire wrenches, and so on, another group of about the same number. They were cyclists. They were charged under the tougher section 213, under which basically there would be murder proceedings. All 13 were convicted. The court of appeal took the position that it had to be murder or nothing. I alleged that that was wrong. The case referred to by me was that of *Regina v. Trinneer*, 11 C.R. (1970) at pages 116 and 117. This decision can be distinguished, as the charge was under section 202, which is now section 213, with section 21(2) being applied, whereas Emkeit et al, the group to which I referred, were charged under section 201, now section 212, and section 21(2). The chief justice now retired, Cartwright, said this:

> At the risk of repetition, it is my opinion that on the true construction of sections 202 and 21(2) as applied to the circumstances of this case... It was not necessary for the Crown to establish that the respondent knew or ought to have known that it was probable that Mrs. Vollet's death would ensue.

In brief, the accused can and may be found guilty of murder when sections 202 and 21(2) are applied, whether the Crown establishes that the accused knew or ought to have known or not; whereas when sections 201 and 21(a) are involved, in order to get a verdict of murder the main ingredient, that is, knowledge must be proven to obtain a verdict of murder, otherwise the verdict may be manslaughter or nothing. What I am saying is that I think we must be very careful to include the crime of manslaughter.

There are other anomalies which might be mentioned. In the definition of "offence" it states that "offence" means offences under certain sections. This is followed by the enumeration of specific sections in the Criminal Code including section 247, immediately after which appears the word "Kidnapping".

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but if he wishes to continue his remarks he would need the unanimous consent of the House because his time has expired.

Some hon. Members: Agreed.

Mr. Woolliams: Mr. Speaker, a number of these offences are names in the definition clause in the motion moved by my good and respected friend from St. Paul's. I might give the minister the example of the Narcotics Act where there is the intent to traffic, or the act of trafficking. In both cases there is a penalty of life imprisonment. There could be some ambiguity here. What the hon. member for St. Paul's is trying to do—and I hope the minister considers this in good faith—is to confine public officers or police officers when wiretapping so they will be able to do so after obtaining an order from a judge with all the formulae and criteria laid down where the offence is a serious one.

I would ask the Minister of Justice to consider what the hon. member for St. Paul's is trying to do. He is trying to improve the bill by adding a few words in order to avoid ambiguity. I discussed earlier the ambiguity in respect of the definition of murder under the Code and murder with the possible finding of manslaughter, one being ordinary murder where it is easy for a jury or a judge to find manslaughter. Whether one appears as defence counsel or as Crown counsel, one becomes involved in great difficulty when there is ambiguity. Not only is the private citizen being charged involved in an expense, but there is also an expense to the court. Also, the ambiguity creates anxiety for both counsel and the court.

There are several other cases to which I could refer the minister but I do not wish to take time to place them on the record now. There are several other sections which concern me which might not be included in a definition of "offence". I would hope that this section could be stream-

lined or rewritten so that it would contain no ambiguity. I believe the hon. member is trying to narrow it down. There may be a simpler way to do it. Perhaps the Minister of Justice, through his officials, who have had more experience, certainly, than I have may be able to come up with a formula to do what the hon. member is trying to do, that is, ensure that there is no ambiguity and that justice not only will be done but will appear to be done.

● (1510)

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I rise first of all on a point of order. The hon. member for Calgary North (Mr. Woolliams) reverted to motion No. 2, and I am not sure whether that is the end of the debate on that motion so far as the official opposition is concerned. They might want to call the question. As I understood it, the vote was to be deferred.

Some hon. Members: No.

The Acting Speaker (Mr. Laniel): Perhaps I should intervene at this time to inform the hon. member of the situation. I do not know whether he was in the House at the time, but unanimous consent was given to the hon. member for Calgary North to allow him to deal with the two amendments. The Chair was very cautious at the time and indicated to hon. members that this should not be considered as permission to everyone to enter into the debate on both amendments at the same time.

I do not know why the hon. member was asking for this permission, but he received it with the consent of the House. I would hope, however, that hon. members would now come back to the debate on motion No. 3, which is to be followed by the debate on motion No. 2 in the name of the hon. member for St. Paul's (Mr. Atkey).

Mr. Cullen: I was in the House last night and had the impression that the hon. member for Calgary North was the last speaker. That is why I thought there might be consensus to winding up the debate on the motion. However, I do not wish to speak on that particular motion. I heard the "no" from the deputy House leader and the hon. member for Yukon (Mr. Nielsen), so I will now proceed to the amendment of the right hon. member for Prince Albert (Mr. Diefenbaker).

First, I might say—this has been reiterated over and over again in the House—that there is really no objection to this bill and that which it seeks to do. Last night when the hon. member for St. Paul's was introducing his motion he carefully catalogued all the reasons, or a good number of them, for our needing a bill of this nature, particularly at this time as highlighted by the unfortunate experience of our good friends to the south. In addition to the cataloguing that the hon. member did then, just this morning I received a communication from a lady in my riding who says in her letter:

> Having had wiretapping and bugging done to us, I know what it means.

She goes on to explain the circumstances. Her husband was involved in a car accident. The case that was made against him turned out to be as the result of private conversations they had had in their living room; that was the only place where the particular evidence had been discussed. She was satisfied that they had probably been investigated by a private investigator, that their home had been bugged and their private conversations listened to. This is the tragic part of it. She writes:

> You don't know what it means that they lived your private life with you. This is more than three years ago we found out that this was done, and I still have nightmares. If we want to talk something confidential, we walk the street, for I don't trust anything any more.

This is the kind of impact that wiretapping or bugging has on individual citizens in this country, and we know that it is taking place. So I welcomed it when the minister indicated that he would be bringing in a bill to control this kind of abuse of our civil liberties.

Having said that, I should now like to turn to the kinds of problems that have been raised by the hon. member for St. Paul's, the hon. member for New Westminster (Mr. Leggatt), and today the right hon. member for Prince Albert in the amendment that he is suggesting. I must say, as one who is more than a little concerned about the invasion of privacy, that this is an area that has caused me to do some soul-searching to decide what position I would take with regard to these amendments.

I resented the implication by the right hon. member for Prince Albert that pressure had been brought to bear, or that we had an overbearing Minister of Justice (Mr. Lang), because in point of fact the position taken by the hon. member for Matane (Mr. De Bané) yesterday was indicative of the fact that the Minister of Justice does not take an overbearing or inflexible position, that he recognizes that the hon. member for Matane as a matter of conscience, felt it was necessary to take the position that he took on the amendments introduced by the hon. member for New Westminster.

Mr. Nielsen: The minister is just stubborn.

Mr. Fairweather: Mr. Speaker—

Mr. Cullen: I listened with as much courtesy as I could muster to the hon. member for Fundy-Royal (Mr. Fairweather), and I think he could extend the same courtesy to me. If he has something to say, he might rise and say it because it is difficult for me to make a speech and to answer his questions at the same time. The hon. member has the respect of all members of the House, and if he has something to say I would be happy to sit down and listen to him.

First of all, dealing with the decision that has to be made and the one we are debating at this time in the amendment that has been moved by the right hon. member for Prince Albert, I understand his reason in bringing in this particular motion. It is something that I have considered very carefully. Although I did not serve on the Committee on Justice and Legal Affairs, I read all the evidence very carefully, not only the evidence of the former attorney general of the United States but also the evidence of the police. It seems to me that we concentrate too much on this particular section which gives emergency powers to the police. I think the right hon. member has used hyperbole and ridicule to try to downgrade the necessity for having this section in the bill.

Personally, I think there are enough safeguards. I also feel that it will seldom be used. The minister has indicated two examples, although I suspect he could have given others. But I think what is significant is that there are not many occasions when that power would be used. If we find through experience that it is being abused, then it will be a very simple matter to bring in the amendment of the right hon. member for Prince Albert. But I think it would be premature to do so at this time. It seems to me that by taking away this weapon from the police we are putting handcuffs on the policeman rather than on the criminal.

We have heard it said that it is immoral to wiretap. I agree with that; I think it is immoral. I also think it is immoral for a person to hit another person; yet we know that our police do that in self-defence or when they must use their fists possibly in the interest of protecting another person. It is immoral to use a billy, yet sometimes policemen are called upon to do so. I think it is immoral to carry a gun with the knowledge that at some time it might be necessary to use it. I think it is immoral to speed on a city street, but sometimes a policeman has to do this.

What we have to recognize is that there are situations in which a policeman finds himself when he has to do something that is immoral but which is in the interest of the general public. If we take this emergency weapon away from him, we are saying to him that this is just the first step in a series of steps that will make it much easier for the criminal element to operate in our community. I say this with the following caveat: if our experience shows that attorneys general across the country report that this particular section is being abused, it will be a very simple matter to bring in an amendment to have the law changed.

Mr. Alexander: It will be too late then.

Mr. Cullen: It would be interesting to know the position of those who are in favour of this section if the Minister of Justice had gone along with this amendment contrary to all the attorneys general across the country, because the information I have is that they are in favour of it. They see the need for it; they see the need to give this weapon to the police. As I said before, it concerns me that this emergency power is there, but I can see the need for it. However, if it is abused, then I suggest it will be a simple matter to delete it from the law.

How many times is it going to be used? That is the criterion on which it can be decided whether this power is abused by the police. Second, what are the safeguards? I think the Minister of Justice has carefully catalogued all the procedures that must be gone through before this particular emergency section can be used.

● (1520)

With the spotlight of publicity on the attorney general of a province, who has to get up in a provincial legislature and defend the fact that he allowed the police to use this emergency power, I have the feeling that it will be used very little and there will be little room for abuse by the people who will use it, if in fact it should ever be necessary. The right hon. gentleman, with all his skill and ability, endeavours to kill the bill as a whole by saying that if this particular clause is in it, then it defeats the whole purpose of the bill. I say it does not. The protection is there, but this emergency power is necessary.

What we have discovered is that there is difficulty in drafting the kind of bill that will give the general public the protection we feel it must have. The hon. member for St. Paul's has found that out. With all due respect, after listening to the hon. member for Calgary North I say that if this amendment is carried, and spokesmen for the NDP seem to indicate they will support it, then it will become a defence counsel's dream. It will not be necessary to know the facts but just to argue in law that this clause cannot be made to work.

The hon. member talked about patterns and organized crime and, as he indicated, there is a big enough loophole through which to drive a truck. After this kind of legislation is drafted it is very easy to hold it up to ridicule, as the right hon. member for Prince Albert has done. There is difficulty in drafting anything, Mr. Speaker. I remember that on one occasion I was going to send my son to camp, and a letter came to me from the camp officials spelling out all the things campers could not do and all the restrictions that were placed upon them. I thought the letter could have been better drafted and that possibly my son should not go to that camp because of the number of restrictions.

In this instance we have the draftsmen attempting to do something very difficult, knowing the result is susceptible to the kind of criticism offered by the right hon. member for Prince Albert. With these comments, and the caveat I have filed on my own behalf and on behalf of all hon. members, I conclude that if the clause is abused then the amendment introduced by the right hon. member for Prince Albert would probably be passed by the House; but it is premature to do it at this time.

Mr. Ron Atkey (St. Paul's): Mr. Speaker, at the risk of incurring your wrath I want to take a few minutes to refer to the points raised by the hon. member for Calgary North (Mr. Woolliams). I agree with his suggestion that perhaps the Minister of Justice and the law officers of the Crown might, within the confines of the principle which I have attempted to put forward in motion No. 2, consider the list of offences; and I would certainly be amenable to an amendment of that list if it were found to be advisable to expand it, or indeed to restrict it, to cover some of the problems raised by the hon. member for Calgary North. So I would indicate, for the purpose of the record, my agreement to that particular approach which I believe to be a responsible one.

With respect to motion No. 3 standing in the name of the right hon. member for Prince Albert (Mr. Diefenbaker), I think we have to look very closely at the words of the clause to the extent that powers are given to agents designated by the Attorneys General or by the Solicitor General, and examine the scope of those powers and the extremes of those powers as they may be exercised within the definition of the words of the subclause.

The hon. member for Sarnia-Lambton (Mr. Cullen) has suggested, notwithstanding some difficulties which he has acknowledged, that we would be wise to proceed with the clause and if, as a result of the reporting clauses, the annual reports of the Attorneys General and the Solicitor

General disclosed gross abuses, then of course we could come back and amend the clause to correct the abuses which had occurred.

There are two problems with that approach. The first is that when you are dealing with such a fundamental principle of individual rights, particularly the protection of privacy, sometimes there is too great a price to be paid in saying, "Let us try it. If it does not work, we can come back and correct it." Perhaps the onus should be the other way—let us protect individual rights first, and if there are abuses the other way, we can then correct those. But more important, as I read the words of the proposed new section 178.15, I am concerned that the reports of the Attorneys General and the Solicitor General, made after the event, may not even disclose some of the actions taken by so-called agents under this section, because as I read it the agents who are designated may grant an emergency permit.

There is a requirement that the person granting that permit must forthwith report the full details to the Attorney General or to the Solicitor General. But what does the term "forthwith" really mean? Would it be compliance if the agent reported next day to the Attorney General that he had granted an emergency permit? Indeed, as may be the case, could the agent grant the emergency permit, the tap go on that evening, and it be taken off next morning by virtue of a revocation not by the Attorney General but by the agent himself? And if he were to revoke it after allowing it to be put on for 12 hours, 21 hours, or 35 hours, who would ever know, Mr. Speaker? Is there any guarantee other than the honesty of the particular agent; and there may be hundreds in each province so named by the Attorneys General? Who would ever know that the emergency permit had even been granted? Would that ever find its way into the report of the Attorney General? I have my suspicions, and for that reason alone I am skeptical of the approach suggested by the hon. member for Sarnia-Lambton.

There is one other problem with proposed new section 178.15. We have all talked in terms of the emergency permit being a maximum 36-hour permit. As I read proposed new subsection (3)(b), the time limit is either for 36 hours or, "if, within that time an application for authorization to intercept private communications in the circumstances to which the permit relates is made, until that application is finally disposed of." Take this sequence of events. The agent gives an emergency permit. That lasts for, say, 20 hours. Then, through the agent, an application for authorization is made to a judge. Then that application is adjourned. It may be adjourned for 24 hours, it may be adjourned for 48 hours. Or is it possible that under the terms of this legislation it could be adjourned for two weeks?

It seems to me that under the words in (3)(b) the emergency permit could continue in existence in perpetuity as long as the application for full authorization to the judge is subject to continual adjournments. That is a danger the draftsmen may not have seen when they put this legislation together, but it is yet another difficulty which has incurred the wrath and the scorn of the right hon. gentleman from Prince Albert.

[Mr. Atkey.]

We must seriously ask the question: Do we really need the emergency permits at all? The section providing for a regular authorization provides that the application to a judge need only be ex parte. There is no question of notice to the other side. Of course, the application must be made in writing, but there is nothing to prevent the Attorney General or his agent telephoning the judge and following that conversation up with something in writing. Such document might take the form of a telegram. A written copy could be delivered to the judge.

● (1530)

Certain requirements are set out in the bill; however, if one examines them closely one will find that, as in section 178.12, they are not that onerous. One has to show what is the type of private communication which is proposed to be intercepted. Usually that involves the telephone. One has to show the name and address of the person whose communications it is believed, on reasonable and probable grounds, may assist in the investigation of an offence. If the address is not known, a general description of the place will do; a general description of the manner of interception proposed to be used is all that is necessary. That requirement is not onerous and it could be followed in all cases instead of merely in some cases.

Some members raised the argument about the difficulty of getting to a judge. The right hon. member for Prince Albert told us that under this legislation there will be in excess of 600 judges in Canada who will be permitted to grant authorization. One of the wise amendments put forward and accepted by the Standing Committee on Justice and Legal Affairs in the previous parliament was one which changed the definition of the term "judge", so that the term would include superior court judges as well as county court judges. That included; in Quebec, all general sessions judges or provincial judges as they are sometimes called.

The amendment would mean that in Ontario, my province, we would have available some 32 supreme court judges, some 105 county or district court judges, and ten judges of the Court of Appeal. In Quebec there are, I understand, in excess of 100 provincial court or sessions judges and at present 91 superior court judges. There are close to 200 judges in Quebec alone.

We may have a particular notion about the duties, obligations and responsibilities of a judge. We may think that the dignity of a judge's office requires him to perform his duties only from 9 a.m. to 5 p.m. The office of judge is an office of dignity and tradition. Those of us who have had experience with the bar of our provinces know there are many precedents to show that a judge has signed emergency types of orders at odd hours of the day and night and in odd locations.

Speaking of my province, I know of cases in which judges have signed injunction orders on the docks of their summer resorts on a Saturday afternoon, or have signed search warrant orders at two o'clock in the morning. I have known of injunction applications signed at four o'clock Sunday morning. Judges know full well that when they accept their responsibilities they are not to be judges from nine to five, five days a week; they are to be judges 24 hours a day, seven days a week.

Judges, like any professional group in society, are able to organize their affairs under some sort of roster system, so that a duty judge would be available at odd hours to perform the sort of task which this legislation contemplates. In the normal course, authorization could be granted at odd hours. In our system in Canada there is at least one county or district court judge within easy travelling or communication distance from virtually any part of Canada, and it would not be hard to obtain the sort of legal authorization for wiretapping which this bill contemplates.

Some concern has also been expressed about the emergency 36-hour permit section. Members of the opposition in this House have spoken about it, as well as persons who have had a great deal of experience with the law, with wiretapping and with law enforcement as carried out by the police. In this connection it is interesting to note that on June 8, 1972, the bar association of the province of Quebec expressed concern about this particular section. Indeed, so strongly felt was that concern that the bâtonnier of Quebec bar, Mr. Jean Moisan, sent an emergency telegram to the chairman of the Standing Committee on Justice and Legal Affairs. I want to read part of that telegram, which expresses his views and those of members of the Quebec bar whom he represented. The communication is in telegraph form. I will read the English version, in part, as follows:

—request the removal of clause 178.15. Recommend prior authorization by a judge in all cases.

That, I believe, was an official communication from the Quebec bar association and should be treated with a great deal of seriousness, particularly in view of what has happened in the province in the last year. The concern expressed by the Quebec bar association reflects on the sort of invidious activities which are being carried on by private investigators and police in that province through the use of wiretaps and other means of electronic surveillance. The expression of such concern is not uncoincidental with such activities.

One of the difficulties we shall encounter with the emergency permit section was alluded to this morning by the right hon. gentleman. It will be difficult to determine who is an "agent." The bill provides that an agent is a person so designated by the Attorney General of a province or the Solicitor General of Canada. There is no limitation as to number, as to quality, as to competence or as to location. In other words, the section is wide open. Every police officer, every chief of police, every customs officer, every excise tax officer and every combines investigator could possibly be named as an agent for the purpose of granting an emergency permit under this bill.

You might say that no responsible Attorney General, no responsible Solicitor General, would ever give such wide scope to what is contemplated by the term "agent" in this bill. The only protection provided in this bill was provided by the committee. The opposition moved an amendment under which agents who are named by the Attorney General or the Solicitor General have to be identified and named in the annual reports of the Attorneys General or the Solicitor General. Although this gives us some protection, because at some point we will know who these people are who will be capable of granting an emergency permit or seeking authorization from a judge, it will be after the event, Mr. Speaker, perhaps after the horse has gone and the barn door has been closed—and that may be too late.

It will be of interest to quote from a brief submitted by the Montreal Urban Community Police Department. This brief, which did not find its way onto the record, was nevertheless distributed to members of the committee. It sets out the sort of procedures followed now for the control and conservation of information gathered by electronic surveillance. It speaks of the present practices of the Montreal police and of practices as the Montreal police would like to see them in the future. In part, the brief says:

Any request for a project must be accepted by the assistant chief inspector of each division involved before being submitted to one of the two inspectors who control the use of wiretaps and the routing of the information intercepted. These two inspectors report directly to the Director of the Montreal Urban Community Police.

In addition to them, two captains and a detective-lieutenant have access to this information, along with the carefully selected operators.

● (1540)

There is a system in existence in Montreal. It is not as wide open as I suggest could possibly exist under the terms of this bill. However, it is certainly much more wide open than I would like to see in terms of an Attorney General in his province carefully naming highly qualified, honest, carefully selected agents who would have rather large powers under this bill.

The solution to the dilemma of the term "agent" is to cut down the powers which they can exercise. As the right hon. member for Prince Albert pointed out, the most dangerous power they could exercise would be to grant an emergency permit. An emergency permit could conceivably go beyond the 36 hours if accompanied by an application for authorization to a judge which was adjourned *sine die* or in perpetuity, whatever the case may be.

The Minister of Justice attempted to point out there is some inconsistency in the position taken by a number of members in the justice committee and on second reading in this House. In particular he referred to a number of us, and I include myself, who spoke rather strongly about whether there should be judicial authorization as the primary controlling mechanism for legalized wiretapping under this bill. I admit I was one who suggested the ultimate responsibility for wiretapping should be with the politically elected person, that is, the Solicitor General or the Attorney General. However, I made it very clear that that was the Solicitor General personally or the Attorney General personally, and certainly not his agents as this bill would permit under the emergency clause.

I listened to the arguments on second reading and in committee. I was able to accept the position of the majority of the members of the committee that perhaps judicial authorization, on balance, was the best form of safeguard that we have. Having accepted that, I do not think you can have it both ways. Once having accepted judicial authorization as the ultimate controlling device, you have to go with it 100 per cent. You cannot say we will have a judge in some instances and in other instances we will have the attorney general as the controlling mechanism. It has to be

one or the other. Under this bill, with the existence of clause 178.15 there is a split responsibility which makes a mockery of the general principle which is intended.

I urge all members to consider the necessity, or lack thereof, of retaining section 178.15 in the bill. To use the argument advanced by the hon. member for Sarnia-Lambton, if the police find themselves unduly hampered in their activities, unable to find a judge when they need one and unable to act quickly under the normal sections under which one gets an authorization, let the Minister of Justice come back to parliament with the evidence and an amendment, and we will consider it then. Until that time we must not deprive the people of Canada of the fundamental protection which they deserve, the fundamental protection of a judicial authorization which is the controlling and principal mechanism of this bill.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, after listening to the discussion which has taken place today on these amendments, it is a little difficult at this stage to know to which amendment one ought to direct his remarks. We have been discussing several amendments this afternoon. I am afraid too many members have chosen to emulate the unfortunate example of the right hon. member for Prince Albert (Mr. Diefenbaker) who, in introducing his amendment this morning, ranged over not only the whole of this bill and its amendments but also, unfortunately, over the whole history of civil liberties and the Bill of Rights. I say "unfortunately" because of the selective character of the references which he used.

Let us turn to one of the problems which he raised, namely the serious accusation that the minister and the government generally are trying to bulldoze the committees. What are the facts in this case? The facts are that on most committees, and certainly on this committee, the largest single group of members is composed of members of the official opposition. This is because members of the government party have to use one of their number for chairman. He votes only in the case of a tie. As hon. members know, the chairmen also try to be impartial in all these matters in committee. In this case, the form of the bill before us was carried not only with the support of government members but members of the official opposition.

Let me just recall the statements which several of those members made in committee. On September 18, the hon. member for Northumberland-Durham (Mr. Lawrence), formerly the attorney general for the province of Ontario, had this to say at page 22:

> Just to agree with the minister for a change... there is no question that there are occasions when there have to be emergency measures taken by law enforcement agencies in a matter such as this.

On page 24 of the same day's hearings, the hon. member for Hamilton West (Mr. Alexander) said:

> It seems to me that there should be, and I know there will be, occasions where emergency permits will have to be sought.

The hon. member for St. Paul's (Mr. Atkey) has confessed his own ambiguity on this question. I do not recall how he voted on this in committee, but the fact is this

[Mr. Atkey.]

form of bill was carried at committee stage only with the support of many members of the official opposition.

Mr. Atkey: Mr. Speaker, I rise on a question of privilege. The hon. member has referred to me confessing my own ambiguity on the question. I do not know where he finds that reference or how he makes that assertion. I find his comment infringes my privileges and it is a misstatement of my position. The hon. member knows that I voted in favour of the amendment in committee.

Mr. MacGuigan: Mr. Speaker, obviously that is no question of privilege. Whether the hon. member has been ambiguous is a question of interpretation. I am talking about the various positions he has advanced on this point. The point I was making is that this kind of accusation by the right hon. member for Prince Albert is sheer hypocrisy. He suggested the Minister of Justice (Mr. Lang) has no right to attempt to overrule what the committee has done in one case, and then he himself, with respect to this very amendment, is proposing to amend what a majority of the committee—a majority which included members of his own party—recommended.

Some hon. Members: Hear, hear!

Mr. MacGuigan: Unfortunately, this is not the end of the hypocrisy of the right hon. member for Prince Albert. He is guilty of double hypocrisy. We know that in discussing the cases under the Canadian Bill of Rights he waxed eloquent on the Drybones case and made some comments about the role of the Minister of Justice with respect to that. I noticed that he did not say anything about the Lavell case. He said he would deal with that on another occasion. Many members will be interested in that "other occasion" because it was that case which revealed the apparent bankruptcy of the Bill of Rights which the right hon. member for Prince Albert passed into law in this House some years ago.

Not only is the Bill of Rights inadequate with respect to the provinces but, as the Lavell case shows, it does not even apply to federal legislation so as to allow the courts to strike down such legislation. It is because of these deficiencies that this government for the past number of years has consistently been trying to persuade the provinces to agree there should be a constitutional Bill of Rights. Perhaps there are not enough provincial Liberal governments! The right hon. member for Prince Albert is guilty of twofold hypocrisy in coming before us to speak on this bill. Those who live in glass houses should not throw stones. The glass of his house has been shattered today by his own stones.

● (1550)

The basic question in this case is whether we ought to recognize emergency cases and whether there should be a mechanism to deal with them. Many members of the House, in all parties, if one takes into account all the statements which have been made on this bill, have admitted that such situations arise and that a provision such as this is necessary. That is the basic question with which we are confronted. The Minister of Justice (Mr. Lang) has persuasively argued that in the absence of a provision of this type the police forces of the country would be on

occasions hamstrung in their attempts to deal with criminal elements. That is essentially the case to be made on behalf of the bill in its present form.

The amendment goes much too far. Argument might be advanced as to whether permits should be issued by an agent or not, but should not go as far as the right hon. gentleman has proposed. The arguments he puts forward are nothing but a sham and hypocrisy. There can be no other course but for the House to support the bill as it stands before us.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I had intended to remain silent and enjoy the debate this afternoon until an attack was made on the life's work of the right hon. member for Prince Albert (Mr. Diefenbaker) by a lawyer whose acquaintanceship with the practise of law, as compared with the right hon. member for Prince Albert and his experience of the courts, can only be called scant. It is interesting that with respect to the services of the right hon. gentleman to the people of Canada, the criticism of that service and the criticism of the things he has done in the name of justice should be made by a member of the bar who, if I may put it frankly, in terms of service is not worthy of being a pimple on the neck of the right hon. gentleman.

Mr. MacGuigan: I rise on a question of privilege. The hon. member is missing the point. I am not relying on my own opinion to attack the right hon. member for Prince Albert. I am saying that the Supreme Court of Canada has made this judgment on his life's work.

The Acting Speaker (Mr. Boulanger): Order. I should like to remind hon. members that we are debating motion No. 3. If the hon. member for Grenville-Carleton (Mr. Baker) wishes to speak on that, the Chair will be pleased to hear him.

Mr. Baker: If I may say so, and I will leave the matter at this point, I think it is important that everyone should remember that this attack was made on the right hon. member for Prince Albert while he was not in the chamber.

An hon. Member: He walked out.

Mr. MacGuigan: On a question of privilege, Mr. Speaker, when I began speaking the right hon. gentleman was in the House. As I was speaking, he walked out.

The Acting Speaker (Mr. Boulanger): It is getting close to four o'clock, and no doubt hon. members are anxious to proceed to the private members' hour. However, I think we should remain in order and resume consideration of motion No. 3.

Mr. Baker: I am coming to that. The fact that the right hon. gentleman left the House may be some indication of the quality of the speech made by the hon. member for Windsor-Walkerville (Mr. MacGuigan). I think it is important we should not allow the spirit of the amendment we are discussing today to be submerged by the catcalls, by the personal attack and, indeed, the personal vendetta—

Some hon. Members: Oh, oh!

Mr. Baker: —being carried on by members of the House who sit opposite, behind a Minister of Justice (Mr. Lang) who stands against the principles set forth in the amendment put forward by the right hon. member for Prince Albert. The principle is sound. Perhaps I may state it simply so that even some members on the other side can understand, if they refuse to read.

No person, no organization, no police force, no agency, public or private, shall have the right, in the event of an emergency whether real or imagined, to interfere with the privacy of any citizen unless that interference is sanctioned by the courts and under due process of law. If there is anything wrong with the principle which has been advanced by my right hon. friend, then there are many men and women in the country and in this House who cannot agree with those who find it is wrong in the seventies to live by the rule of law.

Mr. Speaker, may I call it four o'clock?

* * *

BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, there is a question regarding House business which was left undefined. Is it the intention of the government to go ahead with this measure, which seems to be taking on a long-term aspect, or switch back to some other piece of legislation on Monday?

Mr. Lang: There have been some discussions, Mr. Speaker. We propose to continue with the Foreign Investment Review Act on Monday in the hope of completing third reading that day, and then continue with the measure presently before the House. We plan to proceed with the protection of privacy bill on Tuesday in any case.

[*Translation*]

The Acting Speaker (Mr. Boulanger): Order. It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills and private bills.

[*English*]

PRIVATE MEMBERS' MOTIONS

SOCIAL AFFAIRS

SUGGESTED NATIONAL RECREATION POLICY

Mr. Stan Schellenberger (Wetaskiwin) moved:

That in the opinion of this House the government should give consideration to the sponsorship and financing of a national recreation policy, in conjunction with the provinces and municipalities, to the allocation of responsibilities for recreational programming, to the determination of land use and to the encouragement of all aspects of recreational development by local citizens under permanent, federally-assisted programs.

He said: Mr. Speaker, I am encouraged to see so many members in the House this afternoon. Perhaps this is an indication of the way in which hon. members approach the subject of recreation, deeming it to be one of great impor-

tance, and perhaps they will join with me in seeking to determine a national recreation policy.

● (1600)

This country is presently in the throes of a national energy crisis, a crisis that did not appear out of nowhere as the government would like us to believe. Had we had a national energy policy some years ago, we would not now face an energy crisis because our plans would have been made a long time ago. The provision and maintenance of recreation requires the same sort of planning. Recreation needs a long-term plan which the federal government should have initiated some time ago. The federal government should establish, in consultation with provincial governments, municipalities, civic officials, and so on, a conference—which we might call a multilevel conference since we have heard of such things as trilevel conferences—to determine ways and means of arriving at a national recreation policy.

I am not exaggerating when I say that the problem of providing recreational facilities in this country has now reached crisis proportions. We as legislators are helping to thrust Canadians into a society of leisure. We are looking forward to 35 or 30-hour work weeks, to working just three or four days in the week. This is why we must be prepared for the dramatic change that this will bring in our lifestyles.

At the local level, whether it be village, town, city or county, the biggest recreational headache is the financing of recreational and leisure projects. The federal government does make available through Recreation Canada grants to various native groups and to other national agencies and associations. However, I have found it virtually impossible to obtain federal grants for my constituents for the purpose of subsidizing the capital cost of a recreational centre, arena or gymnasium in our community. No money is available to them through LIP or OFY, because they find their applications for grants are too capital-oriented and not labour-oriented. This is why, more often than not, applications are rejected. These people are looking for a grant to finance a capital project. In case they are unable to realize the required amount of capital, they want a long-term loan or grant of some sort to help them construct roofs, walls and to buy ice-making equipment.

Having talked to a number of recreation directors in Canada, I find they look for two things. Firstly, they would like a long-term loan at low interest. Secondly, they would like a grant, not simply for capital structures but also to cover the first one or two years' operating expenses. One of the biggest problems when a project gets off the ground is finding money for operating expenses for the first two years until sufficient recreational programs are established to provide the necessary revenue.

I am fortunate to come from a province that is somewhat enlightened now it has a new administration, the Lougheed administration. The province has recognized this problem and is now making available certain capital works programs and grants to communities which would otherwise go without such arenas. However, I have found that they have had to make application to the Department of Agriculture. I recall working very hard this winter for

[Mr. Schellenberger.]

the town of Spruce Grove which wanted to build an arena and swimming pool, but the only way they could get a long-term loan was to go through the ag society of the Department of Agriculture. In return they have to put on an agricultural fair once a year. They are willing to do this and will do so, but it does not seem fair that they have to go to the Department of Agriculture for a loan to build recreational facilities.

I should also like to point out that in 1971 the federal government provided the provinces with $7.4 billion for education costs. In 1972-73 this figure increased to $8.8 billion. If these funds are used for capital construction of school buildings, surely the federal government should stipulate that the gymnasium be a multipurpose structure. My community of Spruce Grove adopted this policy, and it is a very revolutionary type of project that I hope will be used all across Canada. The townspeople constructed a community hall in the school itself. The school gymnasium is used for recreational purposes and at the same time is a town hall complex. The building is a school from six in the morning until six in the evening, and then from 6 p.m. to 6 a.m. it becomes a community building and is used by the townspeople for recreational purposes, dances and what have you. In this way we will not have facilities standing empty all across Canada. I think this is a very important improvement and I hope that in some way this kind of stipulation can be made when granting a loan.

Not included in these selected few are the poor people or the near poor. For them, enforced idleness or meaningless work at low wages or low returns is not recreation. The affluence of contemporary Canadian society may be slowly spreading to more and more Canadians, but it still appears that from 20 per cent to 30 per cent of Canadians find recreation a distant concept. They may have idle time or they may not; but for millions, after providing for food and shelter and for the maintenance of their health there is not enough disposable income to give them even basic satisfaction, let alone any hint of leisure.

I was talking to a recreation director in Nova Scotia, in the town of Yarmouth, who said that they had found the only way to get the poor people in that community into some recreational activity was by personal intervention. But there was only one recreation director in the whole area, and it was virtually impossible for him to establish some kind of personal rapport with the people and encourage them in some recreational activity. I suspect that, again, financing is required to bring more recreation directors to the areas where poor people live.

To my mind, one of the best ways to encourage, not just the poor but all Canadians to make the optimum use of their leisure time is to create a feeling of pride in our outstanding athletes and international competitors. Pride in these athletes will most certainly create an incentive for individuals themselves to become involved. In the past we have been plagued by generally poor standards of performance in international competition. I can think offhand of only two or three athletes, such as Bruce Kidd and a few very good skaters, who have reach world fame in the athletics field. One of the major causes of the problem has been lack of good coaching in this country. John Hudson, one of Canada's few outstanding coaches, recently stated:

There is no question that we have many excellent coaches in some sports, but there are usually, at the most, only one or two international-calibre coaches in any one sport. To show significant improvement in the standard of coaching in Canada, we must have an infusion of knowledge and experience into our system. Where do we get it and how? There are many arguments for and against importing coaches. In my opinion we have little choice but to import coaches if we want to turn our system around and start showing some results.

● (1610)

Foreign coaches can provide several immediate benefits which would take us many years to build into our system, and even then it would be difficult without outside help. Most foreign coaches have superior knowledge because they have an education system designed to teach coaches—

That is the important point; they have an education system which is designed to teach their coaches. He goes on to say:

—we have a few scattered courses, but no over-all system at present. In Europe, for example, it is possible to study for a PhD. in sport coaching.

In Canada, our attitude toward athletics in the educational process is simply not adequate. Simon Fraser University stands as the only post-secondary institution in this country which offers athletic scholarships. Many hundreds of our best athletes annually make the trek south to United States universities. These are not aspiring athletes necessarily, but aspiring scholars as well. Because of our inane attitude here in Canada, we have many students going to the United States who never return.

There is a program which has just been started at a few progressive universities in this country which gives people a bachelor's degree in recreation administration. But there are only three universities involved in the program—the University of Alberta, Simon Fraser and Waterloo. Even in respect of this program the administrations must fight for money because this is not a faculty in itself but part of another faculty. This is an area in which I think the federal government should give some encouragement to award either athletic scholarships or to encourage recreational programs in our universities.

Our lack of planning in the past, and perhaps our lack of planning in the future—I hope that will not be the case—puts serious restrictions on the full enjoyment of our leisure time even for the most affluent members of Canadian society. Let me give a few examples. First, space reservations for recreation are generally inadequate for our present population and there is bound to be a serious shortage of space in the more heavily populated regions of Canada. Second, there is no effective, co-ordinated joint federal-provincial regional planning to ensure a concerted and systematic attempt to remedy these problems. Third, it is reasonable to expect that by 1980 the average work time will be 10 per cent less than now—and we have not accepted that possibility. Fourth, in the early 1960s the urban area available for public recreational use such as parks, golf courses, swimming pools and playgrounds ranged below 10 per cent. Looking ahead to the 1980s, it appears that in spite of increased numbers of residences and the possibility of higher population densities in our cities, the land use ratio will be altered little, if at all.

Finally, there is the old problem of a government caught within a jungle of legal and administrative machinery of great complexity, and this is worsened by lack of national appreciation of the real need for a federal recreation policy. The shortage of adequate parks and recreational resources within urban areas continues to be a serious concern to most urban municipalities. The planner lacks an adequate system with which to justify the acquisition, preservation and retention of recreational areas in face of the pressures from the diverse urban forces seeking and competing for open space. The best use for land is too often dependent upon economics and not on the intangible values of space for the sake of space.

Lands for recreational use are in ever-increasing demand. Probably the best indicator is the tremendous increase shown in all forms of outdoor recreation in the past seven or eight years, along with the great increase in attendance at national and provincial parks. Statistics indicate that in 1952 there were 2.5 million visitors to our parks. In 1962 the figure had more than doubled, to 7.5 million; and the latest figures for 1974 indicate more than 14 million visitors.

The BNA Act gives control of natural resources, hence land, to the provincial governments. At both the provincial and federal levels, legislation has tended to promote a split between park and recreation, thereby interrupting acceptance of the similarities existing among programs, services, planning and development. During the debate on Bill S-4 many members, including myself, made reference to national parks for recreation, or national recreational parks. The hon. member for Brandon-Souris (Mr. Dinsdale) said in his speech:

I had hoped that long before now there might have been an attempt to implement a definite policy in respect of recreational parks.

I think this is important. This is the way the federal and provincial governments could organize recreational parks close to urban centres, with recreational directors, in order that people could get out and find some breathing space, rather than having to fly to another country or drive hundreds of miles to a national park.

The goals and objectives of leisure and recreation go far beyond the interest and authority of the federal government's Recreation Canada program. Participation in any effective program of recreation will include not only the National Council on Fitness and Amateur Sport and other offices of the Department of National Health and Welfare, but also such agencies as the Canada Council, the CBC, the National Film Board and government departments such as the Department of the Secretary of State, the Department of Urban Affairs, and the Department of Indian Affairs and Northern Development.

I am convinced that at the administration level much of the frustration, the lack of direction and the inability to obtain adequate tax dollars for recreational programs and physical fitness development are linked directly to a serious lack of understanding of the role and function of leisure time and recreation. For a start, I would propose two very inexpensive projects. The first would be that all government departments simply "think recreation". If an attitude of this type were adopted, I am sure we would all be surprised at the number of beneficial changes that would result from small and inexpensive measures. Secondly, I would like to see a recreation co-ordinator appointed to advise and direct a government "think recreation" program. He could consult with the provinces, municipalities, towns and cities in order to co-ordinate

recreational programs. Perhaps we should even have a ministry responsible for such things as culture, youth and recreation.

The federal government should make available opportunities for the satisfying use of free time. It should provide and protect environmental resources and sponsor research programs to provide an integrated data bank to assist in planning, and provide trained personnel for leadership. If the federal government were to provide the active resources necessary, then we would be well on our way toward satisfying the leisure requirements of this country. I must emphasize that this could become a crisis situation in the future, and I hope we will immediately get on with such a policy.

● (1620)

Mr. S. Victor Railton (Welland): Mr. Speaker, I do not know why I was chosen to speak on recreation, because I have had very much since becoming a member of parliament. We must realize that there are many kinds of recreation. There are also many opinions about recreation. I was just telling a brother member and colleague that I thought when we had duty days we should make sure there are plenty of cribbage boards in the lobbies. I am sure the quality of the speeches in the House would improve—certainly it will after I have completed this one.

A recreational policy for the whole of Canada is a very huge project. In fact, the whole question of recreation possibly could be defined into so many aspects that I do not see how in the world a national policy could really be stated. In my opinion, things like petroleum, forests and railways, and so on, are fairly definable. We can outline the objectives and possibilities in respect of them. In the case of recreation, however, except to say generally that everybody should have recreation of some kind it is almost impossible to group the different kinds of desirable recreation, let alone undesirable recreation, in one big basket or bag.

As hon. members know, the Minister of National Health and Welfare (Mr. Lalonde) has been a great advocate of physical fitness. The Government of Canada, through several departments, has backed projects such as Sports Canada and Recreation Canada. I could give a list of dozens of things that are being done. The objective of the fitness and amateur sport branch is to encourage, develop and promote fitness and amateur sport. Grants are given to national agencies and associations so that they may offer programs and leadership training.

Through this program, assistance is given to the province. There are leadership training clinics and skill development classes. The branch assisted the Indian organization. It brought a group down to Hamilton a year or two ago for a big hockey gathering. There is a fitness program in Canada. Sport Participation in Canada is a private, non-profit organization which attempts to motivate Canadians to perhaps more physical activity. I have more, similar information here but I do not intend to bore hon. members with a list of things that are going on.

From the standpoint of national and international competition, we realize that our athletes are under some handicap in getting into a position where they can compete successfully in worldwide competition. This is the reason we encourage and support functions like the Canada Games and the summer and winter games. It is the government's policy to support organizations so they can take part in these games. I think this is the only way in which we can develop athletes of a calibre comparable to athletes of other countries. This also applies to the Olympic games. We have had world champion skaters. We have on the opposition benches a well known competitor who was a world champion in figure skating. I think also of the Magnussen girl from the west who carried the laurels of Canada to first place in world competition. We have a few of this type. I remember that some years ago we were so proud of a girl from Fonthill, near Welland—Marlene Stewart, who was a golf champion.

An hon. Member: Don't forget the hon. member for High Park-Humber Valley (Mr. Jelinek).

Mr. Railton: I mentioned him, but had forgotten his riding. We cannot forget when our national hockey group defeated the Russians. There is no doubt, when one looks at the Russians, that they are a wonderful group of skaters, stickhandlers, bodycheckers and are very well trained. Had it not been, I suppose, for the old fashioned chauvinistic spirit that the Canadians achieved, they might have been beaten. We do not need to kid ourselves that it was because of the superior athletic condition of our team. It was because of their spirit. That is one thing I think may still survive a little better in a democracy: people do not regard a hockey game, even if it is a championship game, as a science or a job but as a means of doing something for the people they represent.

I am being diverted by a sign which is exhibited in the House, I believe rather illegally, which attempts to get my support for a certain team from west of the Ottawa line on Sunday. I can only say I have put my money on Ottawa.

To return to the subject of physical fitness, what is being done in respect of the Canada games and Canadian athletes, and what is being done in trying to coach teams in various sports in order to help us in the Olympic games, is a small part of the total over-all Canadian policy in respect of physical fitness. It is the feeling of the government, and I support it, that most Canadians are overweight. I shall not say how much. We have certain nutritional deficiencies. We have improper diets. In most of the improper diets the big thing is that there are too many calories and not sufficient vitamins and special trace elements, and so on. However, there has not been a worldwide, comparative study done and therefore I would venture to say that most Canadians, in spite of some of the deficiencies mentioned, are about as healthy as people in the rest of the world. An attempt to maintain a proper weight level will improve an individual's health. While we are on that subject I should like to point out that this is not the only way in which people can remain healthy. We must remember that we cannot make everybody healthy just because they have the proper exercise and diet. This is only a small part of the total health expenditure we are making. We must maintain our ability to treat disease, because most diseases are not amenable to prevention by this means.

• (1630)

On the other side of the coin, we come to the matter of recreation itself. As I said before, I think recreation should be spontaneous. It is almost like charity: it should begin at home. I think that recreation should not only be physical recreation or outdoor recreation but should also include the mind and the emotions. I am not so sure that lack of physical exercise has been as important a component in the mortality of Canadians as has emotional illness due to lack of sensible recreation. I think that most people work too hard, probably drink too hard, and play too hard. Everything they do is with a strong drive; many people never know how to relax.

I am sure there is more heart disease and gastrointestinal disease, such as ulcers, caused by emotional disturbances—this twentieth century syndrome—than by lack of exercise. I can think of people like my grandparents, who both lived to be 85 or 90 and yet they had no set way of exercising. They were farmers and they worked until they could not work any more. But they rather enjoyed it and they had a lot of fun in between their chores. I think it is important that recreation of an emotional nature go hand in hand with recreation of a physical nature. I am not too sure that all the joggers are still jogging.

On the other hand, I think it is important to realize what was brought out by the hon. member for Wetaskiwin (Mr. Schellenberger). It is by no means something we should throw aside. The value of land management and of our parks, municipal, provincial and federal, cannot be exaggerated. In my city of Welland we are pretty proud of the fact that we have 17 municipal parks. One is known as the Rose City simply because there are some people who are very fond of gardens. Parks should not only have swings, pools and baseball diamonds: I think they should contain, also, a great many quiet and beautiful walks and gardens with flowers and shrubs, because we need the beauty for our souls as much as we need physical exercise.

We have plans also, if we ever get our government to come to a proper conclusion for the city of Welland, to border the three miles on the north side and the three miles on the south side of the old canal with parks and recreational areas. It will probably be one of the most fortunate cities in Canada if this is done, because it had to go through the disruption and misery of a huge construction project when the bypass was built. It took from 1966 until the present year to complete it. Please forgive me for that reference to my own riding, Mr. Speaker. However, what is important about parks is that Canada has a great many of them and they are being used all the time. I will never forget the great recreational and physical enjoyment—I say that with tongue in cheek—of going through Algonquin park with my family many years ago, carrying two waterlogged canoes and a great deal of equipment. I am sure this was for my benefit, but if I had had heart disease I am sure it would have got me then.

The other point I should like to make about parks is that although they are wonderful for canoeists and for people who like outdoor recreation, in fact they are being used by a great many Canadians. The hon. member for Wetaskiwin told us how many people are using the parks; the figure is in the millions. But let us not forget that apart from the 30 per cent of Canadians who use them, there are 200 million people from south of the border who use these parks and are glad to use them because both in our summers and in our winters they can be used for recreation by the Americans as well as by our own people.

The reasons put forward by the hon. member who put forward the motion for the desirability of parks were very good; however, the only thing I would question is the practicability of creating a national policy to cover recreation. I do not see how we can help using all the departments of the government for everything from agriculture to urban affairs—but is there any way in the world in which we can separate all the aspects of this motion and put them under one ministry? It would be much too chaotic if we did so.

That is all I have to say, Mr. Speaker. I would just like to add that it was very good of the sponsor to bring in this motion. It makes us all think. However, I do not think that a national parks policy for recreation is practical at the present time.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in my view the hon. member for Wetaskiwin (Mr. Schellenberger) has placed before the House a good idea. With reference to some of the things just said by the hon. member for Welland (Mr. Railton), I think I could point out that the mover of this motion does not ask that we be programmed to death, that we all find our recreational outlets in the same way. But having in mind the increased importance of what we do with our leisure time and the importance of our resources being made available to meet the need of people of all ages, I think a motion such as this should be passed.

I am the third speaker, and with some reservations on the part of the second speaker we all seem in agreement with the motion before us. So why do we have to indulge in this Friday afternoon recreation of talking the motion out? Why do we not just admit that it is a good idea and that the House would like to express itself in favour of the motion, and let it pass.

Some hon. Members: Hear, hear!

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker—

Some hon. Members: Filibuster.

Mr. Cullen: It is always a pleasure to follow the hon. member for Winnipeg North Centre (Mr. Knowles). I remember that in the last parliament we had many good debates during private members' hour. I think the presence of the hon. member lends a certain amount of prestige to this hour, which I feel is an important hour in the week. Where we do not share the same point of view is that the hon. member in every other debate seems to be quite prepared to talk on and on and have the debate well and fully heard, yet each time he comes into private members' hour we find him trying to limit the time of debate before members who want to speak on important motions have had an opportunity to rise and put their views on the record.

I might say to the hon. member for Athabasca (Mr. Yewchuk) that I heard him on the radio this morning, and I am sorry I did not have the opportunity to cross-examine him on some of the views he was presenting. I think he

was carried away by the fact that he was on the radio at 7.30 in the morning. The fact that I was up at that hour may be significant, too.

• (1640)

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

Mr. Cullen: With all respect, the hon. member is not in his own seat. As the hon. member for Winnipeg North Centre said, the motion presented by the hon. member for Wetaskiwin (Mr. Schellenberger) is an important one. But, like all of us who present motions and bills during private members' hour, he has failed to pinpoint precisely what he wants, to indicate what it would cost the taxpayers and how the money would be distributed if a national recreation policy were implemented.

To defend such a motion it would be necessay to know precisely what the hon. member has in mind and what kind of money he is recommending should be spent. If we went back to our constituents and said, "Yes, I was for that motion. I supported it in private members' hour and I will support it in committee; but I don't really know what it is going to cost," that would be an irresponsible attitude on our part. When presenting such motions hon. members should give some idea of the avenues they are travelling.

Mr. Yewchuk: What is the wiretapping bill going to cost? You are supporting it.

Mr. Cullen: Yes, I am supporting it. The hon. member may be now in his seat, although that is difficult to know. I say the privacy of the individual should be protected, but there should be emergency provisions. Apparently, this member of the Conservative Party does not seem to think the motion presently before us is an important one when he attempts to sidetrack me like this. I say it is important and should be considered.

Had the hon. member for Wetaskiwin built his motion around one particular point, university athletic scholarships, then we would have a better idea of what he intended. I remember some of my high school colleagues who may have been somewaht mediocre students, just able to get through Latin and English grammar, yet who were whizzes on the football field, the basketball court or in swimming matches. They had no other encouragement than that of trying to make the school team. But when they finished high school they really had no chance to make their living in football because there were no scholarships for that; thus they were denied expert training. Any who wanted to continue in athletics had to go south of the border. I commend Simon Fraser University if it is providing athletic scholarships.

This is an area where the Minister of National Health and Welfare (Mr. Lalonde) should get together with provincial ministers of education and look into the possibility of funding such college scholarships. They would know how many colleges there are in the country and could decide on the criteria for athletes to attend them and receive scholarships.

The hon. member for Wetaskiwin also spoke about importing coaches. I do not know why we seem to be loath to do that. The Canadian Legion showed the way some years ago when it brought an internationally respected coach to Canada from Great Britain to coach Canadian teams and assist Canadian athletes to develop. It was just one more indication of the kind of service provided by the Legion that all too often is forgotten. People sometimes think of legionnaires getting together to talk about the war, and do not realize that the Legion is giving leadership on a national basis to develop athletes and improve our showing in international competition. I salute the Legion for that. And the Legion does not simply focus on the national scene. I notice in many leagues the names of teams such as "The Legion" or "The Legionnaires," and we all know where the money to support them originates.

The hon. member for Winnipeg North Centre struck a nerve when he indicated that he did not want to see us programmed to death. This is not unlike going to a summer resort, where you swim when you want to, rest when you want to and read when you want to; but the resort has an athletics director who insists that you go for a swim before breakfast, that you have a run after breakfast, who tells you what you should eat for your meal and in effect tells you how you should be enjoying yourself on a holiday that you yourself selected long before you met him.

I do not want to speak at length because I know there are others who wish to speak on this important motion. But once again I say to the hon. member who sponsored it that I would have been much happier if he had confined himself to a particular area and indicated whether he thought funding should be made available for athletic scholarships and the importation of coaches, or for the establishment of recreational centres in large or small communities, or whether he feels more money should be made available to Sports Canada. There are many such areas in which the federal government is participating at the present time. As a result of the study which he must have made before presenting this motion, the hon. member should have said in which areas he felt the federal government was not going far enough or where he felt some program could be dropped.

Sarnia produces some pretty fair baseball players, Mr. Speaker. This may be because it is close to an international border and local teams compete against Americans who are probably the best baseball players in the world, ahead of the Japanese and the Canadians. As a result, Sarnia produced a team that won two national championships. In this area, the federal government did not make money directly available to the Sarnia team or the Kitchener team, but it did say to the national organization, "We will make 'X' number of dollars available to you and you will spend that money as you see fit, either to send the team from Sarnia to where the championships are held or in some other manner. You will decide whether the money is to be divided among senior and junior competitors." This is the only fair way in which the federal government can become involved in that kind of program.

Mr. Speaker, I see there are members on the edge of their seat anxious to participate in this debate; therefore I will conclude my remarks at this point.

Mr. Judd Buchanan (London West): Mr. Speaker, I am glad my colleague noted the anxiety with which I was sitting on the edge of my seat. To discuss a national recreation policy such as the one proposed by the hon.

member for Wetaskiwin (Mr. Schellenberger) it is necessary to define "recreation" with some precision, or to qualify it in some way, for example as outdoor recreation. Even that qualified expression is capable of covering snowmobiling to wilderness hiking, active team sports to passive enjoyment of the countryside, urban playgrounds to wilderness parks.

Policies exist for federal involvement in many areas of outdoor recreation, but the diverse and often divergent needs of many of the activities which comprise recreation are not amenable to a single policy statement. Recreation does not result in a service whose goals can be specified, except perhaps in the level of personal satisfaction to each participant. All levels of government have a range of responsibilities in the field of recreation. These responsibilities have been developed in tune with the growth in demand for recreation of all kinds during recent years. Many of them are exercised autonomously by municipal and provincial governments without any involvement of the next senior level of government. These responsibilities and powers and their autonomy must be respected in the development of any federal policy.

● (1650)

In order to meet this primary requirement, a comprehensive policy would probably emerge as being so general as to be without a great deal of value. Recreational programming and the determination of land use are very clearly areas of provincial responsibility. Although several federal departments have developed excellent working relationships with the provinces for recreational activities, there is no evidence that such basic matters as these would be willingly modified by the provinces in the interests of a national policy.

The federal government has a number of policies and programs which apply to specific aspects of recreation and which have been tailored to meet the special needs of each activity. Not only are some of these programs federally assisted but many of them are federally administered. National parks, canals, small craft harbours, historic sites, some wildlife refuges and interpretation centres are among this group.

There are two components to recreation—the allocation of space and resources and the participation in recreational activities as part of our social structure. Assuming that participation will follow Parkinson's law and expand to make maximum use of land made available, the real interest of government is one of space and programs to ensure wise and skilled use of the space by a trained or at least an understanding public. In Canada, the consideration is complicated in the case of those recreational activities which attract tourism. The vast market of 200 million mobile citizens of the United States places powerful demands on Canadian resources. In 1973, slightly more than 30 per cent of the visitors to Canada's national parks were not Canadian residents. This larger market may well contribute tourist dollars to Canada but they also make the resources of a system serving 22 million Canadians distinctly scarce.

The implication of the hon. member's motion, that there is a void where there should be a policy, is only valid if we consider the whole unwieldy package of recreation. There are a number of policies and agencies of the Government of Canada which have jurisdiction over parts of the proposal. The total of these, properly co-ordinated to have recreation recognized as an integral component of our total land use allocation and social and cultural plans, has the potential for creating a comprehensive response to the variety of recreational demands than a national recreational philosophy requires.

I would like to review the involvement of several federal departments in the development of recreational policies.

Mr. Atkey: You are against progress.

Mr. Buchanan: Never. In each department, the thrust is to develop policies which can be used to handle specific issues and involvement of the federal government while giving full recognition to the autonomous roles of both provincial and municipal governments. The Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mr. Marchand) pointed out in this House when speaking on second reading of Bill S-4 on November 2, 1973, that the philosophy of the National Parks Act is that of conservation and recreation. Conservation takes priority, as it must if Canada is to have special places to recreate.

A co-operative relationship with the provinces has developed to serve Canada's parks' responsibilities. Last year a new dimension was added to those responsibilities when the government approved the byways and special places program which provides for a number of new federal initiatives in the protection of our natural and cultural heritage while providing a whole new series of themes which will serve recreational needs. The introduction of national marine parks, national landmarks, national wild rivers, national historic land routes, national historic waterways and scenic and historic parkways provides a diversity of federal involvement and offers an encouragement to other levels of government to consider the advantages of an integrated, Canada-wide parks network. In announcing this new direction, the minister laid special stress on the need to develop these initiatives with the provinces as part of a truly Canadian parks system. The department is now preparing to enter discussions with all the provinces to explore the potential of the program.

To an increasing degree, Parks Canada is extending its traditional concerns. Its newly assumed responsibilities for the historic canals has led it into negotiations with Ontario to find a means of co-ordinating federal, provincial and municipal programs to develop the tremendous asset of the Rideau and Trent-Severn waterways so that it meets the many and varied needs of a population searching for more recreational opportunities. As a result of a co-ordinated program of development in the Halifax-Dartmouth waterfront area, several islands which are federally-owned but surplus to current federal needs are to be used for recreational development of benefit to that region.

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Paproski: Question.

Mr. Buchanan: Appropriate ways are being sought to provide recreational activity in urban population areas.

Mr. Paproski: The government is against health and recreation and has no ideas or policies on the subject.

Mr. Buchanan: Here the byways and special places program may go some of the way to increase the Parks Canada involvement—perhaps by the assumption of responsibility in areas which relieve provincial agencies of high priority programs in rural areas, and give them the opportunity to redirect priorities to the urban centres.

Mr. Bell: You are against the high cost of loving.

Mr. Buchanan: Against the high cost of loving, that is correct. But the Parks Canada activity is concerned primarily with the provisions of outdoor recreation space and is by no means the only federal program involved. At least four other departments have programs directly relating to the supply or use of recreational open space. Their programs are co-ordinated by interdepartmental committees, and consultation is active. Because of the nature of land and the nature of recreation, each program needs its own policies and its own means of implementing them.

The Department of the Environment has in the "Canada Land Inventory" classified much of Canada's land mass for its recreational capability. This inventory is widely used for recreational land assessment by both federal and provincial agencies. The department has a component directly related to recreation and open space research with particular concern for the environmental impact of recreational activities. Its fisheries service has a great deal of impact on recreational fishing.

Some hon. Members: Question.

The Acting Speaker (Mr. Boulanger): Order, please. The time provided for the consideration of private members' business having expired, this House stands adjourned until two o'clock Monday afternoon.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

END OF VOLUME VII